

## **Emotra AB (publ)**

Interim report

January 1 – September 30, 2015

The Board of Directors and the CEO of Emotra AB (publ) hereby present the interim report for the first nine months of the financial year 2015.

Summary of the period January – September, 2015

- **Net sales were 0 kSEK (200)**
- **Operating loss was –4,463 kSEK (–4,688)**
- **Loss per share after dilution was –0.92 SEK (–1.88)**
- **At the end of the period, liquid assets amounted to 1,092 kSEK (5,898)**
- **More than 900 people have now been tested in our clinical multi-centre study**
- **New share issue provided Emotra with 11.3 MSEK after issue expenses**
- **Presentation of EDOR in the US**

Summary of the period July – September, 2015

- **Net sales were 0 kSEK (0)**
- **Operating loss was –1,889 kSEK (–1,310)**
- **Loss per share after dilution was –0.36 SEK (–0.48)**

### **Net sales**

No sales activities have been carried out during the year. Our revenue has been entirely comprised of contributions.

### **A word from our CEO: The study proceeds according to plan**

Emotra's multi-centre study is rapidly proceeding as planned. At the period-end date, data from more than 800 EDOR tests had been analysed. Data from a large number of EDOR tests have been submitted after the end of the period, bringing the total number of analysed tests to more than 900. On September 16–18, we held a conference in Rome, at which the clinics were able to share their experiences of working with EDOR. Judging by the feedback, EDOR seems to be working to all users' immense satisfaction. The process of conducting a test, sending the data to Emotra for analysis and then receiving the referral reply is both quick and easy. However, the tested patients need to be followed during a twelve-month period before any conclusions can be drawn about the method's

safety, effectiveness and reliability. If the follow-up shows that the test results are reliable, this will be a strong indication that the method will work very well in routine clinical use.

In connection with our conference in Rome, a proposal was forwarded about using the comprehensive clinical data collected during the course of this trial to examine a number of other issues, with the aim of increasing our knowledge of the connection between various populations and suicide, but also to study the connection between hyporeactivity and other specific conditions. From Emotra's point of view, this proposal provides a positive opportunity as it increases the motivation to conduct tests with EDOR.

A decision was made to arrange a satellite conference in Madrid in connection with a large international convention on March 12–15, 2016. The group will also meet again in connection with another large international convention in Oviedo, Spain on September 8–10, 2016. The purpose of this Oviedo meeting is to prepare a final consensus meeting with the study clinics.

All of the participating clinics are aware of and agree on the need to reach a consensus about the method's reliability before we can make any decision about launching our product on the market. Emotra is very optimistic about the prospect of the participating clinics acting as EDOR ambassadors, which will bring needed credibility when the product is launched on the specialist psychiatric care market. Emotra maintains a dialogue with the European Psychiatric Association's Suicide Section, EPA-SS, with which the Company has previously signed a collaboration agreement, about how we should launch our method on the market and how to shape the user training sessions.

Lars-Håkan Thorell, the creator of EDOR and Emotra's research manager, will present EDOR and the research behind the method at the IASR/AFSP International Summit on Suicide Research on October 11–14, 2015, at the Astoria Hotel, New York City. The summit is organised by two leading organisations in the field, the International Academy of Suicide Research and the American Foundation for Suicide Prevention. The conference brings together many of the world's foremost researchers in the field of suicide.

On September 29–30, Emotra's CEO, Claes Holmberg, presented the Company and the EDOR method in conjunction with the 21st MedTech Investing Europe Conference, The King's Fund, London, UK. In addition to these activities, we will be presenting EDOR and Emotra at various national and international conventions this autumn and in spring 2016.

Emotra will not be working the media, since media activities are expensive and only have a short-term effect. When we have come to the point where we have strong clinical results to support us and when our clinical trial partners have decided to become ambassadors for EDOR, we will be giving high priority to various types of media activities.

The Company's financial planning is long-term. In order to keep operating costs down, all business is carried out by a small organisation with low fixed costs.

### **Multi-centre study**

Since the new data transfer software was implemented in mid-February 2015, the transfer of EDOR test data has worked in line with expectations. At the end of September 2015, more than 800 tests had been analysed and this figure has since grown to more than 900. According to our time-plan, the test period will extend to the end of this year or the beginning of 2016. Since all of these patients need to be followed during a full year after testing, we expect the study to be finalised by the end of 2016/beginning of 2017. As soon as our study is concluded, all patients have been followed up and checked, and our final data have been analysed, we will be holding a consensus meeting with the aim

of determining which conclusions to draw from the results. Our future product launch will to a large extent depend on the conclusions drawn at this consensus meeting.

### **Rights issue completed**

With reference to the authority granted to the Board of Directors at the extraordinary shareholder meeting held on September 1, 2015, Emotra has carried out a new share issue with right of priority. The subscription period for this share issue ended on October 7 and the results were published on October 12. The subscription rate for this new share issue was approximately 81.7%, including subscription commitments. Guaranteed subscribers were allotted shares amounting to appr. 2.25 MSEK. The result is the issue of 4,326,300 new shares. Thus, the new issue provided Emotra with 11.3 MSEK after issue expenses. 2,859,848 shares (approximately 66% of the new issue volume) will be allocated through right of priority. The issue also resulted in 60 new shareholders.

Since this new share issue was not over-subscribed, there was no need to exercise the over-allocation option granted by the extraordinary shareholder meeting with the aim of broadening the Company's shareholder base.

Once this rights issue has been registered with Bolagsverket (The Swedish Companies Registration Office), Emotra's share capital will amount to 1,760,804.10 SEK, divided among 9,517,860 shares. Trading in PSS (Paid Subscribed Shares) will be carried out on AktieTorget until the share issue has been registered at Bolagsverket. We expect this registration to be completed at the end of October 2015.

This successful new share issue has given Emotra the financial resilience it needs to complete our ongoing multi-centre clinical study. Our liquidity situation is made significantly easier by the fact that the Company's costs, aside from the costs associated with clinical studies and continued development of our EDOR software, are kept at a low level. However, it is the Board's opinion that the Company does not have sufficient funds to finance an international launch of EDOR. The Board will continue to discuss solutions for securing the further funds needed to finance a broad, international market launch of EDOR.

### **Patent approved by PRV**

On September 22, Emotra announced that PRV, the Swedish Patent and Registration Office, had notified the Company of their intention to approve Emotra's Swedish patent application, No. 1300614-3, "Apparatus for use in evaluation of suicide risk". Emotra's patent application concerns a possible improvement of the existing product by providing greater control of the test situation to further improve the method's precision.

Simultaneously, Emotra was requested to clear up a handful of minor linguistic imprecisions to clarify the patent text. This has been done and the Company has received its patent certificate.

### **Researchers in training**

Our two newly employed researchers, who have both defended theses on electrodermal reactivity and autonomous functions in the nervous system, are completing their training with us. Their training is mainly comprised of analysing submitted test results and comparing their respective analyses with those made by Lars-Håkan Thorell, EDOR's inventor.

Our goal with these new analysts is to increase our analytical capacity once the product has been launched commercially.

### **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 that 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.

## EDOR – Emotra’s Testing Method

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. 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

### 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

these signals, we can determine which patients are so-called electrodermally hyporeactive.

Hyporeactive people lack the capacity to generate a certain type of reaction to these signals. Once we have determined that a patient is hyporeactive, we can assume this condition will last for at least 1–2 years and sometimes 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.

## Clinical Studies

Earlier studies have shown a 97% reliability of the hyporeactivity test when establishing depressed patients’ suicidal risk.

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.

## Products

EDOR is the name of Emotra's testing method, but also the name of our product system. The product has not yet been launched, although a prototype has been sold to and used by researchers at the Karolinska Institute in Stockholm, Sweden. The EDOR product is comprised of both hardware and software that together make up a complete measuring system. The measurement system itself is an instrument that the Company has developed, the "EDOR Box", which is comprised of a pair of headphones, a specially-equipped laptop computer, 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.

### **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 2015 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 is comprised of 9,517,860 shares. Each share's nominal value is 0.185 SEK.

The Company is listed on AktieTorget ([www.aktietorget.se](http://www.aktietorget.se)), with the share code EMOT.

### **Significant Events After Closing of Books**

The subscription period for our recent new share issue with right of priority, which brought in 11.3 MSEK after issue expenses, ended on October 7 and the results were published on October 12, 2015. Approximately 100 more tests have been submitted to Emotra since the period-end date. All in all, more than 900 tests have now been analysed, which further confirms our view that the study is progressing according to schedule.

No other significant events have occurred after the reporting period.

### **Transactions with persons close to the Company**

Emotra has an agreement with Jonebrant Ekonomikonsult AB for managing the Company's accounting and financial functions. Jonebrant Ekonomikonsult AB is partially owned by the Board member Roy Jonebrant. In connection with suicide prevention training, Emotra has purchased presentation services from Fermland AB during this period. This company is partially owned by Margit Ferm, the Chairperson of the Board.

### **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**

Full-year report for 2015

February 11, 2016

The Annual General Meeting was held in Göteborg at 5 p.m. on April 27, 2015. The Annual Report for 2014 is available at the Company's web site [www.emotra.se](http://www.emotra.se) and can also be ordered from the company by e-mail addressed to [claes@emotra.se](mailto: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 21, 2015  
Emotra AB (publ)

The Board of Directors and CEO

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## Income statement

kSEK unless otherwise stated	July-Sept.		Jan.-Sept.	
	2015	2014	2015	2014
Net sales	0	0	0	200
Operating costs	-1,889	-1,310	-4,463	-4,888
<b>Operating loss</b>	<b>-1,889</b>	<b>-1,310</b>	<b>-4,463</b>	<b>-4,688</b>
Net financial items	-2	-5	-5	-5
<b>Loss before taxes</b>	<b>-1,891</b>	<b>-1,315</b>	<b>-4,468</b>	<b>-4,693</b>
Taxes	39	79	118	79
<b>Net loss of the period</b>	<b>-1,852</b>	<b>-1,236</b>	<b>-4,350</b>	<b>-4,614</b>
Earnings per share, SEK	-0.36	-0.48	-0.92	-1.88
Earnings per share after dilution, SEK	-0.36	-0.48	-0.92	-1.88
Average number of shares*)	5,191,560	2,595,780	4,717,727	2,456,377

\*) Split registered on February 18, 2015; two new shares for one old share; the comparison periods have not been recalculated.

## Balance sheet

kSEK	Sept. 30, 2015	Sept. 30, 2014	Dec. 31, 2014
Intangible assets	2,619	3,396	3,202
Tangible assets	50	64	60
Other current assets	601	718	554
Liquid assets	1,092	5,898	4,331
<b>Total assets</b>	<b>4,362</b>	<b>10,076</b>	<b>8,147</b>
Shareholders' equity	2,131	7,864	6,507
Provisions	553	711	671
Non-current liabilities	210	315	280
Current liabilities	1,468	1,186	689
<b>Total shareholders' equity and liabilities</b>	<b>4,362</b>	<b>10,076</b>	<b>8,147</b>

## Cash-flow analysis, an overview

kSEK	Jan.-Sept. 2015	Jan.-Sept. 2014	Jan. – Dec. 2014
Cash flow from operating activities	-3,178	-4,559	-6,126

Cash flow from investing activities		-69	-69
Cash flow from financing activities	-61	8,762	8,762
Period's cash flow	-3,239	4,134	2,567
Liquid assets at beginning of period	4,331	1,764	1,764
<b>Liquid assets at end of period</b>	<b>1,092</b>	<b>5,898</b>	<b>4,331</b>

#### Changes in shareholders' equity

kSEK	Share capital	Revaluation reserve	Share premium reserve	Accumulated loss brought forward	Total shareholders' equity
<b>Shareholders' equity on Dec. 31, 2013</b>	<b>704</b>	<b>2,437</b>	<b>3,423</b>	<b>-2,889</b>	<b>3,675</b>
New share issue	234		9,500		9,734
Issue expenses			-931		-931
Bonus issue	22		-22		
Dissolution of write-up		-243		243	
According to AGM			-2,889	2,889	
Net loss of the period				-4,614	-4,614
<b>Shareholders' equity on June 30, 2014</b>	<b>960</b>	<b>2,194</b>	<b>9,081</b>	<b>-4,371</b>	<b>7,864</b>
Dissolution of write-up		-122		122	0
Net loss of the period				-1,357	-1,357
<b>Shareholders' equity on Dec. 31, 2014</b>	<b>960</b>	<b>2,072</b>	<b>9,081</b>	<b>-5,606</b>	<b>6,507</b>
Issue expenses			-26		-26
Earnings appropri. acc. to shareholder resolution			-9,081	9,081	
Dissolution of write-up		-366		366	0
Net loss of the period				-4,350	-4,350
<b>Shareholders' equity on Sept. 30, 2015</b>	<b>960</b>	<b>1,706</b>	<b>-26</b>	<b>-509</b>	<b>2,131</b>

#### Key ratios

Jan.-Sept. Jan.-Sept. Jan. –



	2015	2014	Dec. 2014
Net sales, kSEK	0	200	280
Operating loss, kSEK	-4,463	-4,688	-6,111
Result of the period, kSEK	-4,350	-4,614	-6,090
Earnings per share, SEK	-0.92	-1.88	-2.44
Shareholders' equity per share, SEK	0.41	3.03	2.77
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	48.9	78.0	88.1
Average number of employees	3	3	3
Average number of shares*)	4,717,727	2,456,377	2,491,228
Number of shares at end of period	5,191,560	2,595,780	2,595,780

\*) Split registered on February 18, 2015; two new shares for one old share; the comparison periods have not been recalculated.

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**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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