

## **Emotra AB (publ)**

Interim report

January 1 – June 30, 2021

The Board and CEO of Emotra AB (publ) hereby present the interim report for the first six months of 2021.

### Summary of the period April – June, 2021

- **Net sales for the period were 0 kSEK (0)**
- **Operating loss was -1,874 kSEK (-1,115)**
- **Loss per share after dilution was -0.04 SEK (-0.03)**
- **At the end of the period, liquid assets amounted to 8,706 kSEK (3,749)**
- **New share issue and subscription applications received amounted to 176 percent of the allocated share volume**
- **The board of directors was expanded through the appointment of Ingela Hallberg**
- **Agreement on research collaboration was signed with the National Institute of Mental Health (NIMH) in the USA**

### Summary of the period January – June, 2021

- **Net sales for the period were 0 kSEK (0)**
- **Operating loss was -3,536 kSEK (-2,322)**
- **Loss per share after dilution was -0.07 SEK (-0.07)**
- **Our rights issue was carried out in June and applications amounting to 176 percent of the allocated share volume were received**
- **The board of directors was expanded through the appointment of Ingela Hallberg**
- **Agreement on research collaboration was signed with the National Institute of Mental Health in the USA**

### Significant Events After Closing of Books

- **On July 7, we announced that Emotra had been granted a patent in Canada**
- **On July 9, Emotra announced the start of a research collaboration with King's College**
- **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 2021

Our scientific article that describes the clinical observations that led to a refocusing of Emotra's strategy was published in February 2021. The article "Clinical effectiveness of the electrodermal orienting reactivity test for evaluating relapse and recurrence risk in patients hospitalized for depression" was published in BMC Psychiatry on February 10, 2021. The results showed that in-patients diagnosed with depression, which EDOR test identified as hyporeactive, run an almost five times higher risk of depression relapse within ten months of being discharged.

This publication is a milestone in the Company's continued development and a key piece of the puzzle that has led to increased interest and a positive shift in our negotiations with researchers and decision-makers. We are currently negotiating with several specialised clinical research centres that have shown an interest in our technology. In this period, we signed an agreement on research collaboration with the National Institute of Mental Health, NIMH, in the USA. In July, we signed an agreement on research collaboration with King's College in London. In July, we also announced that the Company had been granted a patent in Canada. Emotra now enjoys patent protection in Sweden, the USA, Japan and Canada, and we have applied for an EU-wide patent as well.

Even though all work at Emotra is carried out in a cost-effective manner, we have needed to raise more capital to fund our continued development efforts and, not least, complete our planned clinical study. In June, we carried out a rights issue of units that were composed of one share and two different warrants, TO2 and TO3. The applications amounted to 176 percent of the allocated share volume.

Ingela Hallberg, a medical doctor with many years' experience of management roles in the pharmaceutical industry at a number of large companies such as Bayer, Lundbeck, Merck KgA, Otsuka and the CRO company Quintiles (now IQVIA), both in clinical research and various strategic positions, was elected as a new board member at the Annual General Meeting held on May 24, 2021. Our collaboration with RISE Acreo, with the goal of digitising and further developing our EDOR analysis service using AI/machine learning, as well as a development project, is progressing according to plan and will continue during the rest of the year.

### New opportunities for Emotra with a larger market potential

Depression and treatment of it is one of the largest indication areas in health care. This presents a very important market potential for Emotra. Each year, more than 320 million people around the world suffer a depression and one in four Swedes will at some point in their life suffer a depression that is so severe it will require treatment. The costs for society and employers of these numbers are significant. In other words, the global patient base is gigantic.

One of the main problems with depression relapse is the lack of objective diagnostic markers that provide data that can be used to categorise patients as high-risk or low-risk in order to prescribe the

correct treatment. Since so many people suffer depressions and repeated relapses, improved diagnostics could lead to large cost savings for society, while at the same time providing patients with better and safer care. This provides an opportunity for EDOR<sup>®</sup> Test to deliver high-value, objective, biological information. The indication area depression relapse is of strategic importance to the company. The hyporeactive patient group, which EDOR identifies, is the same group that runs an elevated suicide risk. If a healthcare provider can identify this group and thereby prevent a depression relapse, they can most likely reduce the suicide risk as well. The Company is focused on compiling a basic database of evidence for this indication area in different clinical environments. The plan is to commence the multi-centre study in Q3/Q4, 2021.

### Research, technical development and studies

The clinical problem of relapses has been described as one of the largest and most urgent challenges that psychiatrists face today. Emotra has initiated a focused research and study effort on depression relapse in order to build a foundation of evidence for this application. The Company intends to collaborate with clinical centres that possess the necessary infrastructure, research experience and access to patients for studies. These collaborations are crucial for gaining access to high-quality data and for increasing the use of EDOR. Emotra has research collaboration agreements with, for example, NIMH in the USA and King's College in London.

This autumn, we will be focusing on documenting which competence, functional and regulatory requirements the Company will need to meet in order to carry out our study in accordance with the directives.

In 2020, Emotra signed an agreement with RISE for continued digitalisation of the analysis process and functionality development using machine learning. RISE possesses cutting-edge competence in the areas digitalisation, signal processing, statistical analysis and applied machine learning/AI. A deciding factor for us was that RISE has experience of collaborating with industrial partners in advanced development projects. This new technology offers Emotra ample opportunity for extended patent protection.

### Market and business development

Since the Company has reached a phase where our emphasis is on generating data for the indication area depression relapse, we have reduced our marketing activities to a minimum in order to preserve our financial resources. In this period, we have completed a market-research project to support this indication area. The project compiles important data about attitudes and challenges in the handling of depressed patients and depression relapse.

Our initial focus is on collecting qualitative data. We have started holding structured interviews with decision-makers and we expect to continue doing so this autumn. Our goal is to promote the creation of an initial platform of users and partners on which to build our further expansion.

Emotra will therefore be developing this market step-by-step over time, on condition that the results of these studies are to our advantage. From a business-development point of view, we maintain a continuous dialogue with various parties who may be relevant for the Company's progress or who may be able to help us seize upon future opportunities.

## Patents, patent applications and trademark protection

Last spring, the Company withdrew its Swedish patent application for “A device and a method to identify persons at risk for depressive relapse”. For tactical reasons, we chose to file an international PCT application instead, under the same name, to protect this new indication area. Europe, the US, Japan and Canada are priority markets in the Company’s patent application efforts. The American patent office has informed Emotra that our patent application number 15/024,908, “A DEVICE FOR USE IN THE EVALUATION OF SUICIDE RISK”, has been approved. The patent was issued on May 21, 2019, under U.S. Patent No. 10,292,636. 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. In July, 2021, the Canadian Intellectual Property Office notified Emotra that their patent application number 2,924,041 with the title “A DEVICE FOR USE IN THE EVALUATION OF SUICIDE RISK” had been approved. Before that, PRV, the Swedish Intellectual Property Office, had notified Emotra of their approval of Emotra’s patent application, No. 1300614-3, “Apparatur för användning vid bedömning av självmordsrisk” (Device for use in the evaluation of suicide risk). Further patent applications have been submitted in the EU. In 2016, EUIPO (the EU trademark authority) also announced that Emotra would be granted EU-wide trademark protection for EDOR®.

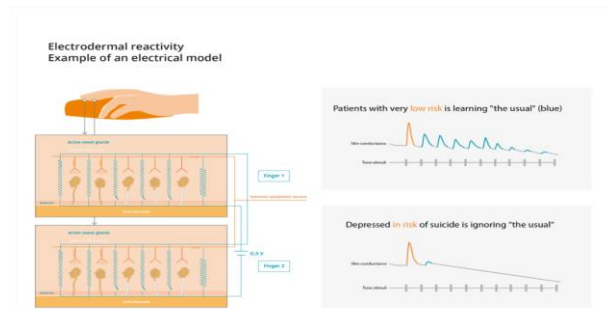
## Mental health and depression

Globally, mental health disorders account for 30 percent of all non-lethal illnesses. In Sweden alone, the cost to society is estimated to be 80 billion SEK per year, of which depression-related illnesses stand for 35 billion, and all estimates point to this cost continuing to grow until the year 2030. These costs are partly due to the high prevalence of mental illness and partly to the fact that almost all the people afflicted by such disorders cannot fully participate in the work force or their education programmes. A significant portion of this high prevalence is due to the fact that a large number of these patients suffer a depression relapse after treatment. We know that about 50 percent of patients who have suffered a depression will suffer one or more further episodes later in life. On average, a depressed patient will suffer a further five to nine relapses in their lifetime. In Europe, one in six people has mental health issues, and depressed people make up the single largest patient group among them.

## The EDOR® method

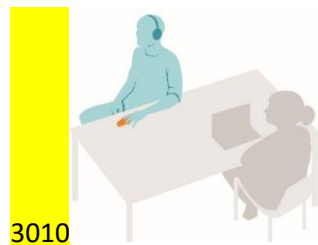
EDOR, “Electro Dermal Orienting Reactivity”, is a method that contributes biological information which complements the clinical interview and the anamnesis. Since hyporeactivity is a biologically based marker that is independent of clinical scales, as well as the patient’s age and gender, it adds biological information that provides for a more complete assessment of the patient. The test identifies patients as normally reactive or hyporeactive based on the patient’s electrodermal reactions to neutral audio signals. The test measures the response to stimuli over time, i.e. how quickly the patient grows accustomed to something in his/her surroundings. Patients who very

quickly stop reacting or who do not react at all are identified as hyporeactive. Hyporeactive, depressed patients have been shown to be more vulnerable to suicide attempts and suicide. New data also indicate that hyporeactivity is related to an increased risk of depression relapse.



The EDOR product system consists of three parts: headphones, the EDOR box and a computer. The EDOR box generates signals to the headphones, and sensors on the EDOR box registers the response from the patient. The file with the patient's reaction data is uploaded to Emotra's cloud solution using our proprietary EDOR software. A test using this equipment takes 20–30 minutes to complete. The patient sits with a test leader who monitors the test procedure. The patient being tested places his/her fingers on the electrodes on the EDOR box while listening to audio signals. The patient's impression of the audio signal sequence is that it is random, while it is actually identical every time.

The patient being tested places two fingers on the EDOR box and listens to a sequence of neutral audio signals in a pair of headphones.



A test leader handles the information, monitors the patient and uploads the test files to Emotra's cloud solution for analysis of the reaction pattern.

The entire test sequence is standardised and all that is needed to ensure a quality test environment is a disturbance-free room.

### Advantages of EDOR

- Provides information about the short- and long-term risk to support decisions on treatment and follow-up.
- An objective biomarker that is independent of clinical scales as well as the patient's age and gender
- Easy to carry out, with clear results that can be easily communicated to the treating team

Göteborg, August 20, 2021

Daniel Poté, CEO

## Income Statement summary

Amounts in kSEK	<i>April–June</i>		<i>Jan. – June</i>		<i>Jan. – Dec.</i>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Net sales	0	0	0	0	0
Other income	0	131	0	139	355
Operating costs	-1,874	-1,246	-3,536	-2,461	-5,752
<b>Operating loss</b>	<b>-1,874</b>	<b>-1,115</b>	<b>-3,536</b>	<b>-2,322</b>	<b>-5,397</b>
Net financial items	-	-	-	-	-
<b>Loss before taxes</b>	<b>-1,874</b>	<b>-1,115</b>	<b>-3,536</b>	<b>-2,322</b>	<b>-5,397</b>
Taxes	0	0	0	0	0
<b>Net loss of the period</b>	<b>-1,874</b>	<b>-1,115</b>	<b>-3,536</b>	<b>-2,322</b>	<b>-5,397</b>
Earnings per share, SEK	-0.04	-0.03	-0.07	-0.07	-0.15
Earnings per share after dilution, SEK	-0.04	-0.03	-0.07	-0.07	-0.15
Average number of shares	53,468,184	37,914,112	50,563,646	32,151,935	35,119,348
Potential shares from subscription warrants	31,772,672	11,653,840	31,772,672	11,653,840	0

## Balance sheet summary

Amounts in kSEK	<i>June 30,</i>	<i>June 30,</i>	<i>Dec. 31, 2020</i>
	<b>2021</b>	<b>2020</b>	
<b>Assets</b>			
<i>Fixed assets</i>			
Total fixed assets	5	10	8
<i>Current assets</i>			
Inventories	625	625	625
Other receivables	476	342	556
Cash and cash equivalents	8,706	3,749	4,302
Total current assets	9,807	4,716	5,483
<b>Total assets</b>	<b>9,812</b>	<b>4,726</b>	<b>5,491</b>

## Shareholders' equity and liabilities

### Shareholders' equity

Total shareholders' equity	8,196	2,944	3,484
Current liabilities	1,616	1,782	2,007
<b>Total shareholders' equity and liabilities</b>	<b>9,812</b>	<b>4,726</b>	<b>5,491</b>

### Changes in shareholders' equity

Amounts in kSEK	Share capital	Revaluation reserve	Share premium reserve	Accumulated loss brought forward	Total shareholders' equity
<b>Shareholders' equity on Dec. 31, 2019</b>	<b>501</b>	<b>0</b>	<b>8,998</b>	<b>-7,588</b>	<b>1,911</b>
New share issue	222		4,440		4,662
Issue expenses			-1,307		-1,307
Approp. acc. to shareholder resolution			-8,998	8,998	0
Net loss of the period				-2,322	-2,322
<b>Shareholders' equity on June 30, 2020</b>	<b>723</b>	<b>0</b>	<b>3,133</b>	<b>-912</b>	<b>2,944</b>
New share issue	182		3,664		3,846
Issue expenses			-231		-231
Net loss of the period				-3,075	-3,075
<b>Shareholders' equity on Dec. 31, 2020</b>	<b>905</b>	<b>0</b>	<b>6,566</b>	<b>-3,987</b>	<b>3,484</b>
New share issue	663		10,203		10,866
Issue expenses			-2,618		-2,618
Approp. acc. to shareholder resolution			-3,987	3,987	0

Net loss of the period				-3,536	-3,536
<b>Shareholders' equity on June 30, 2021</b>	<b>1 568</b>	<b>0</b>	<b>10,164</b>	<b>-3,536</b>	<b>8,196</b>

## Cash-flow analysis, an overview

Amounts in kSEK

	<i>Jan. – June 2021</i>	<i>Jan. – June 2020</i>	<i>Jan. – Dec. 2020</i>
Loss after financial items	-3,536	-2,322	-5,397
Adjustment for items not included in the cash flow	2	3	36
<b>Cash flow from current operations before changes in working capital</b>	<b>-3,534</b>	<b>-2,319</b>	<b>-5,361</b>
<b>Cash flow from changes in working capital</b>	<b>-310</b>	<b>97</b>	<b>77</b>
<b>Cash flow from operating activities</b>	<b>-3,843</b>	<b>-2,222</b>	<b>-5,284</b>
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>	<b>8,248</b>	<b>3,355</b>	<b>6,970</b>
<b>Cash flow of the year</b>	<b>4,404</b>	<b>1,133</b>	<b>1,686</b>
Liquid assets on January 1	4,302	2,616	2,616
<b>Liquid assets at end of period</b>	<b>8,706</b>	<b>3,749</b>	<b>4,302</b>

## Key ratios

	<i>Jan. – June 2021</i>	<i>Jan. – June 2020</i>	<i>Jan. – Dec. 2020</i>
Net sales, kSEK	0	0	0
Operating loss, kSEK	-3,536	-2,322	-5,397
Result of the period, kSEK	-3,536	-2,322	-5,397
Earnings per share, SEK	-0.07	-0.07	-0.15
Shareholders' equity per share, SEK	0.01	0.08	0.07
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	52.6	62.3	63.4



Average number of employees	3	3	3
Average number of shares	50,563,646	32,151,935	35,119,348
Potential shares from subscription warrants	31,772,672	11,653,840	0
Number of shares at end of period	82,513,556	38,043,599	38,043,559

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## 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

No sales were recorded in the period.

Other revenue in previous years are mainly comprised of grants from the Swedish Agency for Economic and Regional Growth (Tillväxtverket) for short-term work.

## Operating profit/loss

The Company's cost increase is mainly due to increased product development activity.

## Financial status and rights issue

On April 22, the Company published a press release about the board's decision to carry out a new rights issue of units, pending a resolution at the annual general meeting that was to be held on May 24, 2021. The amount of subscription applications received in our new share issue amounted to 176 percent of the allocated amount, which injected 9.5 MSEK of capital into the Company before issue expenses. This issue offered units, which were comprised of both shares and two different warrants, TO2 and TO3.

The district court in Göteborg has notified Emotra that a claim form has been served by ABC Form Srl. Semplicata ("ABC"), for work mainly performed by professor Marco Sarchiapone from 2014 to 2017. Emotra has consistently requested to see accurate supporting documents/verifications, which ABC has so far refused to accommodate. In the claim, ABC has requested that Emotra be obligated to pay 1.7 MSEK, plus penalty interest and legal costs. In its reply to the district court, Emotra has contested ABC's claim.

## 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 2020 Annual Report and our Memorandum from 2021, 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

At the end of the second quarter 2021, the share capital was 1,567,757.566 SEK, and the number of outstanding shares and votes in the Company was 82,513,556. Each share's quota value is 0.019 SEK. These numbers refer to the status after the new share issue was registered with the Swedish Companies Registration Office on July 9, 2021. This issue offered units comprised of both shares and two different subscription warrants, TO2 and TO3. The Company is listed at Spotlight Stockmarket ([www.spotlightstockmarket.com](http://www.spotlightstockmarket.com)) with the share code EMOT. The Company does not possess any own shares. The number of warrants in the TO2 and TO3 series amount to 15,886,336 each.

## 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 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, 2021

October 28, 2021

Year-end report for 2021

February 22, 2022

The Annual General Meeting was held on 3 June, 2021. The Annual Report 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 [daniel@emotra.se](mailto:daniel@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 20, 2021  
Emotra AB (publ)

The Board of Directors and CEO

**For further information, please contact:** Daniel Poté, CEO, telephone: +46 73 234 41 93, E-mail: [daniel@emotra.se](mailto:daniel@emotra.se)

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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 mental health. The Company's method, EDOR®, is a proprietary and objective psychophysiological test for detecting if patients suffering from depression are hyporeactive.*

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