

A person is running on a beach at sunset. The sun is low on the horizon, creating a warm, golden glow. A rainbow is visible in the foreground, arching over the water. The person is in the middle ground, running towards the camera. The background shows buildings and a clear sky.

Brighter

Brighter AB (publ)  
Corp ID 556736-8591

# Year End Report 2014

## About Brighter AB (publ).

By means of its intellectual property Brighter develops innovations for people who live with a medical condition. We develop the tools that improve the situation and every day lives of individuals. Half of Sweden's 4.6 million households will be "connected" for home care or through mobile units within five years. Brighter's objective is to simplify, streamline and strengthen the relationship between patients and healthcare professionals through the development of innovations in the area of digital health - a market that already today - 2015 - is valued at 160 Billion US dollars on a global basis.

The Company's shares are listed on NASDAQOMX First North/BRIG.

Visit our website and subscribe to press releases: [www.brighter.se](http://www.brighter.se).

## Summary of the period January 1 – December 31 2014.

- Operating revenues totalled SEK 1,758,000 (927,000)
- Profit/loss after financial items totalled SEK -22,441,000 (-2,783,000)
- Earnings per share before dilution: SEK -1.32
- Earnings per share after dilution: SEK -1.32

## Financial calendar.

Interim information January-March 2015: 2015-06-05

Half-year report January-June 2015: 2015-08-28

Interim information January-September 2015: 2015-12-11

## Significant events during the financial year 2014.

- January - private placement – ca SEK 25 million at SEK 7 per share.
- February - preferential rights issue – ca SEK 10 million at SEK 7 per share.
- March - Brighter's share moves from Aktietorget to the Nasdaq OMX First North Exchange.
- May - Henrik Norström becomes COO.
- June
  - Three new members of the Board of Directors.
  - Options program 2014/17 Series I to members of the Board of Directors.
  - Options program 2014/17 Series II to employees and key personnel.
- July
  - A bank guarantee of SEK 752,458 provided to Stebro Plast AB expires, which frees up the equivalent bank deposit funds and reduce the Company's guarantee costs.



- Decision to terminate distribution arrangement with Rubin Medical.
- September - Decision to delay launch until March 2015.
- November
  - Brighter engages Remium Nordic as liquidity guarantor.
  - Brighter engages Remium Nordic for its Introduce.se IR service.
  - Brighter participates in the Innovative Sweden tour in Vietnam.
  - The SEK 50,000 bank guarantee placed with Euroclear was withdrawn by Euroclear, which frees up the equivalent bank deposit funds and reduces the Company's bank guarantee costs.
- 2015-03-16 – Brighter selects Helbling as its design & development partner.
- The Board of Directors has taken steps to ensure the financing of the Company.
- 2015-03-26 – Brighter publishes press release about collaboration with Microsoft in e- and m-health.
- 2015-03-30 – Brighter secures loan of 3 MSEK.

## Significant events after the end of the period

- 2015-01-15 – Remium Nordic becomes the Company's Certified Adviser.
- 2015-01-26 – Senior lecturer Michael Alvarsson becomes an adviser to the Company.
- 2015-02-06 - Decision to halt the launch of Brighter One. The Board of Directors tasks the management team with exploring the possibility of recovering damages against our technology partner.
- 2015-02-10 – Brighter request payment for damages against its previous technology partner.
- 2015-02-20 – Brighter selects Veryday AB as its industrial design partner.



# Message from the CEO.

Since 2007, Brighter has worked towards its objective of making life easier for people living with diabetes. Brighter sees that progress is moving faster than ever. Studies show that by 2020, 50 million devices will be connected to the Internet. It is estimated that 15% of these devices will consist of products in the e-health and m-health categories (m-health means mobile healthcare aided by smartphones).

Brighter's decision earlier this year to cancel the launch of Brighter One was a necessary strategic choice due to the extremely rapid rate of change we're seeing in e-health and m-health – a global market valued at USD 160 billion already this year.

Brighter must always be on the cutting edge of progress and meet the expectations of tomorrow. Therefore I look forward to developing a better and more competitive connected product with that will deliver considerably higher value than Brighter One.

Next generation Brighter One doesn't just make life easier for diabetes patients – it creates entirely new possibilities for communication between patients, their healthcare providers, their families and many other stakeholders. We call this “the Benefit Loop”, where the data the patient creates about his or her health and how he or she is managing the disease is entered into other systems, guaranteeing a higher quality of treatment. If the patient wishes, he or she can contribute data and create better and faster research results, which can be a tremendous benefit to both society and the pharmaceutical industry.

Brighter is making strategic decisions to deal with this development and secure its position in the growing m-health market. Important decisions in this process are the completed development of a new quality assurance system under the supervision of Tuv Süd; the choice of our development partners Helbling and Veryday, who are leaders in their fields; and the good relationships we've built with global IT players with leading expertise in m-health.

Moreover Brighter collaborates with Microsoft and we investigate the opportunities in e- and m-health in Sweden together. Having Microsoft along, we have one of the pieces required to provide tomorrow's connected health and this is what we educate customers about.

Brighter continues to focus on diabetes treatment. According to IDF, the International Diabetes Federation, there are 388 million diabetics worldwide. 37% of them – 143 million people – are treated with insulin. IDF estimates that half of the diabetics in the world have not been diagnosed. 11% of global healthcare costs are for diabetes. Diabetes is growing by 10-15% per year. It is estimated that there will be 600 million diabetics in the world by 2030.

Brighter's mission is to make it easier for these people to manage their disease, while giving them more freedom through the opportunities that the connected next generation Brighter One will provide to individual patients and to society as a whole.

**Truls Sjöstedt**, CEO Brighter AB (publ).



A man and a young child are running together on a grassy mountain slope. The man is wearing a dark jacket and the child is wearing a light-colored sweater with a red flower design. They are running towards the right side of the frame. The background features rugged mountains under a bright, hazy sky, suggesting a sunset or sunrise. The overall mood is joyful and active.

We are passionate about  
understanding people.

## The share.

Brighter AB (publ) is listed on the NASDAQOMX First North exchange under the abbreviation BRIG. NASDAQOMX First North is a trading platform designated as an MTF (Multilateral Trading Facility). As of 31 December 2014, 16,956,094 shares had been issued. All shares grant equal rights to the Company's profits and assets.

Brighter's Certified Advisor at Nasdaq OMX First North is Pareto Securities AB.

## Proposed disposition of the company's earnings.

The Board of Directors and the CEO propose that no dividend be paid for the financial year from 1 January to 31 December 2014.

## Insiders' holdings.

Shares.	31/12/2013	Change.	31/03/2015
Truls Sjöstedt – CEO	4,781,486	142,857	4,924,343
Michael Frantzén	3,745,310	0	3,745,310
Gert Westergren – Chairman	237,526	+ 142,860	380,386
Lars Flening – Board member	16,862	+ 12,607	29,469
Henrik Norström – vice VD	16,764	+ 36,174	52,938
Nadezda Ershova – Manager QA/QR	0	+ 5,889	5,889
Afsaneh Ghatan Bauer – Board member**	0	+ 25,000	25,000

Options.	31/12/2013	Change.	31/03/2015
Truls Sjöstedt – CEO	71,125	0	71,125
Michael Frantzén	30,014	0	30,014
Gert Westergren – Chairman	512,459	+37,000	549,459
Lars Flening – Board member	580,014	+ 2,000	582,014
Nadezda Ershova – Manager QA/QR	0	+ 135,499	135,499
Petra Kaur Ljungman – Board member	0	+ 16,500	16,500
Sara Murby Forste – Board member	0	+ 12,500	12,500



## Income statement in thousands kronor in summary.

Thousand SEK.	01/01/2014 31/12/2014	01/01/2013 31/12/2013	01/07/2014 31/12/2014	01/07/2013 31/12/2013
Operating revenue.	1,758	927	999	916
Capitalization of development	1,758	884	1,007	884
Other operating revenue.	0	43	-8	32
Operating expenses.	-24,192	-3,281	-19,945	-319
Other external expenses.	-4,024	-959	-2,137	1,476
Staff expenses <sup>1</sup> .	-4,544	-1,189	-3,145	-662
Depreciation and amortization of tangible and intangible fixed	-15,624	-1,133	-14,663	-1,133
Operating income.	-22,434	-2,354	-18,946	597
Income from financial items.	-7	-427	134	-338
Income after financial items.	-22,441	-2,783	-18,812	257
Calculated earnings.	-22,441	-2,781	-18,812	257
Earnings per share, before dilution.	-1.32	-0.23	-1.11	0.02
Earnings per share, after dilution.	-1.32	-0.23	-1.11	0.02
Number of shares June 30 2014, before dilution.	16,956,094	11,897,481	16,956,094	11,897,481
Number of shares June 30 2014, after dilution.	19,267,205	12,826,091	18,149,706	12,708,592
Average number of shares, before dilution.	16,312,117	11,897,481	16,312,117	11,897,481
Average number of shares, after dilution.	18,623,228	12,826,091	17,505,729	12,708,592

<sup>1</sup> Brighter has employed new staff during 2014, which explains the increase in staff expenses.

<sup>2</sup> In connection with the Board's decision to cancel the launch of Brighter One, a review of capitalized development costs was performed. In accordance with good accounting practices, a large portion of the expenditure paid to the former technology consultant, expenses linked to tools and components as well as some internal accrued expenses, have been judged as impaired assets and have therefore been written down.



## Balance sheet in thousand kronor in summary.

Thousand SEK.	31/12/2014	31/12/2013	31/12/2012
<b>Assets.</b>			
Fixed assets.			
Intangible assets.	8,511	8,635	4,352
Capitalized R&D and similar work.	622	401	3
Concessions, IP and similar rights.	125	0	0
Total fixed assets.	9,258	9,036	4,356
Current assets			
Current receivables	873	501	2,260
Cash and bank balances.	3,941	53	56
Total current assets.	4,814	554	2,316
<b>TOTAL ASSETS.</b>	<b>14,072</b>	<b>9,590</b>	<b>6,672</b>
<b>EQUITY AND LIABILITIES.</b>			
Equity.			
Share capital.	848	595	595
Undistributed earnings / accumulated loss.	9,163	285	2,487
Total equity.	10,011	309	3,082
Long term debt.	0	8,022	767
Credit line. (limit 250 000 kr) <sup>3</sup> .	0	138	113
Other long term debt.	0	7884	654
Short term debt.	4,061	1,259	2,823
Accounts payable.	2,090	780	2,383
Other liabilities.	186	48	378
Accrued expenses.	1,785	430	61
<b>TOTAL EQUITY AND LIABILITIES.</b>	<b>14,072</b>	<b>9,590</b>	<b>6,672</b>
<b>PLEDGES<sup>4</sup>.</b>	<b>255,900</b>	<b>50,000<sup>5</sup></b>	<b>50,000<sup>6</sup></b>
<b>CONTINGENT LIABILITIES.</b>	<b>None</b>	<b>None</b>	<b>None</b>

<sup>3</sup> In 2014 the Company cancelled its overdraft facility.

<sup>4</sup> Brostaden – SEK 205,900 & Euroclear SEK 50,000.

<sup>5</sup> SEK 52,814 was written in the 2013 year-end report; this should have been SEK 50,000, since SEK 2,814 concerned interest on frozen funds.

<sup>6</sup> SEK 51,781 was written in the 2012 year-end report; this should have been SEK 50,000, since SEK 1,781 concerned interest on frozen funds.





A photograph of a man with a beard, wearing a black tank top and bright blue shorts, carrying a young girl on his shoulders. The girl is wearing a white tank top and blue flip-flops, and she is covering the man's eyes with her hands. They are outdoors in a grassy area with trees in the background, and the scene is lit with warm, golden light, suggesting late afternoon or early morning. The overall mood is joyful and intimate.

We believe simplicity and access  
drive behavioral change

## Cash flow analysis in summary.

	01/01/2014 31/12/2014	01/01/2013 31/12/2013
Cash flow from operating activities before changes in working capital	-6,817	-1,649
Changes in working capital		
Decrease/increase in current receivables	-372	1,761
Decrease/Increase in current liabilities	2,802	-1,564
Cash flow from operating activities	-4,387	-1,452
Investment activities		
Acquisition of intangible fixed assets	-15,352	-5,366
Acquisition of tangible fixed assets	-369	-448
Acquisitions of shares in subsidiaries	-125	0
Cash flow from investment activities	-15,846	-5,814
Financing activities		
New share issue (net after issuing costs)	32,142	8
Option premiums	0	0
Loans taken	-8,022	7263
Cash flow from financing activities	24,120	7263
Cash flow for the period	3,888	-4
Opening liquid funds	53	56
Closing liquid funds	3,941	53



## Accounting principles.

The accounting principles applied in this year-end report are in accordance with the general advice of the Swedish Accounting Standards Board unless otherwise indicated. Brighter AB (publ) is the parent company in a group of companies, but it does not prepare any consolidated financial statements, with reference to the exemption rule in Chapter 7 Section 3 of the Swedish Annual Accounts Act (smaller groups of companies).

## Annual report.

Brighter AB (publ) plans to publish its annual financial report for the 2014 financial year on the Company's website [www.brighter.se](http://www.brighter.se) in April 2014. The Brighter AB (publ) Annual General Meeting is planned for 12 June 2015. The exact date of the publication of the complete annual report will be announced no later than the summons to attend the AGM.

## Auditors review.

This year-end report has not been reviewed by the Company's auditors.

## Certified Advisor.

Brighter's Certified Advisor at Nasdaq OMX First North is Remium Nordic AB.

Submission of year end report.

Stockholm 31 March 2015

Brighter AB (publ)

Board of directors

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A person is running on a beach at sunset. The person is shirtless and wearing dark shorts. They are running towards the camera, and water is splashing around their legs. The background shows a building and the ocean under a bright, orange sky.

## Brighter AB (publ)

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