Press release, August 22, 2018
Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Interim report

January 1 – June 30, 2018

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

Summary of the period January – June, 2018

- **Net sales for the period were 2 kSEK (0)**
- **Operating loss was -3,605 kSEK (-3,542)**
- **Loss per share after dilution was -0.26 SEK (-0.36)**
- **At the end of the period, liquid assets amounted to 4,979 kSEK (1,067)**
- **First commercial agreement signed**
- **Meetings with clinics and seminars carried out in major European cities**

Summary of the period April – June, 2018

- **Net sales for the period were 2 kSEK (0)**
- **Operating loss was -1,744 kSEK (-1,681)**
- **Loss per share after dilution was -0.12 SEK (-0.17)**

Significant Events After Closing of Books

- **Emotra has been granted patent protection in Japan**
- **No other significant events have occurred after the reporting period.**

Comments from our CEO

- ***Summary and analysis of significant events in the first six months 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 marketing efforts last spring were aimed at major European cities.
- Meetings with clinics, clinic groups and seminars have been carried out in a number of these cities.
- Ongoing discussions with several clinics/clinic groups.
- We are entirely convinced that this is the right strategy for Emotra and we will continue to follow this path this coming autumn.
- Emotra's patent application in Japan was approved by the Japanese patent office at the end of July, 2018.
- After further review of the EUDOR-A database and further statistical analysis, we have been working on a manuscript for a scientific article, during this quarter, to present the results of our EUDOR-A study. 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***

In the first and second quarter of 2018, we have been working the markets more directly and with a greater geographical focus. Given the company's resources and previous experience, we have chosen to focus our efforts on a limited number of major European cities. These cities feature a high density of clinics with both open and closed wards that diagnose and treat patient groups that are relevant for testing with EDOR. 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.

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.

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.

We have further developed the company's web site during the spring and will continue to do so in the autumn. 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 descriptions that we developed in the autumn of 2017. This description includes the Company's EDOR method, the research which the method is based on 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 exceptional cases. A number of 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 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.
The drafting of a scientific article presenting the results of EUDOR-A has been ongoing since the fourth quarter 2017. 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***

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.

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 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 could precipitate. The product system's design is based on many years' research and experience in the field.

Göteborg, August 22, 2018
Claes Holmberg, CEO

Income Statement summary

kSEK	*April–June*		*Jan. – June*		*Jan. – Dec.*
	2018	***2017***	***2018***	***2017***	***2017***
Net sales	2	0	2	0	0
Operating costs	-1,746	-1,681	-3,607	-3,542	-9,282
Operating loss	**-1,744**	**-1,681**	**-3,605**	**-3,542**	**-9,282**
Net financial items	-2	-1	-2	-1	-2
Loss before taxes	**-1,746**	**-1,682**	**-3,607**	**-3,543**	**-9,284**
Taxes	40	40	79	79	158
Net loss of the period	**-1,706**	**-1,642**	**-3,528**	**-3,464**	**-9,126**
Earnings per share, SEK	-0.12	-0.17	-0.26	-0.36	-0.79
Earnings per share after dilution, SEK	-0.12	-0.17	-0.26	-0.36	-0.79
Average number of shares	13,702,259	9,517,860	13,702,259	9,517,860	11,561,317

Balance sheet summary

kSEK	***June 30, 2018***	***June 30, 2017***	***Dec. 31, 2017***
Assets			
Fixed assets			
Total fixed assets	557	1,306	1,942
Current assets			
Inventories	728	0	728
Other receivables	454	769	413
Cash and cash equivalents	4,979	1,067	8,251
Total current assets	6,161	1,836	9,394
Total assets	**6,718**	**3,142**	**10,336**
Shareholders' equity and liabilities			
Shareholders' equity			
Total shareholders' equity	4,463	1,286	7,991
Provisions	118	276	197
Non-current liabilities	0	70	35
Current liabilities	2,102	1,510	2,113
Total shareholders' equity and liabilities	**6,718**	**3,142**	**10,336**

Cash-flow analysis, an overview

kSEK	*Jan. – June 2018*	*Jan. – June 2017*	*Jan. – Dec. 2017*
Cash flow from current operations before changes in working capital	-3,241	-3,155	-8,514
Cash flow from changes in working capital	4	-428	-193
Cash flow from investing activities	-	-	-22
Cash flow from financing activities	-35	-35	12,296
Period's cash flow	-3,272	-3,617	3,567
Liquid assets on January 1	8,251	4,684	4,684
Liquid assets at end of period	**4,979**	**1,067**	**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		-244		244	0
Net loss of the period				-3,464	-3,464
Shareholders' equity on June 30, 2017	**1,761**	**853**	**0**	**-1,328**	**1,286**
Dissolution of write-up		-244		244	0
Net loss of the period				-5,662	-5,662
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**
Earnings appropr. acc. to shareholder resolution			-11,593	11,593	

Dissolution of write-up		-122		122	0
Net loss of the period				-3,528	-3,528
Shareholders' equity on June 30, 2018	**2,535**	**487**	**0**	**1,441**	**4,463**

Key ratios	**Jan. – June 2018**	**Jan. – June 2017**	**Jan. – Dec. 2017**
Net sales, kSEK	2	0	0
Operating loss, kSEK	-3,605	-3,542	-9,282
Result of the period, kSEK	-3,528	-3,464	-9,126
Earnings per share, SEK	-0.26	-0.36	-0.79
Shareholders' equity per share, SEK	0.33	0.14	0.58
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	66.4	40.9	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 of test analyses, service and maintenance generated 2 kSEK in 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 with 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 was mainly due to the fact that the Company 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. This year's annual shareholder meeting on May 9 resolved to grant the board the authority to carry out a new share issue before next year's meeting in order to inject the company with a maximum of 24 MSEK in new capital.

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 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

Interim report for January – September, 2018	October 24, 2018
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, August 22, 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

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 August 22, 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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