Press release, February 15, 2017
Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Year-end report

January 1 – December 31, 2016

The Board and CEO of Emotra AB herewith present the year-end report for the financial year 2016.

- **Net sales in 2016 were 581 kSEK (0)**
- **Operating loss was -6,674 kSEK (-6,305)**
- **Loss per share after dilution was -0.69 SEK (-1.10)**
- **At the end of the period, liquid assets amounted to 4,684 kSEK (10,177)**
- **European, clinical multi-centre study, EUDOR-A; More than 1,500 patients were tested up to March, 2016. All patients are followed up for a 12-month period**
- **A report on our Baseline material has been written and will be submitted in the spring of 2017 for publication in a scientific journal**
- **Emotra's application for Horizon 2020 funding was denied, but the application was awarded a "Seal of Excellence"**
- **EDOR®, registered trademark in Europe**
- **EDOR® gained a lot of attention at international conferences in Madrid and Oviedo, Spain, as well as in Vienna, Austria**

Summary of the period October to December 2016

- **Net sales were 0 kSEK (0)**
- **Operating loss was -1,627 kSEK (-1,842)**
- **Loss per share after dilution was -0.17 SEK (-0.22)**

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Significant Events After Closing of Books

- **An application for funding from the EC's SME program Horizon 2020 was submitted on January 17, 2017.**
- **No other significant events have occurred after the reporting period.**

Comments from our CEO

- ***Summary***

Emotra has reached the point in its development where most of our efforts in 2016 focused on market preparation and product supply chain-related activities.
Emotra has formed strong alliances with the *European Psychiatric Association's Suicide Section, EPA-SS,* and the 50 opinion-leading researchers who are participating in our on-going clinical study EUDOR-A.
More than 1,500 patients have been tested in the study. The follow-up of our tested patients will end on March 10, 2017, after which we will be closing the study. We will conclude our study with a consensus meeting in Rome, Italy, on March 29–30.
We will be contracting *EPA-SS* and a number of the specialists who participated in our study as trainers/lecturers. This will allow us to launch EDOR® "from within" the psychiatric profession, instead of from the outside, which would otherwise have been the case. Our goal is to help leading psychiatrists realise the advantages that testing depressed patients with EDOR® can offer psychiatric caregivers and thereby become ambassadors for our method.
In addition to our alliance with *EPA-SS,* we have established a collaboration with another leading international organisation, the *European College of Neuropsychopharmacology, ECNP*.
In October, Emotra submitted an application to the European Commission, EC, for financial support from their SME program Horizon 2020. The funds will be used to finance a study on young people and our goal is to launch this study in 2017. Our application was denied, but was also awarded a "Seal of Excellence". We submitted an updated application in January, 2017 and expect a reply from the EC this spring.

- ***EUDOR-A***

More than 1,500 patients have been tested with EDOR® since we launched EUDOR-A, our European, clinical multi-centre study, in the autumn of 2014. As we previously stated, the baseline material for EUDOR-A has been analysed. A scientific article, written last autumn and completed in the beginning of 2017, will shortly be submitted for publication in an international scientific journal.
Follow-up data on the tested patients is continuously being submitted to our team in Rome, who are responsible for gathering our clinical data. Our team in Sweden does not have access to any information about the follow-up results.
On March 10, 2017, our one-year follow-up of the last tested patient will be completed and we will be wrapping up our study. After that we will move on to analysing the test results statistically.
On March 29–30, all of the participating clinics will meet in Rome for a joint analysis of the study results in order to reach a consensus agreement on the method's reliability and define the clinical benefits of routinely testing with EDOR®. Our goal with this meeting is to establish a joint statement that everyone can agree on.
On April 2–4, we aim to present our study, including the set-up and results, at the European Psychiatric Association's (EPA) international conference in Florence, Italy.

- ***European Commission Horizon 2020***

In January, Emotra announced that the Company had received financial support from the EC's Horizon 2020 program (H2020) to carry out a feasibility study. An application for approximately 3 MEUR to finance EUDOR-Y, a multi-centre study on children and young people aged 12–20 years, development of EDOR® Interconnect, and further development of our hardware and software, was compiled last autumn and submitted to the European Commission's H2020 program on October 7, 2016. The EC's October call for applications concerned cell-related research, not biomarkers, which explains why our application was denied. When the EC informed us that our application from October had been denied, they simultaneously awarded Emotra an important certificate, a "Seal of Excellence", which shows that the EC recommends the project for financial support from other EU programme summons and/or other sources. This award also shows that the application has cleared the threshold for three important criteria: "Excellence", "Impact" and "Quality and Efficiency of implementation".
In January 2017, Emotra submitted a new application for financial support from the EC. Our new application focuses on the same activities as our previous application and was submitted in connection with a call for applications related to biomarkers. This is the Company's field of expertise. The aim of our ongoing multi-centre study, EUDOR-A, is to show that hyporeactivity is a biomarker for suicide risk and that EDOR® is a reliable tool for identifying this biomarker.
A significant part of the planned H2020 project is to carry out a clinical multi-centre study, EUDOR-Y, to document testing with EDOR® on young people aged 12–20, with the goal of reducing the number of suicides among young people in psychiatric care. More and more young Europeans are committing suicide, with catastrophic consequences for their families and loved ones. Our plan is for Emotra and the *European Psychiatric Association's Suicide Section, EPA-SS*, to conduct this study in collaboration. 26 clinics from a large number of countries, mostly European but also in the USA and Asia, have registered their interest in participating in EUDOR-Y. All of these clinics have notified us that they still want to participate in our planned study.

- ***International suicide conference in Oviedo***

On September 8–11, Emotra participated in the "*16th European Symposium on Suicide and Suicidal Behaviour, ESSSB*", in Oviedo, Spain. New studies on EDOR® were presented by research groups from Oviedo and Novara, Italy. In a study of 160 patients, a group of Spanish researchers in Oviedo were able to demonstrate that hyporeactivity is a stronger biomarker for suicide than other investigated factors.
An Italian research team from Novara presented a poster for a study conducted at the university on 177 patients using EDOR®. They concluded that hyporeactive people, compared to normally reactive ones, generally demonstrate a higher complexity of psychiatric diagnoses, somewhat abnormal personality traits, and in many cases lower self-esteem.

- ***International attention – Lars-Håkan Thorell, member of ECNP***

Emotra's Head of Research, Lars-Håkan Thorell, has been inducted as a member of an exclusive network of suicide researchers within ECNP, the *European College of Neuropsychopharmacology*. On Monday, September 19, 2016, Doctor Thorell held an induction speech for the other members at their conference in Vienna.
On October 29, 2016, Lars-Håkan Thorell presented his research at a big international conference, "The *2nd International Conference on Brain Disorders and Therapeutics,"* in Chicago, USA. Thorell had been invited as one of the keynote speakers at this event. Thorell, Emotra's scientific adviser Professor Sarchiapone, and Emotra's CEO, Claes Holmberg, have been holding presentations at a number of national and international conferences in the past year.

- ***Patent approved by PRV, patent applications and trademark protection***

PRV, the Swedish Patent and Registration Office, has notified Emotra of their approval of Emotra's patent application, No. 1300614-3, "Apparatur för användning vid bedömning av självmordsrisk" (Apparatus for use in evaluation of suicide risk). In the past twelve months, we have submitted patent applications in the EU, USA, Canada and Japan.
EUIPO (the EU trademark authority) also announced that Emotra would be granted EU-wide trademark protection for EDOR®. Naturally, a protected trademark provides a considerable advantage for our coming EDOR® launch. It also further reinforces Emotra's position vis-à-vis future competitors to have protected the obvious acronym for *"Electro Dermal Orienting Reactivity"*.

- ***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.

- ***Earlier clinical studies***

Previous studies have shown that 97 per cent of those who later took their own lives were hyporeactive, while only 2 per cent of patients who showed normal reactivity committed suicide. These results show a high reliability in testing for hyporeactivity in order to discover depressed patients who are at risk of committing suicide. 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. 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

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

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

Göteborg, February 15, 2017
Claes Holmberg, CEO

Income Statement summary

kSEK	*Oct. – Dec.*		*Jan. – Dec.*	
	2016	***2015***	***2016***	***2015***
Net sales	0	0	581	0
Operating costs	-1,627	-1,842	-7,255	-6,305
Operating loss	**-1,627**	**-1,842**	**-6,674**	**-6,305**
Net financial items	-	-	-4	-5
Loss before taxes	**-1,627**	**-1,842**	**-6,678**	**-6,310**
Taxes	40	40	158	158
Net loss of the period	**-1,587**	**-1,802**	**-6,520**	**-6,152**
Earnings per share, SEK	-0.17	-0.22	-0.69	-1.10
Earnings per share after dilution, SEK	-0.17	-0.22	-0.69	-1.10
Average number of shares*)	9,517,860	8,215,318	9,517,860	5,592,125

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

Balance sheet summary

kSEK	***Dec. 31, 2016***	***Dec. 31, 2015***
Assets		
Fixed assets		
Total fixed assets	1,691	2,471
Current assets		
Other receivables	222	585
Cash and cash equivalents	4,684	10,177
Total current assets	4,906	10,762
Total assets	**6,597**	**13,233**
Shareholders' equity and liabilities		
Shareholders' equity		
Total shareholders' equity	4,750	11,275
Provisions	355	513
Non-current liabilities	105	175
Current liabilities	1,387	1,270
Total shareholders' equity and liabilities	**6,597**	**13,233**

Cash-flow analysis, an overview

kSEK	*Jan. – Dec. 2016*	*Jan. – Dec. 2015*
Cash flow from current operations before changes in working capital	-5,899	-5,520
Cash flow from changes in working capital	482	515
Cash flow from investing activities	-	-
Cash flow from financing activities	-75	10,850
Cash flow of the year	-5,492	5,845
Liquid assets on January 1	10,176	4,331
Liquid assets on December 31	**4,684**	**10,176**

Changes in shareholders' equity kSEK	Share capital	Revaluation reserve	Share premium reserve	Accumulated loss brought forward	Total shareholders' equity
Shareholders' equity on Dec. 31, 2014	**960**	**2,072**	**9,081**	**-5,606**	**6,507**
Earnings appropr. acc. to shareholder resolution			-9,081	9,081	
Dissolution of write-up		-488		488	0
Net profit (loss) for the year				-6,152	-6,152
New share issue	801		11,529		12,330
Issue expenses			-1,410		-1,410
Shareholders' equity on Dec. 31, 2015	**1,761**	**1,584**	**10,119**	**-2,189**	**11,275**

Earnings appropr. acc. to shareholder resolution			-10,119	10,119	
Dissolution of write-up		-487		487	
Net profit (loss) for the year				-6,520	-6,520
Issue expenses			-5		-5
Shareholders' equity on Dec 31, 2016	**1,761**	**1,097**	**-5**	**1,897**	**4,750**

Key ratios	**Oct. – Dec. 2015**	**Oct. – Dec. 2015**	**Jan. – Dec. 2016**	**Jan. – Dec. 2015**
Net sales, kSEK	0	0	0	0
Operating loss, kSEK	-1,627	-1,842	-6,674	-6,305
Result of the period, kSEK	-1,587	-1,802	-6,520	-6,152
Earnings per share, SEK	-0.17	-0.22	-0.69	-1.10
Shareholders' equity per share, SEK	0.50	1.18	0.50	1.18
Return on equity, %	Neg.	Neg.	Neg.	Neg.
Equity ratio in %	72.0	85.2	72.0	85.2
Average number of employees	3	3	3	3
Average number of shares*)	9,517,860	8,215,318	9,517,860	5,592,125
Number of shares at end of period	9,517,860	9,517,860	9,517,860	9,517,860

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

Key Ratio Definitions

Return on equity, %	Earnings after tax as a percentage 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 activities have been carried out during the year. Our revenue in 2016 has been entirely comprised of contributions.

Operating loss
The larger operating loss is due in its entirety to increased costs to compensate the participating clinics for their costs of participating in our clinical study, EUDOR-A.

Emotra's financial status
The Company's successful new share issue in the autumn of 2015 has given Emotra the financial resilience needed to complete the ongoing clinical multi-centre study.
Our liquidity situation was 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 is discussing solutions for securing the further funds needed to finance a broad, international market launch of EDOR®.

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 of 1,760,804.10 SEK is comprised of 9,517,860 shares. Each share's quota value is 0.185 SEK.
The Company is listed on AktieTorget (www.aktietorget.se) 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 year-end report has not been subject to audit by the Company's auditor.

Dividend recommendation

The Board recommends no dividend be declared for the financial year 2016.

Future Reports

Interim report for January – March, 2017	April 26, 2017
Interim report for January – June, 2017	August 23, 2017
Interim report for January – September, 2017	October 24, 2017
Year-end report for 2017	February 23, 2018

The Annual General Meeting will be held in Göteborg at 4 p.m. on June 13, 2017. The Annual Report will be available at the Company's web site www.emotra.se at least three weeks before the meeting 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 year-end 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, February 15, 2017
Emotra AB (publ)

The Board of Directors and CEO

For more 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 February 15, 2017 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.*