

Towards 2022 – A message from Brighter's CEO

As we reach the end of the year and take a break to spend time with our loved ones, I wanted to send a message reminding you of Brighter's reason for being.

Today, more than 537 million people around the world are living with diabetes. That number is forecast to grow to 784 million by 2045 – an increase equivalent to three times the population of Germany.

Living with diabetes can be extremely challenging, requiring special attention to diet, exercise and often medication. Besides these personal challenges, diabetes also represents a massive cost to healthcare systems around the world. This cost is estimated to be approximately 6870 billion Swedish Kronor each year – around six times Sweden's annual budget.

The sad and stand-out fact behind this number is that only 8% of the costs are attributed to actually treating diabetes, through medication, equipment and administration. The remaining 92% represents the cost of treating diabetes-related complications, such as heart attacks, stroke and other microvascular diseases.

Why do we see such massively widespread complications from diabetes?

The answer can broadly be found in a lack of adherence to treatment plans. The World Health Organization estimates that only around 50% of chronic-disease patients – including people with diabetes – adhere to the treatment plans prescribed for them by medical professionals.

Poor adherence is a major diabetes treatment issue that healthcare systems need to address. You don't need to have diabetes to recognize this. We've all been there, whether it's taking medication, exercising or something else that requires a regimen; often we start off with good intentions and follow the recommendations, but then life just takes over and we deprioritize our health. It doesn't help either that many months may go by between doctors' visits.

What healthcare systems need is a way to maintain a constant dialogue between diabetes doctors or nurses, and the patients they're looking after. We believe that Actiste® Diabetes Management System (ADMS) is part of that solution. By providing the physical tools for daily diabetes care, capturing treatment data, and making it visible through the Companion app, we believe Actiste fulfills exactly the role that it needs to.

Listening to stakeholders

When I was in the United Arab Emirates earlier this year meeting our stakeholders there – both from the public and private healthcare sectors – they all told me the same thing: that they need a way to initiate behavioral change among both diabetes patients and healthcare providers. Driving this behavioral change is exactly what ADMS is designed for.



The stakeholders in the UAE also reaffirmed that the pandemic has caused a distinct shift to digital care and remote care. The stage is now set and the world is ready for the change that digital diabetes care can bring.

Of course, this not only applies in the Middle East – it's a global phenomenon. This is why we're also focusing on select markets in South-East Asia and Africa. We've chosen those markets with high numbers of people living with diabetes; where prevalence is 15-25% compared to the global average of around 8%. We've also selected countries with healthcare systems that are intent on solving the diabetes-care challenge.

Our most important focus market is Qatar, where we now have all the approvals necessary and are in the midst of preparations for commercialization. In Indonesia, we are collaborating with a major hospital group in West Java to conduct a user trial, and we're also working together with the distributor Medico as they plan to carry Actiste® within their portfolio.

It's very important to gather evidence for the claims we make about Actiste®, as supported by the user-experience research we've been carrying out in Sweden. In that research, patients gave Actiste® extremely high scores for reminding them to take insulin, identify missed insulin doses, and several other aspects of daily diabetes management. You can read more about the research [here](#). We are very pleased with the outcome!

Sharpening our strategy

I often get asked what the biggest challenge is for Brighter, and why our business does not always move as quickly as we would like. The answer is that we're often restricted by the speed of regulatory approvals.

As Actiste® is a medical device, it needs to meet regulations in each and every market we enter. The European CE-mark that Actiste has already been awarded helps with pushing things forward in many countries, but there are also local regulations to fulfill around cellular connectivity, data privacy and more. All these things take time and are often out of our control, especially when a country may not have a clear process for handling a specific approval. So we just need to practice patience and do what we can to help.

Meanwhile, we've been looking into our strategy and making structural changes to the Brighter Group that sharpen our focus on diabetes care and Actiste. We sold our subsidiary Camanio AB for SEK 65 million, we've sold our holdings in Blodtrycksdoktorn AB for SEK 5 million, and we are in discussions to sell all or part of our shares in Nectarine Health. These strategic changes not only help us to focus on our core purpose, they also substantially reduce our burn rate. We've done a lot of other work on cost reductions too and this will continue to be a focus area.

Nectarine Health recently introduced subscription payments to its current end-user trial with Peace of Mind Aging LLC. This is a great milestone, as it effectively constitutes the company's first commercial transaction in the United States.

In order to take that next step and transform Brighter into the going concern that we all want it to be, we are conducting a share issue in the new year. The subscription period is from January 10th to 24th. A number of external investors and members of the board and management team have subscription commitments and related guarantee commitments to the issue totaling approximately SEK 100 million, corresponding to approximately 85 percent of the issue.



We also have two series of warrants coming up: T07 to bring in SEK 146 million by June 2022 if fully subscribed, and T08 to bring in SEK 88 million by June 2023 if fully subscribed.

With my background in the medical-device sector, I strongly wish to help people to improve their quality of life. In Actiste® we have a solution that aims to bring people the data they need for better diabetes care, and allows them to share it with their healthcare providers. In the future, we aim to create a way for diabetes-care professionals to directly access the insights of their patients too.

Our goal with Actiste® is to improve quality of life for millions of people, by helping them avoid the complications that can arise from not treating diabetes properly. I believe that this is both a good cause and a significant business opportunity, so I hope you will continue to support Brighter as we take these important next steps on our journey.

Thank you,

Erik Lissner

Interim-CEO, Brighter AB