

Biolight International AB (publ)

Quarterly report January 1 – March 31, 2003

- **Sales during the first quarter amounted to SEK 457 T (513).**
- **The clinical acceptance within the wound care area has been further strengthened. The geriatric clinic at Östra Sjukhuset, Göteborg, has purchased Biolight® for their treatment of chronic wounds.**

Company focus in 2003

This year, the company will focus its resources on continuing to establish Biolight® Wound Care in Sweden, and Biolight® Dental Care in Sweden, Germany and Italy.

Sales – Q1:2003

Sales during the first quarter amounted to SEK 457 T (513).
The company has sold equipment within the business areas Dental Care and Wound Care.

Financing

The company is currently working on a new share issue to secure financing of continued activities in the market segments we are focusing on.

Biolight® Wound Care

The company continues to carry out marketing activities in the Swedish wound care market, using its own resources. The reception has been very good and several clinics throughout Sweden are currently evaluating the method.

As the result of an evaluation, started during the fourth quarter 2002, the geriatric clinic (for treatment of elderly people) at the Östra Sjukhuset hospital in Göteborg has decided to buy Biolight® for their treatment of chronic wounds.

“We have registered positive effects on the wounds we have treated with Biolight®. They heal quicker than through traditional treatment alone,” says Michaela Holmdahl, chief physician of the geriatric clinic at Östra Sjukhuset.

The home medical care service in western Göteborg, and MEDiHEM’s home for elderly people in Stockholm, Hemmet för Gamla, have already purchased Biolight®.

Publication of ulcer study

In 1998-2001, Biolight carried out two phase III trials on pressure ulcers. A meta-analysis, carried out on the material from the two studies, indicated that healing of grade II pressure ulcers was greatly accelerated in comparison with traditional treatment alone. The result was conclusive, i.e. statistically significant. This has already been reported to our shareholders.

These studies are now to be published. The first phase III study will be published in the magazine *Aging, Clinical and Experimental Research* later this year. The study is called “Monochromatic Phototherapy in Patients with Chronic Pressure Ulcers” and was carried out at 8 clinics in Sweden and Denmark. Responsible for the study is professor Ove Dehlin from the Department of Geriatric Community Medicine, Malmö General Hospital, Sweden.

Ove Dehlin has made the following statement in connection with the publication: “The results of this study are positive. The effect mechanism is not altogether determined, but – according to earlier studies – Biolight® seems to stimulate the cells of the connective tissue, which explains why healing is accelerated. Consequently, Biolight® is a good supplement to traditional wound treatment.”

Professor Dehlin also intends to send in an article for publication, as soon as possible, covering the second phase III study and the meta-analysis.

Biolight® Dental Care

Our cooperation with DAB in the Swedish market has worked very well. Several important contacts have been made and the response has been positive.

Efforts to establish a new distributor in the German market proceed according to plan. At the same time, work is underway to increase the number of users, primarily in Hamburg and Munich.

After their first quarter training, Espansione will start their operations in the Italian market in the second quarter.

Withdrawal of A-share listing

Due to limited trade on the NGM Equity exchange, the company’s board has decided to withdraw the A share as of June 1, 2003. The last day of trading will be May 30.

Accounting principles

This quarterly report has been prepared in accordance with recommendation RR 20 Interim reports of the Swedish Financial Accounting Standards Council.

Car costs will be reported as other external costs. The comparative figures have been modified accordingly.

Elsewhere, the same principles and valuations as were used in the annual report for 2002 have been applied.

Result, cash flow and liquidity

Sales during the first quarter amounted to SEK 457 T (513). Operating expenses during the first quarter amounted to SEK 4,911 T (6,883). The result of the period showed a loss of SEK -4,614 T (-8,007).

Investments during the first quarter amounted to SEK 236 T (64).

Liquid assets as of March 31, 2003, amounted to SEK 3,489 T (22,064). As of December 31, 2002, liquid assets amounted to SEK 7,426 T.

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

Future reports

Semi-annual report 2003

August 22, 2003

Quarterly report for the 3rd quarter, 2003

October 27, 2003

Danderyd, April 24, 2003

Board of Directors, Biolight International AB

Biolight International AB is a medical technology company with products based on the biological effects of pulsating, monochromatic light. Biolight develops a system for effective, painless and safe treatment, especially of chronic wounds and inflammatory conditions. The Biolight share is listed on the NGM Equity (Nordic Growth Market NGM AB).

Income statement

Amounts in SEK thousands	<i>Consolidated</i>		
	<i>Jan. - March</i> 2003	<i>2002</i>	<i>Whole year</i> 2002
Operating income	457	513	1,805
<i>Operating expenses</i>			
Goods for resale	-155	-271	-623
Other external costs	-2,186	-2,848	-11,152
Personnel costs	-1,029	-2,153	-8,090
Depreciation of assets	-1,541	-1,611	-6,484
Other operating expenses	-	-	-61
Operating loss	-4,454	-6,370	-24,605
Net financial items	40	92	548
Issue expenses	-200	-1,729	-1,729
Loss before taxes	-4,614	-8,007	-25,786
Taxes	-	-	-1
Net loss for the period	-4,614	-8,007	-25,787
<i>Earnings per share before dilution, SEK</i>	<i>-0.06</i>	<i>-0.13</i>	<i>-0.37</i>
<i>Earnings per share after dilution, SEK</i>	<i>-0.06</i>	<i>-0.12</i>	<i>-0.37</i>
Average no. of shares (thousands)	71,263	63,318	69,674

Balance sheet

Amounts in SEK thousands	<i>March 31,</i> 2003	<i>March 31,</i> 2002	<i>December 31,</i> 2002
Intangible assets	15,751	21,075	16,940
Tangible assets	1,483	1,930	1,600
Projects in progress	337	186	337
Inventories	4,774	2,523	4,718
Other current assets	923	2,945	2,027
Liquid assets	3,489	22,064	7,426
Total assets	26,757	50,723	33,048
Shareholders' equity	24,318	46,714	28,933
Provisions	2	2	2
Current liabilities	2,437	4,007	4,113
Total shareholders' equity and liabilities	26,757	50,723	33,048

Changes in shareholders' equity

	<i>Jan. - March</i> 2003	<i>Jan. - March</i> 2002
At beginning of period	28,933	29,574
New share issue	-	25,147
Rounding-off difference	-1	-
Net loss for the period	-4,614	-8,007
At end of period	24,318	46,714

Cash flow analysis

	<i>Consolidated</i>		
	<i>Jan. - March</i>		<i>Whole year</i>
	<i>2003</i>	<i>2002</i>	<i>2002</i>
Operating activities			
Loss after financial items	-4,614	- 8,007	-25,786
Adjustments for items not included in the cash flow	1,541	1,611	6,549
	-3,073	-6,396	-19,237
Taxes paid	-22	-	-106
Cash flow from operating activities before changes of working capital	-3,095	-6,396	-19,343
Cash flow from changes in working capital	-606	-1,432	-2,650
Cash flow from operating activities	-3,701	-7,828	-21,993
Investing activities			
Acquisitions of tangible and intangible assets	-236	-64	-537
Cash flow from investing activities	-236	-64	-537
Financing activities			
New share issue	-	25,147	25,147
Cash flow from financing activities	0	25,147	25,147
Period's cash flow	-3,937	17,255	2,617
Liquid assets at beginning of period	7,426	4,809	4,809
Liquid assets at end of period	3,489	22,064	7,426

Key ratios

No. of shares at end of period (thousands)	71,263	71,263	71,263
No. of outstanding subscription warrants (thousands)	916	916	916
Return on equity	neg.	neg.	neg.
Return on capital employed	neg.	neg.	neg.
Equity ratio in %	90.9	92.1	87.5
Shareholders' equity per share, SEK	0.34	0.66	0.41