Press release, October 24, 2018
Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Interim report

January 1 – September 30, 2018

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

Summary of the period January – September, 2018

- **Net sales for the period were 3 kSEK (0)**
- **Operating loss was -4,932 kSEK (-6,742)**
- **Loss per share after dilution was -0.35 SEK (-0.62)**
- **At the end of the period, liquid assets amounted to 3,509 kSEK (11,014)**
- **Two psychiatric clinics recruited as customers this year**
- **Important research results which demonstrate that hyporeactivity is a strong biomarker for suicide risk**
- **A research study confirms the biological explanatory model**
- **Meetings with clinics and seminars carried out in major European cities**
- **Presentation of EDOR® in London in September**

Summary of the period July – September, 2018

- **Net sales for the period were 1 kSEK (0)**
- **Operating loss was -1,327 kSEK (-3,200)**
- **Loss per share after dilution was -0.09 SEK (-0.33)**

Significant Events After Closing of Books

- **Claes Holmberg new Chairman of the Board**
- **Marketing Manager Daniel Poté takes over as Emotra's CEO**
- **First customer in Germany starts using EDOR**
- **Emotra responds to new objections from the US patent office**
- **No other significant events have occurred after the reporting period**

Comments from our CEO

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

- Our first commercial agreement was signed with a private Warsaw clinic that is associated with one of the university clinics that participated in EUDOR-A. The clinic's testing operations were initiated in the second quarter of 2018.
- Our first customer in Germany started their use of EDOR on October 17 through training of physicians and test leaders.
- Marketing against major European cities has led to constructive discussions and ongoing commercial negotiations with several clinics/clinic chains.
- Meetings with clinics, clinic groups and seminars have been carried out in a number of these cities.
- Emotra has presented EDOR at a number of psychiatric hospitals and clinics in London. The meeting was arranged by a leading British psychiatric hospital.
- Emotra's patent application in Japan was approved by the Japanese patent office at the end of July, 2018.
- In collaboration with a mathematical biostatistician, Emotra's Chief of Research and the inventor of EDOR®, Lars-Håkan Thorell, published convincing scientific results:
    - It is extremely improbable that previous blind study results could be obtained unless the risk was higher among hyporeactive patients than among normally reactive patients
    - Hyporeactivity is a strong biomarker, and the only working biomarker so far, for suicide risk
- New study results confirm the biological explanatory model of how suicide and hyporeactivity are related to specific brain damage. From Emotra's perspective, this is very important since our earlier hypothesis about the biological process that leads to hyporeactivity can now be verified.
- The drafting of a scientific article presenting the results of EUDOR-A has been ongoing since the second quarter 2018. A special publication committee has been given responsibility for writing the article, although researchers from all of the involved clinics will be commenting on and approving the text.

- ***Marketing/market strategy***

  We have spent the first three quarters of 2018 working the market with a strict geographical focus on a few major metropolitan areas in Europe that feature a high concentration of clinics and hospitals, including both open and closed wards, which diagnose and treat those patients groups for which testing with EDOR is relevant. Our marketing efforts are primarily aimed at privately run psychiatric hospitals and hospital chains in London. This region features clinics that normally charge patients the full price for the care they provide.

The psychiatrists, psychologists and therapists affiliated with these clinics often participate in local networks through which information and experiences of new methods and developments are shared. Emotra's activities are aimed at establishing a first platform of users within these networks, which by and by will allow the company to achieve a wider clinical use.
The high number of psychiatric clinics in these cities allow a small organisation to reach many of the clinics with large and relevant patient groups, as well as to leverage the local networks that are available. Furthermore, innovations often spread from such cities and networks to the rest of the country.
In the past few days, Emotra has trained and helped a first German psychiatric hospital get up and running. Furthermore, we have established promising contact with a leading psychiatric hospital in London and they are now investigating the conditions for implementing EDOR® in their day-to-day clinical treatment of depressed patients. Closing a commercial agreement takes time due to the fact

that the physicians we have reached an agreement with must secure acceptance of this new method in day-to-day practice both upwards and downwards in their organisation. We at Emotra are convinced that it is merely a matter of time before we have signed our first British deal and can commence training of the concerned healthcare staff. After that, we will continue our efforts with other privately-run psychiatric clinics in London and then in other parts of the country.
Judging by the positive response Emotra has received, the chances are good that we, with time, will be able to secure a sufficient number of psychiatric clinics that can act as spearheads and role models for other clinics and help our method gain market traction.
We will be marketing EDOR® as a method for identifying a biologically-based factor for suicide risk. Since the clinical diagnostic work aims to identify psychological and social risk factors, the information obtained from EDOR is an excellent supplement to the information gained from patient interviews. When used the right way, this information can effectively identify high suicide-risk patients, and that is the premise on which we at Emotra intend to base our product sales efforts.
We have further developed the company's web site during the spring and autumn and this work will continue. Our web site is now to a greater extent aimed at customers who will be buying and using EDOR®. In all our communications with potential customers, Emotra now uses the structured description that we developed in the autumn of 2017. This description includes the Company's EDOR method, the research which the method is based upon and the method's results and value in clinical practice. In parallel with our efforts to contact and visit clinics in different, large European metropolitan areas, we conduct local seminars in collaboration with clinics that already have experience of using the EDOR method. One change is that Emotra is now responsible for arranging these training seminars.

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

In our R&D operations, our efforts to make analyses of the test results computer-based continue. Our goal is to make the vast majority of these analyses computer-based and that manual assessments will be required only as a complement in uncertain cases.
We have made important advances in our research during the past year. For the first time, we have been able to demonstrate how high the suicide risk is among hyporeactive patients compared with normally reactive patients. The results were published in the online magazine **"***EC Psychology and Psychiatry", Volume 7, Issue 10, October 01, 2018***.** Another study has shown how the damage to the hippocampus CA3 area is related to hyporeactivity and increased suicide risk. These are very important observations for Emotra, since they answer the clinics' questions about the fundamental mechanism behind the hyporeactivity phenomenon. No one has previously been able to demonstrate how these pieces fit together. Being able to point out a biological explanatory model will facilitate our communication with potential customers.
Several other important research projects are ongoing and we will be reporting on them in the future. Among these is the article from our completed multi-centre study, EUDOR-A. This manuscript is now being compiled by a group of researchers who participated in the study.
Over 1,500 patients have been tested using EDOR® since our naturalistic (non-blind) European clinical multi-centre study, EUDOR-A, was initiated in spring 2014. For ethical reasons, considering the results of previously conducted blind studies as well as Lars-Håkan Thorell's previous knowledge of hyporeactivity and its associated suicide risk, EUDOR-A was designed as an open, naturalistic study. This means that the study was performed without control groups or comparative populations, and that the clinics were immediately informed of the test results. From Emotra's perspective, the study can be used as a field study that enables us to examine the practical application of EDOR in near-day-to-day clinical practice. As we have previously stated, some of the most important observations are that the clinics took serious consideration to the test results, and the study produced a much lower suicide frequency compared with earlier blind or partially blind studies.

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

  At the end of July, 2018, the Japanese patent office informed Emotra that our Japanese patent application number 2016-516080, "A DEVICE FOR USE IN THE EVALUATION OF SUICIDE RISK", had been approved. Before that, PRV, the Swedish Patent and Registration Office, had notified Emotra of their approval of Emotra's patent application, No. 1300614-3, "Apparatur för användning vid bedömning av självmordsrisk" (Apparatus for use in the evaluation of suicide risk).

  Further patent applications have been submitted in the EU, USA and Canada. Emotra has received another objection to our patent application from the US patent office. Emotra has studied the objection and does not foresee any problem explaining how the previously granted patent that the US patent office's objection is based on does not block Emotra's patent.

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. In the last 20 years, the number of suicides worldwide has amounted to almost 1 million per year, and almost 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.

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 is designed so that the patient does not need to be moved to a psychophysiological lab, which is often the case, with the increased suicide risk that such a move poses. The product system's design is based on many years' research and experience in the field.

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

Göteborg, October 24, 2018
Claes Holmberg, resigning CEO and new Chairman of the Board

Income Statement summary

kSEK	*July – Sept.*		*Jan. – Sept.*		*Jan. – Dec.*
	2018	***2017***	***2018***	***2017***	***2017***
Net sales	1	0	3	0	0
Operating costs	-1,328	-3,200	-4,935	-6,742	-9,282
Operating loss	**-1,327**	**-3,200**	**-4,932**	**-6,742**	**-9,282**
Net financial items	-	-1	-2	-2	-2
Loss before taxes	**-1,327**	**-3,201**	**-4,934**	**-6,744**	**-9,284**
Taxes	39	39	118	118	158
Net loss of the period	**-1,288**	**-3,162**	**-4,816**	**-6,626**	**-9,126**
Earnings per share, SEK	-0.09	-0.33	-0.35	-0.62	-0.79
Earnings per share after dilution, SEK	-0.09	-0.33	-0.35	-0.62	-0.79
Average number of shares	13,702,259	9,517,860	13,702,259	10,717,688	11,561,317

Balance sheet summary

kSEK	***Sept. 30, 2018***	***Sept. 30, 2017***	***Dec. 31, 2017***
Assets			
Fixed assets			
Total fixed assets	364	1,114	1,942
Current assets			
Inventories	773	589	728
Other receivables	436	669	413
Cash and cash equivalents	3,509	11,014	8,251
Total current assets	4,718	12,272	9,394
Total assets	**5,082**	**13,386**	**10,336**
Shareholders' equity and liabilities			
Shareholders' equity			
Total shareholders' equity	3,175	10,491	7,991
Provisions	79	237	197
Non-current liabilities	0	35	35
Current liabilities	1,828	2,623	2,113
Total shareholders' equity and liabilities	**5,082**	**13,386**	**10,336**

Cash-flow analysis, an overview

kSEK	***Jan. – Sept. 2018***	***Jan. – Sept. 2017***	***Jan. – Dec. 2017***
Cash flow from current operations before changes in working capital	-4,388	-6,166	-8,514
Cash flow from changes in working capital	-284	200	-193
Cash flow from investing activities	-	-	-22
Cash flow from financing activities	-70	12,296	12,296
Period's cash flow	-4,742	6,330	3,567
Liquid assets on January 1	8,251	4,684	4,684
Liquid assets at end of period	**3,509**	**11,014**	**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**
Earnings appropr. acc. to shareholder resolution			5	-5	0
Dissolution of write-up		-365		365	0
New share issue	774		13,035		13,809
Issue expenses			-1,442		-1,442
Net loss of the period				-6,626	-6,626
Shareholders' equity on Sept. 30, 2017	**2,535**	**732**	**11,593**	**-4,369**	**10,491**
Dissolution of write-up		-123		123	0
Net loss of the period				-2,500	-2,500
Shareholders' equity on Dec. 31, 2017	**2,535**	**609**	**11,593**	**-6,746**	**7,991**
Earnings appropr. acc. to shareholder resolution			-11,593	11,593	
Dissolution of write-up		-365		365	0
Net loss of the period				-4,816	-4,816

Shareholders' equity on Sep. 30, 2018	**2,535**	**244**	**0**	**396**	**3,175**

Key ratios	**Jan. – Sept. 2018**	**Jan. – Sept. 2017**	**Jan. – Dec. 2017**
Net sales, kSEK	3	0	0
Operating loss, kSEK	-4,932	-6,742	-9,282
Result of the period, kSEK	-4,816	-6,626	-9,126
Earnings per share, SEK	-0.35	-0.62	-0.79
Shareholders' equity per share, SEK	0.23	0.77	0.58
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	62.5	78.4	77.3
Average number of employees	4	3	3
Average number of shares	13,702,259	10,717,688	11,561,317
Number of shares at end of period	13,702,259	13,702,259	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 of test analyses, service and maintenance generated 3 kSEK in revenue over the period.

Operating loss
Our costs have continued to decrease and were appr. 1.8 MSEK lower compared to the same period last year. One difference compared with previous years is that our marketing efforts now stand for the lion's share 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
Emotra has started the market launch of EDOR®, which has meant that our main cost centre has shifted from development and commercialisation to marketing.
Even if our marketing activities following the implementation of our new strategy in January 2018 are much more cost-efficient, the Board's judgement is that the Company does not possess sufficient funds to finance a broad, international market launch of EDOR®. The process of convincing psychiatric caregivers to implement a conceptually new way of working is time-consuming. The company will require more resources to ensure the resilience it needs to carry through its marketing efforts against a number of prominent, privately run psychiatric clinics, hospitals and hospital chains in some of Europe's largest metropolitan areas. Emotra expects that this strategy in the long run will open up the greater part of the psychiatric care market.
The Board is discussing solutions for securing the further funds needed to finance a broad, long-term international market launch of EDOR®.

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 2,534,917.915 SEK is comprised of 13,702,259 shares. Each share's quota value is 0.185 SEK.
The Company is listed at Spotlight (www.spotlightstockmarket.com) 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
Year-end report for 2018 February 21, 2019

The Annual General Meeting was held in Göteborg on May 9, 2018. The Annual Report for 2017 is available at the Company's web site www.emotra.se 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, October 24, 2018
Emotra AB (publ)

The Board of Directors and CEO

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

This information is the type of information that Emotra AB is legally obliged to publish in accordance with the EU market abuse regulation and the Securities Market Act. This information was submitted for publication on October 24, 2018 under the above contact's supervision.

***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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