

Newsletter from Emotra AB (publ)

Göteborg, November 3, 2015

Article in Laika

Emotra has commissioned Laika to write an article about the Company.

The article was published on the business news site Privataaffärer.se. We have translated the article and inserted it below.

Direct link to the article: <http://www.investerarbrevet.se/pages/1182>

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Market worth billions for Swedish medical device company



Claes Holmberg, CEO of the medical device company Emotra.

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A technical apparatus that can determine whether or not a person has suicidal tendencies can become a big hit on the international medical device market. The Swedish company that developed this product has recently carried out a new share issue and plans on commencing sales in 18 months.

“Our advantage is that there is no other product like it,” says Claes Holmberg, CEO of the medical device company Emotra.

“The market potential is enormous, we’re talking about billions,” he continues.

Emotra has developed a technical method for screening patients brought under medical care due to depression to find those who are at risk of attempting suicide. According to Holmberg, Emotra’s method can help steer suicide-prevention resources both towards the right patients and in a more effective way. This, in turn, will help to prevent a large number of suicides.

At present, the company is carrying out a study encompassing more than 1,500 patients to determine the method’s accuracy.

“Smaller studies that we have previously carried out show that the method is very accurate. This study is the largest one of its kind ever conducted and most things indicate that this study will confirm our previous findings,” Holmberg says.

Large study

At present their study, which is being carried out at 16 clinics in ten European countries, is more than halfway complete. The estimated completion time for this study, which is wholly financed by Emotra, is the end of 2016/beginning of 2017. In October, Emotra carried out a new share issue which brought in 11.3 MSEK. According to Holmberg, the aim of this share issue was to secure the necessary financing to carry the ongoing study to fruition.

“As soon as our study has been completed, we can push the start button,” says Holmberg, and he continues by adding that the aim is to start generating sales by the spring of 2017.

Holmberg expects the company to be in the black within a few years.

“We will start by focusing our sales efforts on specialist clinics. Our goal is to achieve a 20–25 percent market penetration in that segment within 3–5 years,” Holmberg says as he describes Emotra’s strategy and goals.

Measures a patient’s physiological reactivity

The technology that Emotra has developed is in the shape of an apparatus, called EDOR, that is used to detect hyporeactivity in a patient. By now, the correlation between hyporeactivity and suicidal tendency is quite clearly established. Determination of hyporeactivity in a patient is performed by registering how he/she reacts to certain, specific events, such as unexpected sounds. A hyporeactive patient will show very little reaction or no reaction at all to certain external sensory stimuli. EDOR tests a patient's reactivity by measuring the emission of brain signals that open the skin's sweat pores in reaction to repeated audio signals. Since sweat conducts electricity, this response can be easily measured.

It is a well-established fact that the suicide risk of patients suffering from depression can vary greatly, and that it is not always the most depressed patients that run the greatest risk of attempting suicide.

"That is why it is so important to determine which patients are at risk. What we are doing is saving lives," says Holmberg.

"Suicide is a serious problem all around the world. Europe is our primary market, but our next step will be to penetrate the US and Japanese markets," says Holmberg, who also underscores the fact that the method cannot predict suicide.

"There is no method that can do that, nor is it desirable. With EDOR, we can determine which patients are at risk," says Holmberg and adds that the method itself cannot prevent suicide attempts.

Better protection without a patent

Emotra has recently been granted a patent for the EDOR apparatus. This patent expires in 2033, but according to Holmberg, the company's truly unique component is the software that is used to analyse and process the test results. Emotra has chosen not to seek patent protection for this software, since such an application would increase the risk of disclosing proprietary knowledge about the method and thereby allowing it to be copied.

"According to our calculations, the analysis method would require many years of research for a competitor to learn, so the knowledge is safer if we keep it to ourselves," Holmberg states.

Emotra's share is listed on AktieTorget.

Read more [here](#).

- Facts about hyporeactivity
- Hyporeactivity is a type of neuropsychological disorder that causes a clearly diminished ability to react with curiosity to certain stimuli from the outside world, e.g. repeated, and initially unexpected, events. Previous measurements have shown a strong relationship between hyporeactivity and a risk of attempting suicide. Earlier studies have shown that up to 97 percent of depressed people who later committed suicide had been hyporeactive. A Swedish-German study on a total of 783 patients has confirmed these previous findings. The suicide rate among depressed patients who were not hyporeactive is a mere 2 percent.

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