

Biolight AB (publ)

Interim report January 1 – September 30, 2008

(NGM: BIOL MTF)

REPORT ON BIOLIGHT AB OPERATIONS. COMPARATIVE DATA FOR OPERATIONS OF THE PREDECESSOR COMPANY BIOLIGHT INTERNATIONAL AB DURING THE SAME PERIOD LAST YEAR IS PROVIDED IN PARENTHESES.

- Sales for the first nine months of the year were SEK 1,877 thousand (1,084).
- Sales for the third quarter were SEK 641 thousand (330).
- Net operating loss for the first nine months of the year were SEK –8,174 thousand (-8,285).
- Net operating loss for the third quarter was SEK -2,061 thousand (-2,712).
- Loss per share for the first nine months was SEK -0.84 (-1.91), and SEK -0.84 (-1.91) after full dilution.
- Shares owned in COREM Property Group AB were sold in April realising SEK 7,971 thousand (after sales expenses).

Contract regarding acquisition of a property portfolio

During the autumn 2007, Biolight AB assumed the operations from the previous company Biolight International AB. Biolight International changed its name to Corem Property Group AB, focusing its operations on trade and industrial property management. The purpose of this deal was to make the accumulated deduction for loss in the Company visible.

Each shareholder in Biolight International AB kept exactly the same stake in Biolight AB. Since Wednesday, 21 November 2007, the Biolight AB share has been traded through Nordic Growth Market's, NGM's, trade system Freeway under the Nordic MTF division.

Ticker: BIOL MTF
Round lot size: 2,000 shares
ISIN code: SE0002215699

Comparison to earlier development

As in our previous interim reports, the development of sales and costs is compared to the results for the predecessor company Biolight International AB. When the developments have progressed to a point where the comparison is no longer relevant, it will cease.

Sales

Sales for the first nine months of the year were SEK 1,877 thousand (1,084).





Comments on sales

Since the fourth quarter 2007, our client base in equine sports has increased and the greater part of the Company's sales growth has occurred in this market segment. Demand in this application area continues to increase. During the past quarter, the Company experienced considerable delivery delays in connection with our migration to a new production unit. We expect to achieve full delivery capacity during the fourth quarter 2008.

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. A clinical study of the treatment of diabetic foot wounds was commenced in August, immediately after it was given the go-ahead by the ethical committee. The study will be concluded within twelve months. 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. If the results of this clinical study are in line with earlier, preliminary results, a focused effort on especially diabetes care will be initiated.

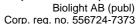
The equine sports market

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 Swedish market is composed of about a thousand competitive actors, mainly participating in horse jumping, dressage, harness racing, galloping and three day events. At present, the Company is concentrating its efforts on working these competitive actors. This focused effort, together with 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. We are currently developing a training program to demonstrate the wide variety of sports applications for our method, as well as to guarantee the quality in its use.

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 the autumn of 2007, the Company has been conducting a development project with the aim of offering solutions for the beauty market. One of our goals in the very short term 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. During 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 intensify these efforts. Market introduction is planned to take place in 2009.





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

The Company sold its holding in COREM Property Group AB in April 2008. The sale of shares brought in approximately eight million SEK. Through this transaction, the financing of the Company is secured until summer 2009. The Company believes that increased demand, primarily within the equine sports market, will lead to rapidly growing sales. However, to secure long-term financing we have been in contact with possible financial advisors.

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

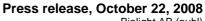
The same accounting principles and methods of valuation as were used in our last annual report have been applied in this interim report, which has been prepared in accordance with IAS 34, Interim Financial Reporting, and RR31, Interim Reporting for Groups. Biolight applies the accounting rules implemented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

Result, cash flow and liquidity

Sales for the first nine months of the year were SEK 1,877 thousand (1,084). Operating expenses were SEK 10,051 thousand (9,369). The operating loss before depreciation was SEK -8,139 thousand (-7,548). The result of the period showed a loss of SEK -8,046 thousand (-8,290).

Investments for the first nine months of the year were SEK 102 thousand (221).

Liquid assets as of September 30, 2008 were SEK 11,012 thousand (3,721). As of December 31, 2007, liquid assets were SEK 781 thousand.



Biolight AB (publ) Corp. reg. no. 556724-7373



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 2007 took place on May 8, 2008. The Board has decided not to print and distribute the Annual Report for 2007. 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

Full year report for 2008

February 20, 2009

Stockholm, October 22, 2008

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



REPORT ON BIOLIGHT AB OPERATIONS. COMPARATIVE DATA FOR THE SAME PERIOD LAST YEAR FOR THE PREDECESSOR COMPANY BIOLIGHT INTERNATIONAL AB.

Income statement

JanSept.		July-Sept.		Jan. – Dec.
2008	2007	2008	2007	2007
1,877	1,084	641	330	1,529
-425	-164	-48	-40	-164
-4,395	-3,754	-1,093	-1,178	-6,427
-5,196	-4,714	-1,549	-1,366	-6,232
,	,	,	,	,
-35	-737	-12	-458	-744
-8,174	-8,285	-2,061	-2,712	-12,038
128	-5	140	-1	51
-8,046	-8,290	-1,921	-2,713	-11,987
_	_	_	-	-
-8,046	-8,290	-1,921	-2,713	-11,987
-0.84	-1.91	-0.20	-0.62	
-0.84	-1.91	-0.20	-0.62	
9,573	4,351	9,573	4,351	
	2008 1,877 -425 -4,395 -5,196 -35 -8,174 128 -8,046 -0.84 -0.84	2008 2007 1,877 1,084 -425 -164 -4,395 -3,754 -5,196 -4,714 -35 -737 -8,174 -8,285 128 -5 -8,046 -8,290 -0.84 -1.91 -0.84 -1.91	2008 2007 2008 1,877 1,084 641 -425 -164 -48 -4,395 -3,754 -1,093 -5,196 -4,714 -1,549 -35 -737 -12 -8,174 -8,285 -2,061 128 -5 140 -8,046 -8,290 -1,921 -0.84 -1.91 -0.20 -0.84 -1.91 -0.20 -0.84 -1.91 -0.20	2008 2007 2008 2007 1,877 1,084 641 330 -425 -164 -48 -40 -4,395 -3,754 -1,093 -1,178 -5,196 -4,714 -1,549 -1,366 -35 -737 -12 -458 -8,174 -8,285 -2,061 -2,712 128 -5 140 -1 -8,046 -8,290 -1,921 -2,713 -0.84 -1.91 -0.20 -0.62 -0.84 -1.91 -0.20 -0.62 -0.84 -1.91 -0.20 -0.62

Balance sheet

Amounts in SEK thousands	Sept. 30, 2008	Sept. 30, 2007	Dec. 31, 2007
Tangible assets	226	398	160
Inventories	524	1,201	828
Other current assets	586	2,613	19,285
Liquid assets	11,012	3,721	781
Total assets	12,348	7,933	21,054
Shareholders' equity	10,584	3,955	18,630
Current liabilities	1,764	3,978	2,424
Total shareholders' equity and	12,348	7,933	21,054
liabilities			



Key ratios

	JanSept.	JanSept.	Jan. – Dec.	
	2008	2007	2007	
No. of shares at end of period (thousands)	9,573	4,351*)	9,573	
No. of outstanding subscription warrants	0	0	0	
(thousands)				
Return on equity	neg.	neg.	neg.	
Return on capital employed	neg.	neg.	neg.	
Equity ratio in %	85.7%	49.9%	88.5%	
Shareholders' equity per share,	1.11	0.91	1.95	
SEK				

^{*} Number adjusted for reverse split

Cash flow analysis

	JanSept.		Jan. – Dec.	
	2008	2007	2007	
Operating activities				
Loss after financial items	-8,046	-8,290	-11,996	
Adjustments for items not included in the cash				
flow	36	717	724	
	-8,010	-7,573	-11,272	
Taxes paid	-	-86	-86	
Cash flow from current operations before				
changes in working capital	-8,010	-7,659	-11,358	
Cash flow from changes in working capital	18,343	676	15,901	
Cash flow from operating activities	10,333	-6,983	-27,259	
ous row round operating accounts	20,000	0,2 00	_1,_0	
Investing activities				
Acquisition of assets	-102	-194	-194	
Cash flow from investing activities	-102	-194	-194	
Financing activities				
New share issue	_	5,000	15,410	
Contribution	-	-	6,926	
Cash flow from financing activities	-	5,000	22,336	
Period's cash flow	10,231	-2,177	-5,117	
Liquid assets at beginning of period	781	5,898	5,898	
Liquid assets at end of period	11,012	3,721	781	