Press release, April 26, 2017
Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Interim report

January 1 – March 31, 2017

The Board and CEO of Emotra AB (publ) hereby present the interim report for the first quarter 2017.

Summary of the period January – March, 2017

- **Net sales for the period were 0 kSEK (581)**
- **Operating loss was -1,861 kSEK (-1,428)**
- **Loss per share after dilution was -0.19 SEK (-0.15)**
- **At the end of the period, liquid assets amounted to 2,979 kSEK (9,124)**
- **European Commission Horizon 2020 application rejected**
- **Clinical multi-centre study, EUDOR-A, concluded on schedule**
- **Consensus meeting on March 29–30 backs the launch of EDOR®**
- **Continued analyses further underscore hyporeactivity's importance**

Significant Events After Closing of Books

- **EUDOR-A presented at EPA's conference in Florence**

Comments from our CEO

- ***Summary***

Our clinical multi-centre study, EUDOR-A, which we began in the spring of 2014, was concluded on schedule in March, 2017. Over the course of two days, on March 29–30, we hosted a special consensus meeting in Rome. In this study we observed significantly lower suicide rates, especially in the hyporeactive group. After in-depth discussions and interpretations of the results, the meeting participants decided in favour of launching the method in Europe.

Our study was set up as a naturalistic, non-blind study, which means that the clinics were informed about each patient's test results and were free to act upon these results as they felt fit. Our goal was to examine how EDOR® would work at a larger number of different clinics when broadly applied on depressed patients who suffered from various secondary diagnoses and somatic illnesses, as well as on the older population.

A direct comparison between EUDOR-A and all previous studies showed that this significantly reduced number of suicides could be explained by the clinics having used the test results in their

individual risk assessments and consequently adapting their suicide prevention measures based on these individual assessments. A vast majority of the clinics reported having put in especially comprehensive suicide prevention measures on those patients that the tests showed were hyporeactive.
However, we cannot rule out that other factors may also have contributed to the drastic reduction in the number of suicides.
Considering the fact that all the data pointed in the same direction, the consensus meeting backed the decision to launch EDOR® on the European market as a supplement to psychiatric clinics' routines for assessing the suicide risk among depressed patients. EDOR® will be marketed as a tool for identifying hyporeactive patients, not as a replacement for traditional risk assessments. The main advantage of EDOR® is the fact that it is an objective test method, which sets it apart from the rather unreliable and subjective methods that are still used in clinical practice. Another unique aspect is that EDOR® is able to diagnose a neuropsychological dysfunction that could be a decisive mechanism behind suicide among depressed people.
Furthermore, the consensus meeting established that further analyses of the EUDOR-A study results should be carried out, and that a comprehensive patient follow-up system and more studies should also be carried out in order to further increase our understanding of hyporeactivity's significance for suicidal behaviour.
Emotra has forged a strong alliance with the *European Psychiatric Association's Suicide Section, EPA-SS*, as well as with the researchers who participated in the EUDOR-A study. We will be employing the services of *EPA-SS* and a number of the study's participating specialists 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 make more 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,* Emotra has established a collaboration with another leading international organisation, the *European College of Neuropsychopharmacology, ECNP*.

- ***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 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.
An analysis of the results after one year's follow-up of all tested patients shows 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 number of suicides in the hyporeactive group decreased significantly, most likely thanks to these measures. All in all, only three suicides were observed in the hyporeactive group. According to our calculations based on the results from all previously carried out studies, many more suicides would have occurred in the hyporeactive group if the study had been blind. In other words, a number of hyporeactive patients' lives have probably been saved. The number of suicides in the normally reactive group was very low, which is completely in line with expectations based on previous study results.
A study carried out by Lars-Håkan Thorell in collaboration with German researchers, comprising 783 patients tested in Ravensburg and with a follow-up period of 1–5 years, demonstrated a strong

correlation between hyporeactivity and suicide. The Ravensburg study confirmed all observations made in previous, smaller clinical studies.
As a consequence of the already demonstrated strong correlation between hyporeactivity and suicide, a decision was made to set up the European multi-centre study, EUDOR-A, as a non-blind, naturalistic study. In light of the clear connection between hyporeactivity and risk of suicide, the clinics participating in the study, as well as their local ethical committees, did not deem it morally defensible to keep the clinics in the dark about individual patients' test results.
During our review of the study results at the consensus meeting in Rome, we established that further analyses of the EUDOR-A study results, as well as more studies, should be carried out to increase our understanding of hyporeactivity's significance for suicidal behaviour. A scientific exposition of the results and deeper analyses of the EUDOR-A study will be made in coming publications.

The following are some important observations that we already can disclose:
The total ratio of documented suicides in EUDOR-A is a record low and dramatically lower than in previous blind studies. A direct comparison with the Ravensburg study (where the follow-up period was up to 5 years) shows that while the suicide rate in that study was barely 5 percent, this rate plunged to appr. 0.5 percent, albeit after only 1 year's follow-up in EUDOR-A. This reduction can most probably be explained by the directed suicide prevention measures that the clinics by their own accounts implemented to protect hyporeactive patients.
In all previous studies, the suicide rate has been distinctly higher among hyporeactive patients than among normally reactive patients. Likewise, the number of previous suicide attempts was higher among hyporeactive patients than among normally reactive patients.
The EUDOR-A results confirm both of these earlier observations. Despite the strong reduction in the number of suicides in the hyporeactive group (only three documented), the suicide rate for the hyporeactive group is clearly higher than for the normally reactive patient group.
However, these results are not statistically significant, since the suicide rates are so low (which is desirable) that they fall within the margin of error.
Nonetheless, the distinct difference in the number of previous suicide attempts is statistically very significant. A considerably higher suicide attempt rate was documented in the hyporeactive group compared with the normally reactive group.
All of these important observations confirm EDOR's® central hypothesis: that hyporeactive patients are more vulnerable for suicidal actions than normally reactive patients.

- ***European Commission Horizon 2020***

In January, Emotra announced that the Company had received financial support from the European Commission (EC) for a feasibility study regarding a potential clinical multi-centre study, EUDOR-Y, on young people. This feasibility study has now been carried out and Emotra has on two occasions after the feasibility study submitted an application for appr. 3 MEUR to carry out a comprehensive R&D program encompassing EUDOR-Y, the clinical multi-centre study on young people, the development of EDOR® Interconnect, and the further development of our hardware and software.
On both occasions, the latest of which was in January 2017, our applications were denied. In both of our earlier applications, we passed all thresholds and the Company's applications have twice received a "Seal of Excellence". It is quite normal for several applications to be rejected before the EC grants one. The fact that our two previous applications were rejected does not affect the Company's market launch plans, and we will be submitting a new, revised application as soon as possible.

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

In 2016, Emotra's Chief of Research, Lars-Håkan Thorell, was inducted as a member of an exclusive network of suicide researchers within ECNP, the *European College of Neuropsychopharmacology*.
On Monday, September 19, 2016, Thorell held an induction speech for the other members at their conference in Vienna.
On April 4, just a few days after our consensus meeting in Rome, Professor Marco Sarchiapone presented the results of our recently closed clinical multi-centre study, EUDOR-A, at the European Psychiatric Association's annual international conference in Florence, Italy.
He presented the study setup and the conclusions we have so far been able to draw from the results. Sarchiapone called attention to the fact that even if there could be a number of contributing factors behind the low suicide numbers, we cannot ignore the fact that the clinics have reported only three suicides among the hyporeactive patients for which suicide-prevention measures were implemented. The patients in the hyporeactive group were significantly overrepresented, compared with normally reactive patients, among those who had previously attempted to take their own lives. The number of suicides in the normally reactive group was markedly lower than in the hyporeactive group, which was completely in line with expectations. Professor Sarchiapone's conclusion is that we can now establish the fact that hyporeactive patients are at greater risk of attempting suicide than normally reactive patients, and that EDOR® must be introduced on the market as a supplement to psychiatric clinics' routines for identifying patients at risk of committing suicide. He also emphasised the importance of EDOR® being an objective method, in light of the fact that the health care sector at present only has access to insufficient and subjective methods in their suicide risk assessment routines.

- ***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). Last year, patent applications were submitted in the EU, USA, Canada and Japan.
In 2016, 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 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.

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

Göteborg, April 26, 2017
Claes Holmberg, CEO

Income Statement summary

	Jan. - March		*Jan. – Dec.*	
kSEK	***2017***	***2016***	***2016***	***2015***
Net sales	0	273	581	0
Operating costs	-1,861	-1,701	-7,255	-6,305
Operating loss	**-1,861**	**-1,428**	**-6,674**	**-6,305**
Net financial items	-	-2	-4	-5
Loss before taxes	**-1,861**	**-1,830**	**-6,678**	**-6,310**
Taxes	39	39	158	158
Net loss of the period	**-1,822**	**-1,391**	**-6,520**	**-6,152**
Earnings per share, SEK	-0.19	-0.15	-0.69	-1.10
Earnings per share after dilution, SEK	-0.19	-0.15	-0.69	-1.10
Average number of shares*)	9,517,860	9,517,860	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	***May 31, 2017***	***May 31, 2016***	***Dec. 31, 2016***	***Dec. 31, 2015***
Assets				
Fixed assets				
Total fixed assets	1,497	2,274	1,691	2,471
Current assets				
Other receivables	183	528	222	585
Cash and cash equivalents	2,979	9,124	4,684	10,177
Total current assets	3,162	9,652	4,906	10,762
Total assets	**4,659**	**11,926**	**6,597**	**13,233**
Shareholders' equity and liabilities				
Shareholders' equity				
Total shareholders' equity	2,928	9,884	4,750	11,275
Provisions	316	474	355	513
Non-current liabilities	70	175	105	175
Current liabilities	1,345	1,393	1,387	1,270
Total shareholders' equity and liabilities	**4,659**	**11,926**	**6,597**	**13,233**

Cash-flow analysis, an overview

kSEK	*Jan. - March 2017*	*Jan. - March 2016*	*Jan. – Dec. 2016*	*Jan. – Dec. 2015*
Cash flow from current operations before changes in working capital	-1,664	-1,230	-5,899	-5,520
Cash flow from changes in working capital	-6	213	482	515
Cash flow from investing activities	-	-	-	-
Cash flow from financing activities	-35	-35	-75	10,850
Period's cash flow	-1,705	-1,052	-5,492	5,845
Liquid assets on January 1	4,684	10,176	10,176	4,331
Liquid assets at end of period	**2,979**	**9,124**	**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**
Dissolution of write-up		-122		122	0
Net loss of the period				-1,391	-1,391

Shareholders' equity on March 31, 2016	**1,761**	**1,462**	**10,119**	**-3,458**	**9,884**
Earnings appropr. acc. to shareholder resolution			-10,119	10,119	
Dissolution of write-up		-365		365	0
Net loss of the period				-5,129	-5,129
Issue expenses			-5		-5
Shareholders' equity on Dec 31, 2016	**1,761**	**1,097**	**-5**	**1,897**	**4,750**
Dissolution of write-up		-122		122	0
Net loss of the period				-1,822	-1,822
Shareholders' equity on March 31, 2017	**1,761**	**975**	**-5**	**197**	**2,928**

Key ratios	**Jan. – March, 2017**	**Jan. – March, 2016**	**Jan. – Dec. 2016**	**Jan. – Dec. 2015**
Net sales, kSEK	0	273	0	0
Operating loss, kSEK	-1,861	-1,428	-6,674	-6,305
Result of the period, kSEK	-1,822	-1,391	-6,520	-6,152
Earnings per share, SEK	-0.19	-0.15	-0.69	-1.10
Shareholders' equity per share, SEK	0.31	1.04	0.50	1.18
Return on equity, %	Neg.	Neg.	Neg.	Neg.
Equity ratio in %	62.8	82.9	72.0	85.2
Average number of employees	3	3	3	3
Average number of shares*)	9,517,860	9,517,860	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 period. Our revenue for the same period last year 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 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, the Board has established that the Company does not have enough available funds to finance the continued development and an international product launch. The Board is presently discussing how the Company shall secure additional capital in order to ensure its continued operations and development efforts, as well as finance an international market introduction 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 interim report has not been subject to audit by the Company's auditor.

Future Reports

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 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, April 26, 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 April 26, 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.*