Press release, May 9, 2018
Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Interim report

January 1 – March 31, 2018

The Board and CEO of Emotra AB (publ) hereby present the interim report for the first quarter 2018.

Summary of the period January – March, 2018

- **Net sales for the period were 0 kSEK (0)**
- **Operating loss was -1,807 kSEK (-1,861)**
- **Loss per share after dilution was -0.13 SEK (-0.19)**
- **At the end of the period, liquid assets amounted to 6,437 kSEK (2,979)**
- **Cost-effective market strategy implemented**
- **Seminars about EDOR® at university hospitals in Rostock and Warsaw**
- **First commercial agreement signed**

Significant Events After Closing of Books

- **Several new research studies have been started**
- **Proposal to grant the Board authority in the notice for the Annual General Meeting**
- **No other significant events have occurred after the reporting period.**

Comments from our CEO

- ***Summary and analysis of significant events in the first quarter 2018***

- Our first commercial agreement was signed at the end of the period with a private clinic in Warsaw that is associated with one of the university clinics that participated in EUDOR-A. The clinic's testing operations will be up and running in the second quarter of 2018.
- Two seminars have been carried out at the university hospitals in Rostock, Germany, and Warsaw, Poland, to inform care providers at the respective hospitals about the new technology.
- We plan on hosting a more comprehensive seminar in Warsaw at the end of the quarter, targeting independent psychiatric specialist clinics.
- Emotra, in collaboration with researchers who participated in EUDOR-A, has reviewed and revised the database with all of the results from EUDOR-A with the aim of quality-assuring the database and making sure there are no erroneous interpretations. A statistician at Columbia University in New York will then analyse the results once again. This process has delayed the writing of the draft manuscript by several months, but it is important for ensuring the correctness of the study results.
- The drafting of a scientific article presenting the results of EUDOR-A has been ongoing throughout the quarter. A small working group is responsible for writing the manuscript, but since about 40 researchers at 18 different institutions/organisations need to weigh in with comments and approve the text before it can be submitted for publication, this will take some time.

- ***Marketing/market strategy***

EDOR® will be marketed as a supplementary tool for identifying hyporeactive patients, not as a replacement for traditional risk assessment. Testing with EDOR® not only enables us to identify patients with a higher risk of committing suicide, it also allows us to identify patients who for years have been suffering from neuropsychological dysfunctions that will probably be curable in the future. However, the method cannot indicate a patient's general psychiatric condition, acute conditions or their social situation. That analysis must be performed by the caregiver.
The main advantage of EDOR® is the fact that it is an objective test, which sets it apart from the subjective methods that are used in clinical practice.
A new and vastly more cost-effective marketing, training and sales strategy was developed in the last quarter of 2017. It has now been implemented and the consequences are that the number of concrete contacts with clinics that are willing to implement testing with EDOR® in their clinical practice has increased while marketing costs have decreased. A graphic profile for the Company has been produced and the Company's web site has been updated to better cater for customers who are planning on buying and using EDOR®. Emotra has produced a structured communication plan for our EDOR® method, the research behind it, as well as the results and the value it adds to clinical practice.
The aim of this strategy is to establish an initial platform of users who regularly use EDOR® in their clinical practice. This will be achieved by using satisfied users as references for other users, organising local seminars to disseminate information about the test, and encouraging further studies in order to keep the interest alive and demonstrate the value of such testing.

- ***Research, development and studies***

Several ongoing scientific studies that focus on EDOR® and its importance in identifying patients at risk of committing suicide are being run by various research groups in Europe, in some cases in collaboration with Emotra. As soon as their study results are finalised, the Company will be communicating their findings.
Over 1,500 patients have been tested using EDOR® since our naturalistic (non-blind) European clinical multi-centre study, EUDOR-A, was launched in the autumn of 2014. An analysis of the results after one year's follow-up of all tested patients showed that the individual test patients' results weighted significantly in the clinics' judgements, and they consistently elevated their risk assessments and degrees of suicide-preventive measures for those patients who were shown to be hyporeactive. The suicide rate in the hyporeactive group decreased significantly, most likely thanks to these measures. In the normally reactive group the number of suicides, as expected, was very low. However, we cannot rule out that other currently unknown factors may also have contributed to the drastic reduction in the number of suicides.
After the results were compiled and presented internally to the participating researchers, the material was statistically analysed and processed following a review and revision of the database (to eliminate any interpretation discrepancies), after which it was statistically analysed once more. This work is carried out by a biostatistician at Columbia University in the USA and so far, it has confirmed the statistical calculations we made immediately after our study was completed.
The drafting of a scientific article presenting the results of EUDOR-A has been ongoing since the fourth quarter of 2017. However, this paper cannot be finalised until the results of the new statistical analysis being performed at Columbia University are available. A publication committee is responsible for writing the draft, but about 40 researchers at 16 different research institutions need to weigh in with comments and approve the text before it can be submitted for publication.
The total ratio of documented suicides in EUDOR-A is a record low and dramatically lower than in all previous blind studies. This decrease is most probably due to the targeted suicide-preventive measures that the clinics state were put in to protect hyporeactive patients.
All important observations confirm the central hypothesis for EDOR®: that hyporeactive patients are more vulnerable to suicidal actions than normally reactive patients.

- ***Patent approved by PRV, patent applications and trademark protection***

PRV, the Swedish Patent and Registration Office, has notified Emotra of their approval of Emotra's patent application, No. 1300614-3, "Apparatur för användning vid bedömning av självmordsrisk" (Apparatus for use in evaluation of suicide risk). Further patent applications have been submitted in the EU, USA, Canada and Japan.
In 2016, EUIPO (the EU trademark authority) also announced that Emotra would be granted EU-wide trademark protection for EDOR®.

- ***The Problem of Suicide***

Suicide is the most common cause of death for people aged 15–44. The number of suicides worldwide is almost 1 million per year, and 1,500 in Sweden. The vast majority of people who try to commit suicide often suffer from depression and have been in contact with a health care provider, in many cases shortly before the suicide attempt. The average direct treatment cost for the health care system of each suicide attempt is 0.9 MSEK in Sweden (Source: Räddningsverket, 2004). The proportion of the general population that suffers from depression is relatively the same throughout the industrialised world. Each year, about 150,000 Swedes and between 5 and 10 million people in Europe and the USA respectively, are treated for depression.

- ***Earlier clinical studies***

The results of earlier studies uniformly show that the suicide rate is significantly higher among patients whose test results showed they were hyporeactive than among normally reactive patients. More recent results of trials on 783 German patients, published in September 2013 in the Journal of Psychiatric Research, confirm our previously achieved good results.

- ***EDOR®, test and product***

The electro-dermal measurements that are made using the Emotra method, EDOR®, examine the skin's (derma) variable, sweat-dependent conductivity of low-voltage current. The more a person reacts to a signal, the higher the conductivity. The areas that are most sensitive to external events such as sound signals are the sweat glands in the skin between the fingers and toes. By emitting carefully selected sound stimuli at well-tested intervals and in a well-defined test situation, key survival reactions in the brain can be measured as a short and unnoticeable increase in perspiration of the fingers. By testing patients' reactions to these signals, we can determine which patients are electrodermally hyporeactive. Once we have determined that a patient is hyporeactive, we can assume this condition will last for at least 1–2 years and can be very long-term. Hyporeactivity, in combination with serious depression, implies a significantly higher risk of suicide. The test itself takes 15 minutes, while the entire examination, including preparation and closing, takes less than 30 minutes to carry out. Together with the rest of the risk evaluation, these objectively measured values provide valuable information about the extent to which a tested person will need special suicide-prevention measures.

Advantages of EDOR®

- The test enables the high-precision identification of patients who are at risk of attempting suicide
- Suicide prevention measures are directed at those who are at risk
- Objective and quantitative measurement results
- Many lives can be saved
- Reduced health care costs
- Leading researchers behind the method
- Quick and easy test
- Published clinical results

The EDOR® product is a complete measuring system comprised of a measuring instrument, the "EDOR® Box", headphones, a specially-equipped laptop computer and proprietary software, as well as training packages and expert services via the Internet.
The EDOR® Box is the size of an eyeglass case. It is placed on the table in front of the person being tested. The top of the box has sensors for measuring electro-dermal activity and blood flow in the fingers. The product system's design is based on many years' research and experience in the field.

Göteborg, May 9, 2018
Claes Holmberg, CEO

Income Statement summary

kSEK	*Jan. – March 2018*	*Jan. – March 2017*	*Jan – Dec 2017*
Net sales	0	0	0
Operating costs	-1,627	-1,861	-9,282
Operating loss	**-1,807**	**-1,861**	**-9,282**
Net financial items	-	-	-2
Loss before taxes	**-1,807**	**-1,861**	**-9,284**
Taxes	39	39	158
Net loss of the period	**-1,768**	**-1,822**	**-9,126**
Earnings per share, SEK	-0.13	-0.19	-0.79
Earnings per share after dilution, SEK	-0.13	-0.19	-0.79
Average number of shares	13,702,259	9,517,860	11,561,317

Balance sheet summary

kSEK	**March 31, 2018**	**June 31, 2018**	**March 31, 2018**
Assets			
Fixed assets			
Total fixed assets	750	1,497	943
Current assets			
Inventories	728	0	728
Other receivables	524	183	414
Cash and cash equivalents	6,437	2,979	8,251
Total current assets	7,689	3,162	9,393
Total assets	**8,439**	**4,659**	**10,336**

Shareholders' equity and liabilities

Shareholders' equity			
Total shareholders' equity	6,223	2,928	7,991
Provisions	158	316	197
Non-current liabilities	35	70	35
Current liabilities	2,023	1,345	2,113
Total shareholders' equity and liabilities	**8,439**	**4,659**	**10,336**

Cash-flow analysis, an overview

kSEK	**Jan. – March 2018**	**Jan. - March 2017**	**Jan. – Dec. 2017**
Cash flow from current operations before changes in working capital	-1,615	-1,664	-8,514
Cash flow from changes in working capital	-164	-6	-193
Cash flow from investing activities	-	-	-22
Cash flow from financing activities	-35	-35	12,296
Cash flow of the year	-1,814	-1,705	3,567
Liquid assets on January 1	8,251	4,684	4,684
Liquid assets on December 31	**6,437**	**2,979**	**8,251**

Changes in shareholders' equity kSEK	Share capital	Revaluation reserve	Share premium reserve	Accumulated loss brought forward	Total shareholders' equity
Shareholders' equity on Dec. 31, 2016	**1,761**	**1,097**	**-5**	**1,897**	**4,750**
Dissolution of write-up		-122		122	0
Net loss of the period				-1,822	-1,822
Shareholders' equity on	**1,761**	**975**	**-5**	**197**	**2,928**

March 31, 2017					
Earnings appropr. acc. to shareholder resolution			5	-5	
Dissolution of write-up		-366		366	
Net loss of the period				-7,304	-7,304
New share issue	774		13,035		13,809
Issue expenses			-1,442		-1,442
Shareholders' equity on Dec. 31, 2017	**2,535**	**609**	**11,593**	**-6,746**	**7,991**
Dissolution of write-up		-122		122	
Net loss of the period				-1,768	-1,768
Shareholders' equity on March 31, 2018	**2,535**	**487**	**11,593**	**-8,392**	**6,223**

Key ratios	**Jan. – March, 2018**	**Jan. – March, 2017**	**Jan. – Dec. 2017**
Net sales, kSEK	0	0	0
Operating loss, kSEK	-1,807	-1,861	-9,282
Result of the period, kSEK	-1,768	-1,822	-9,126
Earnings per share, SEK	-0.13	-0.19	-0.79
Shareholders' equity per share, SEK	0.45	0.31	0.58
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	73.7	62.8	77.3
Average number of employees	4	3	3
Average number of shares	13,702,259	9,517,860	11,561,317
Number of shares at end of period	13,702,259	9,517,860	13,702,259

Key Ratio Definitions

Return on equity, %	Profit/loss after taxes as a percentage of average of equity.
Equity ratio in %	Shareholders' equity as a per cent of total assets.
Earnings per share, SEK	Earnings after tax in relation to the average number of outstanding shares.
Shareholders' equity per share, SEK	Equity in relation to the number of outstanding shares at end of period.

Net Sales

The Company's sales operations have not generated any revenue during the period.

Operating loss

Our costs have decreased significantly since the third and fourth quarters last year. Our operating income for the quarter is thereby back at the same level as in the same period in 2017. The difference compared to last year is that marketing now stands for the greater part of the Company's costs. Other external costs decreased when the costs incurred by our clinical study EUDOR-A were wrapped up in 2017. Our personnel costs have increased due to the recruitment of a Marketing Manager.

Emotra's financial status

The Company's new share issue carried out in June 2017 has given Emotra the financial resilience needed for the commercialisation of EDOR®. While our marketing costs will now increase, our clinical study costs will decrease significantly. The Company will continue to keep a watchful eye on our costs.

Our rights issue resulted in the issuing of 4,184,399 shares, providing Emotra with approximately 12.4 MSEK in cash after issue expenses. The Company's costs increased dramatically during the summer and autumn of 2017. This is mainly due to the fact that the Company has compensated the participating clinics for their study-related costs and the high cost of our training seminars in six different countries. We have now terminated this latter activity and replaced it with a significantly more cost-effective market strategy. Even if our marketing activities following the implementation of our new strategy have strongly pared our costs, the Board's judgement is that the Company does not possess sufficient funds to finance a broad, international market launch of EDOR®. The Board is discussing solutions for securing the further funds needed to finance a broad, long-term international market launch of EDOR®. The Board's proposal to the AGM on May 9 is to grant it the authority to carry out a new share issue some time before the next Annual General Meeting.

Risks and Uncertainties

Emotra's operations are subject to both operational and financial risks. Identifying potential risks and evaluating how to manage them is a continuous process within the Company. The markets for Emotra's products are characterised by lengthy sales processes. The Company is active on markets with great potential, but with erratic sales growth.

The section “Riskfaktorer” (Risk Factors) in our 2017 Memorandum, which can be found on the Company’s web site and also obtained from the Company, contains a complete description of the risks the Company has identified and how we have chosen to manage them.

Number of Shares Outstanding

The share capital of 2,534,917.92 SEK is comprised of 13,702,259 shares. Each share’s quota value is 0.185 SEK.
The Company is listed on AktieTorget (www.aktietorget.se) with the share code EMOT.

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. The interim report, in line with previous financial reports, has been compiled on the principle of a going concern. The Company follows the accounting rules and principles laid out in the Annual Accounts Act as well as the General Recommendations issued by the Swedish Accounting Standards Board.

Audit

This interim report has not been subject to audit by the Company’s auditor.

Future Reports

Interim report for January – June, 2018	August 22, 2018
Interim report for January – September, 2018	October 24, 2018
Year-end report for 2018	February 21, 2019

The Annual General Meeting will be held in Göteborg at 11 am on May 9, 2018. The Annual Report will be available at the Company’s web site ***www.emotra.se*** at least three weeks before the meeting and can also be ordered from the Company by e-mail addressed to ***claes@emotra.se***.

Certification

The Board of Directors and the Chief Executive Officer do hereby certify that this interim report contains a fair representation of the Company’s operations, financial position and results, as well as describes any significant risks and uncertainties the Company faces. All statements of a forecasting nature in this report are based on the Company’s best assessments on the report’s publishing date. As with all forecasts, such statements contain risks and uncertainties and the actual results can differ.

Göteborg, May 9, 2018
Emotra AB (publ)

The Board of Directors and CEO

For further information, please contact Claes Holmberg, CEO, Emotra AB, at +46 708 25 45 47 or claes@emotra.se

Emotra AB (publ) *is a medical technology company that carries out research, development, clinical studies and marketing in the area of suicide prevention. The Company’s method, EDOR®, is a*

proprietary, objective and quantitative diagnostic, psychophysiological test for detecting hyporeactivity in patients suffering from depression. During the test, the patient listens to a series of audio signals. The patient's response, in the form of very small changes in dermal electric conductivity, is measured and analysed. This extremely sensitive and specific test of suicidal risk has been developed as the result of research.

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