

Biolight AB (publ)

Interim report January 1 – March 31, 2009 (NGM: BIOL MTF)

- Sales for the first quarter 2009 were SEK 773 thousand (684).
- Net operating loss for the first quarter was SEK 2,551 thousand (-3,216).
- Loss per share was SEK 0.26 (-0.34), and SEK 0.26 (-0.34) after full dilution.
- A new share issue was completed in April. It was oversubscribed, providing the Company with SEK 5.7 million before issue expenses.

Sales

Sales in the first three months of the year were SEK 773 thousand (684).

Comments on sales

Since 2007, when Biolight started focusing on the equine sports market, sales as well as the number of clients in this market have been gradually increasing. The greater part of the Company's sales in this quarter come from this market segment. In the wound care area, the Company is focusing on carrying out its clinical diabetes study, and even though sales efforts have been limited, a certain increase in sales has been achieved.

Considerable delivery delays in connection with the migration to our new production unit reduced the Company's sales and delivery capacity at the end of 2008 and the beginning of 2009. These problems have now been solved.

The wound care market

This market has developed best in North-west Skåne, above all in Ängelholm, where Biolight is used on a regular basis as a treatment method for slow-healing sores in various municipal care units, as well as at the hospital owned by the county council. One Swedish private care company has rented several devices in order to evaluate whether or not to implement Biolight as their standard method for treating wounds. The evaluation is expected to be finalized in the 3rd quarter 2009.

A major clinical phase III study on the treatment of diabetic foot wounds commenced in August 2008. We expect this study to be completed in the first half of 2010. Some of the clinics involved are among the foremost in the world in this area.

More than 1,000 Swedes are forced to undergo amputations each year due to diabetic foot wounds. The total costs involved are estimated at over one billion SEK. A significantly faster healing of diabetic foot wounds ought to obviate a large number of amputations. Provided the results from this major clinical phase III study are in line with the results from previous studies including fewer diabetes patients, we will intensify our efforts in the diabetes care segment.

The equine sports market

We have been working the Swedish and Norwegian equine sports markets for over a year now. In addition to a large number of individual horse-owners and amateur riders, the Scandinavian market is composed of thousands of competitive actors, mainly participating in horse-jumping, dressage, harness racing, galloping and three day events. The Company has previously concentrated its efforts on working the competitive actors within equine sports, and last month the Company launched an information campaign aimed at the commercially strong horse racing segment. This focused effort, together with the promising treatment results, has generated an increase in demand. We have recently launched a new web site, www.biolight-horses.se, aimed at people who are active in equine sports.

To obtain optimal treatment results in different application areas, customised training programs have been developed. A three-day course was arranged at the end of last year, and the participants were awarded a Biolight User Diploma. In 2009, further diploma courses will be arranged, and there will also be supplementary courses for those who wish to become Certified Biolight Users.

Biolight users have experienced a significant reduction in healing time for the majority of commonly occurring strain injuries in race horses. Sales and distribution agreements are now being discussed in several new markets.

The beauty market

Since autumn 2007, the Company has been conducting a development project with the aim of offering solutions for the beauty market. One of our goals is to be able to offer a quick and effective treatment primarily for active acne, as well as a number of other beauty applications. Studies have shown that acne is one of the greatest problems afflicting young people. In the spring of 2008, a first group of 15 youths was treated with Biolight. The results of this treatment were promising and have encouraged the Company to continue these efforts including trials and evaluations to optimise these treatments. Market introduction is planned to take place this autumn at the earliest.

Method and products

Biolight® is based on a patented light therapy that assists the body's own healing of inflammatory conditions. The treatment instrument consists of a portable device, the size of a person's palm, equipped with light-emitting diodes. The various treatments are provided through copy- and patent-protected Biolight® Biocards (smart cards) inserted in the treatment equipment.

Faster healing, improved quality of care and reduced costs

Long and difficult healing processes in connection with inflammatory conditions or wounds are both costly and painful. Biolight® is a unique treatment method, as it stimulates

Advantages with Biolight®

- Speeds up healing by about 50%
- Reduces health care costs by 30-40%
- Reduces pain, swelling and bleeding
- Reduces the risk of complications
- Clinically proven effectiveness
- Quick and simple procedure

and speeds up the natural healing process of the body without any registered side effects. Clinical studies show, among other things, that the healing time for pressure sores is reduced by approximately fifty per cent, compared to the best conventional treatment method.

Financing

Biolight AB's recently completed new share issue was fully subscribed. Within the authorisation of the Company's Extraordinary General Meeting, the Biolight Board of Directors resolved, on February 27, 2009, to carry out a new share issue totalling 9,573,183 shares with preferential rights for current shareholders. The subscription price was set at SEK 0.60 per share.

Of the 9,573,183 shares issued, 7,866,021 were subscribed using preferential rights and 1,707,162 without. As the issue was fully subscribed, it provided the company with SEK 5.7 million before issue expenses.

Through this new issue the share capital in the company increased by SEK 574,390.98, to a total of SEK 1,148,781.96. After the new issue, the number of shares amount to 19,146,366.

The comparison to the development of Biolight International AB

In the full year report published on February 20, 2009, the Board announced that the development of sales and cost for Biolight AB would no longer be compared to the development in the previous Biolight International AB, as it is now irrelevant.

Consolidated accounts

The consolidated accounts include the Parent Company and the wholly-owned subsidiary Biolight Patent Holding AB. No intra-group sales have occurred.

Accounting principles

The same accounting principles and methods of valuation as were used in our last annual report have been applied in this interim report, which has been prepared in accordance with IAS 34, Interim Financial Reporting, and RR31, Interim Reporting for Groups. Biolight applies the accounting rules implemented by the International Financial Reporting Standards (IFRS, formerly IAS) for the consolidated accounts.

Result, cash flow and liquidity

Sales in the first three months of the year were SEK 773 thousand (684). Operating expenses were SEK 3,324 thousand (3,900). The operating loss before depreciation was SEK 2,538 thousand (-3,205). The result of the period showed a loss of SEK 2,522 thousand (-3,210).

Investments in the first quarter of the year amounted to SEK 0 thousand (68).

Liquid assets as of March 31, 2009 were SEK 5,860 thousand (7,140). As of December 31, 2008, liquid assets were SEK 8,600 thousand.

Segment report

No individual segment is included here, as there is only one segment in the company.

Leasing

All leasing agreements are reported as operating leases. The net effect on the consolidated results would be negligible if RR 6:99 was applied.

Other

The Annual General Meeting for the financial year 2008 takes place on April 22, 2009.

The Board has decided not to print and distribute the Annual Report for 2008. An electronic version is available and can be ordered from the company by anyone who desires a copy. The Annual Report is also available at the company's web site at www.biolight.se.

This interim report has not been subject to audit by the company's auditors.

Future reports

Interim report for January – June, 2009

August 20, 2009

Interim report for January – September, 2009

October 22, 2009

Stockholm, April 22, 2009

Board of Directors, Biolight AB (publ)

Further information:

For further information, please contact Claes Holmberg, President, tel: +46 8 622 52 70, or +46 708 25 45 47.

***Biolight AB** (publ) is a medical technology company offering solutions to care providers based on the Company's patented method for using pulsating monochromatic light. The Company's method reduces healing times and treatment costs, and improves the quality of life of the patients. Through systematically performed clinical trials, Biolight is gradually expanding its scientific basis to establish the method within health care. Over the last couple of years, Biolight has focused on a small number of application areas grouped around wound healing. The Biolight share is listed on the Nordic MTF (Nordic Growth Market AB).*

Biolight AB (publ), Tomtebgatan 4, SE-113 39 Stockholm, Sweden. Tel: +46 8 622 52 70. Fax: +46 8 753 67 67.
biolight@biolight.se www.biolight.se

Income statement

Amounts in SEK thousands	<i>Jan. - March</i>		<i>Jan. - Dec.</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
Operating income	773	684	2,709
Operating expenses			
Goods for resale	-168	-251	-507
Other external costs	-1,264	-1,915	-5,904
Personnel costs	-1,879	-1,723	-6,903
Depreciation of fixed assets	-13	-11	-48
Operating loss	-2,551	-3,216	-10,653
Net financial items	29	6	241
Loss before taxes	-2,522	-3,210	-10,412
Taxes	-	-	-
Net loss for the period	-2,522	-3,210	-10,412
Earnings per share, SEK	-0.26	-0.34	-1.09
Earnings per share after dilution, SEK	-0.26	-0.34	-1.09
Average no. of shares (thousands)	9,573	9,573	9,573

Balance sheet

Amounts in SEK thousands	<i>March 31,</i>	<i>March 31,</i>	<i>Dec. 31, 2008</i>
	<i>2009</i>	<i>2008</i>	
Tangible assets	199	215	213
Inventories	544	588	554
Other current assets	1,209	9,253	1,250
Liquid assets	5,860	7,140	8,600
Total assets	7,812	17,466	10,617
Shareholders' equity	5,697	15,421	8,219
Current liabilities	2,115	2,045	2,398
Total shareholders' equity and liabilities	7,812	17,466	10,617

Key ratios

	<i>Jan. - March 2009</i>	<i>Jan. - March 2008</i>	<i>Jan. – Dec. 2008</i>
No. of shares at end of period (thousands)	9,573	9,573	9,573
No. of outstanding subscription warrants (thousands)	0	0	0
Return on equity	neg.	neg.	neg.
Return on capital employed	neg.	neg.	neg.
Equity ratio in %	72.9%	88.3%	77.4%
Shareholders' equity per share, SEK	0.60	1.61	0.86

Cash flow analysis

	<i>Jan. - March 2009</i>	<i>Jan. - March 2008</i>	<i>Jan. – Dec. 2008</i>
Operating activities			
Loss after financial items	-2,522	-3,210	-10,412
Adjustments for items not included in the cash flow	14	14	48
	-2,508	-3,196	-10,364
Taxes paid	-	-	-
Cash flow from current operations before changes in working capital	-2,508	-3,196	-10,364
Cash flow from changes in working capital	-232	9,623	18,284
Cash flow from operating activities	-2,740	6,427	7,920
Investing activities			
Acquisition of assets	-	-68	-101
Cash flow from investing activities	-	-68	-101
Financing activities			
Cash flow from financing activities	-	-	-
Period's cash flow	-2,740	6,359	7,819
Liquid assets at beginning of period	8,600	781	781
Liquid assets at end of period	5,860	7,140	8,600