



Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Interim report

1 January – 31 March 2022

The Board and CEO of Emotra AB hereby present the interim report for the first three months of 2022.

Summary of the parent company for the period January–March 2022

- Net sales for the period were 0 kSEK (0)
- The net operating income was -1,988 kSEK (-1,662)
- The net operating income per share after dilution was -0.005 SEK (-0.03)
- At the end of the period, liquid assets amounted to 2,457 kSEK (2,532)

Summary of the consolidated company for the period January–March 2022

- Net sales for the period were 0 kSEK (0)
- The net operating income was -3,405 kSEK (0)
- The net operating income per share after dilution was -0.1 SEK (-0.15)
- At the end of the period, liquid assets amounted to 2,471 kSEK (0)

Significant events in the first quarter

- A paper about our clinical multi-center study EUDOR-A, which confirmed the study's hypothesis, was published in *Frontiers in Psychiatry*
- Three members of the board announced their resignations
- Spotlight Stock Market decided to halt Emotra's re-listing process
- Emotra announced that shares can be traded through Mangold's OTC list until a new official listing is secured
- Our President Daniel Poté announced his resignation

Significant events after closing of books

- Emotra called an extraordinary shareholder meeting to elect a new board of directors
- Daniel Rudeklint, the Company's CFO, was appointed acting President



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Comments from our acting president

After an exciting 2021, in which our acquisition of NeuraMetrix Inc. was the most significant event, the focus of our operations has been on integrating our North American subsidiary with Emotra. The acquisition was carried out by merging NeuraMetrix Inc. with the newly formed American company NeuraMetrix USA Inc. and the issue of replacement shares. As a result of this merger, NeuraMetrix USA Inc. took over Metrix Inc.'s intellectual property and obligations.

As we have previously announced, the background and justification for this transaction was that it would provide greater opportunity for Emotra to create value for its shareholders. The acquisition is expected to generate synergies, since the two companies' goals, markets, customers, geographical focus, and the problems their respective technologies solve, complement each other perfectly.

A re-listing process on Spotlight Stock Market, which is a standard procedure in this type of transaction, began during the autumn of 2021. On 18 February 2022, Spotlight communicated its decision to halt Emotra's re-listing process. The Company's board of directors have rejected the reasoning for this decision and our opinion is that Spotlight's behaviour is both regrettable and incomprehensible. Emotra has since then signed an agreement with Mangold Fondkommission concerning a listing of the Company's shares on Mangold's OTC list. The board has initiated the process of applying for a listing on another official exchange.

During this period, three board members announced their resignations due to high workloads. Emotra subsequently called an extraordinary shareholder meeting to elect a new board of directors. The extraordinary meeting decided to reappoint Claes Holmberg, Anders Blom, and Ingela Hallberg, as well as elect me, Daniel Rudeklint, as a new member. When Daniel Poté announced his resignation as President on 1 May, the board decided to appoint me as the Company's acting president until a new president has been recruited. I will also continue to act as the Company's CFO.

During this period, NeuraMetrix has continued to work present and future customers in the USA, marketing its technology toward both pharmaceutical companies and academia. One focus area is to generate data about new indication areas for the technology, but also to compare with current methods of evaluating and following up neurodegenerative diseases.

In January 2021, we published important data which show that hyporeactive patients are nearly five times as likely to suffer a depression relapse. After a long waiting period, in February 2022 Emotra was able to announce that our clinical multi-center study EUDOR-A has been published in *Frontiers in Psychology*. The findings correlate by and large with the data that Emotra has previously disclosed in press releases and interim reports.

I am very excited about our work building a future-oriented structure and organisation that will enable the Company to grow in our indication areas.

Stockholm, 24 May 2022
Daniel Rudeklint, acting President



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NeuraMetrix Typing Cadence

New possibilities and greater market potential

The acquisition of NeuraMetrix Typing Cadence allows us to address a major challenge for diseases such as Parkinson's, Alzheimer's, depression, anxiety, bipolar disorder and schizophrenia. The currently used evaluation methods are time-consuming and are neither precise nor reliable. Furthermore, the sector lacks resources such as correctly trained personnel, which often leads to patients who are suffering from neurological disorders having to meet up to 3 different health care workers per year.

This makes it very difficult to make a correct early diagnosis, adapt the patient's treatment to his/her individual circumstances and follow the patient's progress. There is a lack of quantitative and objective methods that in a cost-effective manner can provide the kind of data that is needed.

The Typing Cadence (TC) product

This technology measures our strongest habit – how we type on a keyboard. This habit is hard-coded in our brains and when the brain is afflicted by disease, this breaks the hard-coding and the behaviour starts to vary more and more. However, this process is very slow and occurs in increments, which makes it difficult to detect and assess. Measurement is performed in milliseconds, which enables the detection of subtle changes, for example to identify neurodegenerative illnesses far earlier than currently used methods allow. NeuraMetrix TC has several applications:

- Discovering very small changes in a person's cognitive and motor functions.
- Detect patient events such as depressions or multiple sclerosis attacks.
- Continuous measurement of disease progression and treatment effects.

The product is non-invasive, independent of language, culture and level of education, and does not require tests, sensors, or the presence of a physician. The system is a completely software-based digital biomarker that provides continuous real-time data about cognitive and motor functions. The data can easily be extracted for analysis to identify specific events, monitor medication, and track long-term trends. The below example is of a patient that is undergoing standard treatment for Parkinson's disease. It shows how medication keeps the patient's values normal for certain periods and is then increasingly inconsequential during other periods.



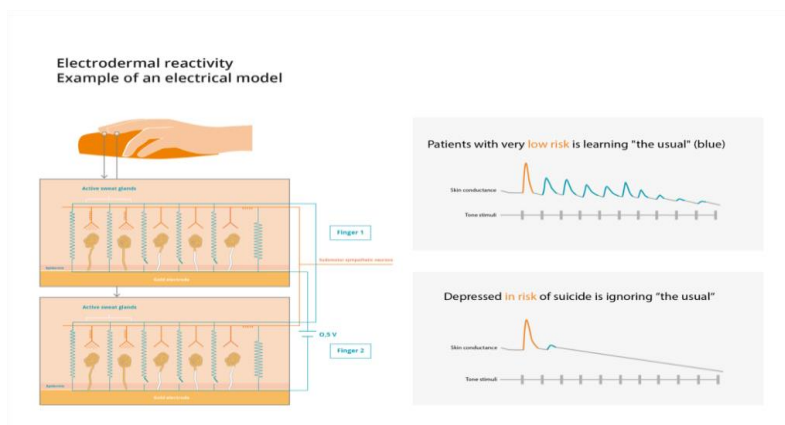
The system is marketed to pharmaceutical companies, clinics, and researchers. The technology is protected by a number of pending or granted patents, which allows the Company to use its technology in several neurological and psychiatric indication areas.

Our vision is that NeuraMetrix TC will become the leading tool for measuring and monitoring neurological health in CNS diseases, psychiatric disorders, and neurological damage. Eventually, we see NeuraMetrix TC being used to proactively measure neurological health in order to detect early signs of change.

EDOR®

The method

EDOR, which stands for “Electro Dermal Orienting Reactivity”, is a method that contributes biological data by identifying hyporeactive patients. Hyporeactivity is a biological marker that enables a more all-round evaluation, independent of clinical scales or the patient’s age and gender. EDOR tests the patient’s response to repeated stimuli, whereby patients who cease to react very quickly or who don’t react at all are identified as hyporeactive. Hyporeactive, depressed patients have been shown to be more prone to suicide attempts, suicide, and run a five times greater risk of depression relapse.



An EDOR product system comprises three parts: headphones, the EDOR-Box, and a computer. The headphones, which are connected to the EDOR box, are calibrated to consistently play a neutral audio signal. The EDOR box generates the headphone signals and registers the patient’s reaction. The file with the patient’s response data is then analysed to determine whether he/she is hyporeactive.



The Company; significant events during the period January–March 2022

A paper about our clinical multi-center study EUDOR-A, which confirmed the study's hypothesis, was published in *Frontiers in Psychiatry*

On 7 February, Emotra announced that our study, which examines hyporeactivity in depressed patients and its connection to the risk of suicide and suicide attempts, has been published. The published study demonstrates that hyporeactive patients run a greater risk of suicide attempts compared with normally reactive patients. The findings correlate by and large with the data that Emotra has previously disclosed in press releases and interim reports.

Three members of the board announced their resignations

On 2 February, Martin Schalling and Roy Anderson notified the Company of their resignations from the board of directors, citing personal reasons and high workloads. When they left their positions, we assumed that the board would continue working with two vacancies until the annual shareholder meeting on 21 June 2022, at which point a new board is to be elected. However, a new board was elected at the extraordinary meeting held on 27 April 2022, since Julia Viklund in the interim also decided to resign from the board for personal reasons.

Our re-listing process with Spotlight has been halted

On 18 February, Emotra was notified by Spotlight Stock Market that they had decided to halt the ongoing re-listing process. The last trading day on Spotlight was set to 18 March. Spotlight has justified this decision by saying that Emotra had submitted incorrect information during the review, without being able to satisfactorily specify which information they were referring to. Emotra has rejected the reasoning behind this decision.

Trading until a new official listing is secured

On 16 March Emotra announced that we had reached an agreement with Mangold Fondkommission to list our shares for trading on Mangold's OTC list. The last trading day on Spotlight was 18 March. Emotra has expressed its intent to have the Company's shares listed on another exchange and that the period between official listings shall be as short as possible.

Our President Daniel Poté announced his resignation

On 11 March Emotra informed the market that the Company's President, Daniel Poté, had tendered his resignation. He left Emotra on 1 May 2022 and has been replaced by our CFO, Daniel Rudeklint, who was appointed acting president on 2 May 2022.

Significant events after closing of books

Notice of extraordinary meeting of shareholders

On 12 April Emotra called an extraordinary shareholder meeting to elect Daniel Rudeklint as a new member of the board of directors.



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New president was appointed

On 2 May 2022 Emotra informed the market that the Company's CFO, Daniel Rudeklint, was appointed acting president.



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Overview of the group's consolidated Income statement

	<i>Jan–Mar</i>		<i>Jan–Dec</i>
Amounts in kSEK	2022	2021	2021
Net sales	0	-	-
Other income	0	-	-
Operating expenses	-2,462	-	-
Net operating income	-2,462	-	-
Depreciation of fixed assets	-943	-	-
Net financial items	0	-	-
Operating income before taxes	-3,405	-	-
Taxes	-	-	-
Operating income for the period	-3,405	-	-

Overview of the group's consolidated balance sheet

Amounts in kSEK	31/03/2022	31/12/2021	31/12/2020
Assets			
<i>Intangible assets</i>	21,384	22,334	-
<i>Tangible assets</i>	24	25	-
Total fixed assets	21,408	22,359	-
<i>Current assets</i>			
Inventories	625	625	-
Other receivables	516	4,625	-
Cash and cash equivalents	2,471	2,411	-
Total current assets	3,612	7,661	-
Total assets	25,020	30,020	-
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>			
Total shareholders' equity	19,043	22,551	-
Current liabilities	5,977	7,469	-
Total shareholders' equity and liabilities	25,020	30,020	-



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Overview of the group's consolidated cash flow analysis

Amounts in kSEK

	<i>Jan–Mar 2022</i>	<i>Jan–Mar 2021</i>	<i>Jan–Dec 2021</i>
Operating income after financial items	-3,405	-	-
Adjustment for items not included in the cash flow	908	-	-
Cash flow from current operations before changes in working capital	-2,497	-	-
Cash flow from changes in working capital	2,557	-	-
Cash flow from operating activities	60	-	-
Cash flow from investment activities	-	-	-
Cash flow from financing activities	-	-	-
Period's cash flow	60	-	-
Liquid assets on January 1	2,411	-	-
Liquid assets at end of period	2,471	-	-

Key ratios for the Company	<i>Jan–Mar 2022</i>	<i>Jan–Mar 2021</i>	<i>Jan–Dec 2021</i>
Net sales, kSEK	0	-	0
Net operating income, kSEK	0	-	0
Operating income for the period, kSEK	0	-	0
Return on equity, %	Neg.	-	Neg.
Equity ratio in %	76.1	-	75.1
Average number of employees, including consultants	4	-	7



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Overview of the parent company's income statement

Amounts in kSEK	Jan–Mar		Jan–Dec
	2022	2021	2021
Net sales	0	0	0
Other income	0	0	0
Operating expenses	-1,988	-1,662	-6,933
Net operating income	-1,988	-1,662	-6,933
Net financial items	-	-	-
Loss before taxes	-1,988	-1,662	-6,933
Taxes	0	0	0
Operating income for the period	-1,988	-1,662	-6,933
Operating income per share, SEK	-0.05	-0.03	-0.10
Operating income per share after dilution, SEK	-0.05	-0.03	-0.10
Average number of shares	371,340,400	47,659,109	67,281,185

Overview of the parent company's balance sheet

Amounts in kSEK	31/03/2022	31/03/2021	31/12/2021
Assets			
<i>Tangible assets</i>	2	7	3
<i>Financial assets</i>	93,922	-	93,922
Total fixed assets	93,924	7	93,925
<i>Current assets</i>			
Inventories	625	625	625
Other receivables	1,835	301	4,878
Cash and cash equivalents	2,457	2,532	2,406
Total current assets	4,918	3,448	7,910
Total assets	98,842	3,465	101,835
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>			
Total shareholders' equity	97,846	1,822	99,834
Current liabilities	996	1,643	2,001



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Total shareholders' equity and liabilities **98,842** **3,465** **101,835**

Changes in parent company's shareholder equity	Share capital	Revaluation reserve	Share premium reserve	Accumulated losses brought forward	Total shareholders' equity
Amounts in kSEK					
Shareholders' equity on 01/01/2021	905	-	6,566	-3,987	3,484
New share issue	5,911	-	98,877	-	104,788
Subscribed but not registered	275	-	3,482	-	3,757
Issue expenses	-	-	-5,261	-	-5,261
Appropriation according to shareholder resolution	-	-	-6,566	6,566	-
Net operating income for the year	-	-	-	-6,933	-6,933
Shareholders' equity on 31/12/2021	7,091	-	97,099	-4,354	99,834
New share issue	-	-	-	-	-
Subscribed but not registered	-	-	-	-	-
Issue expenses	-	-	-	-	-
Appropriation according to shareholder resolution	-	-	-	-	-
Operating income for the period	-	-	-	-1,988	-1,898
Shareholders' equity on 31/03/2022	7,091	-	97,099	-6,342	97,846



Overview of the parent company's cash-flow analysis			
Amounts in kSEK	<i>Jan–Mar 2022</i>	<i>Jan–Mar 2021</i>	<i>Jan–Dec 2021</i>
Loss after financial items	-1,988	-1,662	-6,933
Adjustment for items not included in the cash flow	1	1	4
Cash flow from current operations before changes in working capital	-1,987	-1,661	-6,929
Cash flow from changes in working capital	2,038	-109	-4,328
Cash flow from operating activities	51	-1,770	-11,257
Cash flow from investment activities	-	-	-
Cash flow from financing activities	-	-	9,362
Cash flow of the year	51	-1,770	-1,895
Liquid assets on January 1	2,406	4,302	4,302
Liquid assets at end of period	2,457	2,532	2,406
Key ratios for the parent company			
	<i>Jan. – March, 2022</i>	<i>Jan. – March, 2021</i>	<i>Jan.–Dec. 2021</i>
Net sales, kSEK	0	0	0
Net operating income, kSEK	-1,988	-1,662	-6,933
Operating income for the period, kSEK	-1,988	-1,662	-6,933
Operating income per share, SEK	-0.005	-0.04	-0.10
Shareholders' equity per share, SEK	0.26	0.01	0.28
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	98.9	52.6	98.1
Average number of employees	3	3	4
Average number of shares	371,340,400	47,659,109	67,281,185
Potential shares from subscription warrants	15,886,336	-	15,886,336
Number of shares at end of period	373,204,967	47,659,109	358,754,591



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Key ratio definitions

Return on equity, %	Operating income after taxes as a percentage of average equity.
Equity ratio in %	Shareholders' equity as a percentage of total assets.
Operating income per share, SEK	Operating income 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.

Comments on the financial report

The financial report also contains the consolidated accounts following the reverse acquisition. The group was formed when the issued shares were registered at the Swedish Companies Registration Office on 30 December 2021. Since the group was formed with a newly established subsidiary, comparative figures per 2021-12-31 are included, as that was the first reporting period for the consolidated accounts. No income statement, cash-flow analysis or other financial reporting data are available for comparison for the group of companies. See also the notes on accounting principles.

Net sales

No sales were recorded in the period.

Net operating income

The Company's total cost level in 2021 increased compared with the previous year by a total of approximately 1.5 MSEK. This cost increase is explained by a number of factors. During the autumn of 2021, the Company employed two more people, which led to an increase of about 800 kSEK in salary and personnel costs compared with the previous year. Other costs increase by approximately 400 kSEK compared with the previous year. Higher facility costs following the Company's change of registered address and a move to offices in Stockholm, increased compensation to consultants, lawyers, and the board, mainly related to the processes of our reverse acquisition and re-listing on Spotlight, were other explanatory factors. During the first quarter of 2022, we once again decreased our costs as we adapted our cost structure to the Company's present circumstances in anticipation of a new official exchange listing.

Financial status and share issues

No new share issues or raising of funds occurred during the first quarter of 2022. In January 2022, the Company received approximately 3.7 MSEK in funds from the TO2 share issue that was carried out in November and December 2021.

Continuity and future financing

Even if our marketing and R&D costs are relatively low, now that the Company's operations are focused on a select few, high-priority activities, it is the board of directors' judgement that the Company does not possess sufficient funds to finance its long-term development and a broad, international market introduction of NeuraMetrix Typing Cadence and EDOR. Liquidity and continued



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operations are high-priority questions or the board. The board is presently discussing how the Company shall secure additional capital to ensure its long- and short-term development.

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 and NeuraMetrix's products are characterised by lengthy sales processes. The companies are active on markets with great potential, but with erratic sales growth. A complete description of the risks the Company has identified, as well as how we have chosen to manage them, can be found in the section "Risk Factors" in our 2020 Annual Report and our Memorandum from 2021, which can be found on the Company's web site at www.emotra.se or obtained from the Company upon request.

Number of shares outstanding

At the end of the first quarter 2022, the share capital amounted to 7,090,894 SEK. The number of outstanding shares and votes in the Company was 373,204,967. Each share's quota value is 0.019 SEK. Shares in Emotra can be traded through Mangold Fondkommission. The Company does not possess any own shares. The number of warrants in the TO3 series is 15,886,336. Each warrant in the TO3 series grants its holder the right to purchase a new share during the period 3 through 17 October 2022. More information about other terms and conditions is available on the Company's web site www.emotra.se.

Accounting principles

The same accounting principles and valuation methods as were used in our latest 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 reviewed by the Company's auditor.

Future reports

Interim report for January–June 2022	24 August 2022
Interim report for January–September 2022	28 October 2022
Year-end report for 2022	24 February 2023

The annual general meeting will be held on 21 June 2022. The Annual Report will be available on the Company's web site www.emotra.se at least three weeks before the annual meeting and can also be ordered from the Company via e-mail addressed to daniel.rudeklint@emotra.se.



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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 operating income, 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.

Stockholm, 24 May 2022
Emotra AB (publ)

The Board of Directors and the President

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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 neurological research mental health. The Company's methods/products, NeuraMetrix TC and EDOR[®], are unique, proprietary and patent-protected.

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