Press release, August 23, 2017
Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Interim report

January 1 – June 30, 2017

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

Summary of the period January – June, 2017

- **Net sales for the period were 0 kSEK (581)**
- **Operating loss was -3,542 kSEK (-3,188)**
- **Loss per share after dilution was -0.36 SEK (-0.33)**
- **At the end of the period, liquid assets amounted to 1,067 kSEK (7,535)**
- **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®**
- **New share issue provided Emotra with 12.6 MSEK after issue expenses**
- **First EDOR® training session completed in Romania**

Summary of the period April – June, 2017

- **Net sales for the period were 0 kSEK (0)**
- **Operating loss was -1,681 kSEK (-1,760)**
- **Loss per share after dilution was -0.17 SEK (-0.18)**

Significant Events After Closing of Books

- **Second EDOR® training session completed in France**
- **Market manager recruited**

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Comments from our CEO

- ***Summary***

Since the conclusion of our multi-centre study EUDOR-A in connection with our consensus meeting in Rome on March 29–30, we have carried out our first two training sessions for new centres; one in Romania during the reported period, and one in France in the beginning of July. The interest shown in our courses and our presentations has exceeded our expectations and we are now negotiating with several course participants.

We have carried out a new share issue which strengthened the Company's coffers with 12.6 MSEK and recruited a Marketing Manager to lead our market development efforts and the establishment of our marketing organisation. In other words, it's been a very busy period. The activities we have carried out during this period are very important and lay the foundation for Emotra's transition from a small-scale development company to a commercially oriented enterprise.

The analysis of EUDOR-A showed a statistically significant lower suicide rate in the hyporeactive group as well as a demonstrably lower suicide rate in total compared with all previous studies. Furthermore, we showed that this reduction could be explained by the clinics using their test results in their risk assessments and to a large extent tailoring their suicide-preventive measures thereafter. 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 specialist 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.

Furthermore, the consensus meeting established that further analyses of the EUDOR-A study results should be carried out, and that a patient follow-up system and more studies should also be implemented in order to further increase our understanding of hyporeactivity's significance for suicidal behaviour.

Emotra has formed a strong alliance with the researchers who participated in our EUDOR-A study and internationally leading scientific organisations in this discipline. We are planning trainings for new clinical centres and continued studies in collaboration with them. In this way, EDOR® will be launched "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.

- ***EUDOR-A***

Over 1,500 patients have been tested using EDOR® since our naturalistic (non-blind) European clinical multi-centre study, EUDOR-A, was initiated in spring 2014. 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 suicide rate in the hyporeactive group decreased significantly, most likely thanks to these measures. All in all, only three suicides occurred in the hyporeactive group. In the normally reactive group the number of suicides, as expected, was very low.

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 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 slightly less than 5 per cent, 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. It should be noted that there could be other factors that contributed to the low suicide rate.

- The fact that the patients are participating in a clinical study can reduce their suicide risk.
- The fact that the patients are in personal touch with their health care providers during the follow-up period can also contribute to lower suicide rates.

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 the central hypothesis for EDOR®: that hyporeactive patients are more vulnerable for suicidal actions than normally reactive patients.

- ***European Commission Horizon 2020***

After Emotra received financial support from the European Commission (EC) for a feasibility study of a potential clinical multi-centre study on adolescents, EUDOR-Y, the feasibility study was carried out and the Company twice applied for a circa 3 MEUR grant to finance a large research and development program. Despite the fact that our application was awarded a "Seal of Excellence", the applications were denied. We will be submitting a new, revised application as soon as possible. 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.

- ***We have initiated our commercial launch with courses in two countries***

Emotra has already announced that EDOR® will be introduced to psychiatric specialist clinics in Europe as an objective measurement method that aims to supplement traditional, subjective evaluations of suicide risk in routine clinical situations. Testing with EDOR® identifies hyporeactive patients, and since hyporeactivity is a marker for suicide risk, the method provides support in routine evaluations of this risk in patients. We are currently planning 12 training sessions to take place in 2017.
Emotra will be informing clinics in the relevant countries about these trainings and invite them to participate in domestic courses held by leading researchers who have significant experience of the

method. However, Emotra will be solely responsible for all administrative duties in connection with these training activities. This will be one of the most important tasks for the marketing organisation that we are now establishing. An ever-growing documentation from reported tests to a patient follow-up system will in the long run further increase our understanding of hyporeactivity's importance for suicidal behaviour.
Our very first training session for new centres was carried out in early June in Romania in connection with a national psychiatric conference. About 30 participants from leading specialist psychiatric clinics came to learn more about EDOR® and to learn how to use the method to test depressed patients. The course participants showed great interest in the method and we are now negotiating with a number of clinics that after the training expressed an interest in acquiring our equipment.
The second course was held in Paris in early July, after the end of the reporting period. This session gathered 25 participants from leading French specialist psychiatric clinics. The interest among the participants was greater than expected. We are presently negotiating with several clinics that have informed us of their intention to move forward and acquire our product for regular use and the execution of further studies.
Experiences from previous market introductions of medical devices have shown that you initially will only reach major hospital clinics, but that they do not have the authority to make immediate decisions on the acquisition of new equipment. Procurement agreements for any new type of equipment need to be approved by the responsible hospital administration functions. Later, when our method has become more established as a supplement to the regular procedures for evaluating suicide risk in depressed patients, we will also be able to reach smaller, private clinics. Such clinics do not need to run acquisition decisions through a committee. Instead, they can make such decisions on the spot at a training session.

- ***Market manager recruited***

As a first step in the establishment of our international marketing department, we have recruited Daniel Poté as our Marketing Manager. Even if Mr Poté's employment contract could not be formally signed until July, after the end of the reporting period, the recruitment effort was carried out in June.
As our Marketing Manager, Daniel Poté will be responsible for developing and implementing the Company's marketing and sales strategy. He will also be a part of our management team. In his position as Marketing Manager, Mr Poté will, among other things, be responsible for marketing against, training of, sales to, and communication with specialist psychiatric clinics in Europe. Furthermore, our Marketing Manager will collaborate with important international organisations, be responsible for building an international marketing organisation and for managing the Company's market communications.
Daniel Poté has a solid background in international marketing of medical devices. He has previously worked with marketing on a manager level at several different companies. In his present role as a global product manager at Vitrolife, Mr Poté has been responsible for the majority of that company's international new product launches, and he has ample experience of using informational and training activities as an instrument for securing new customers and sales on an international market.

- ***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, August 23, 2017
Claes Holmberg, CEO

Income Statement summary

kSEK	*April–June*		*Jan. – June*		*Jan. – Dec.*
	2017	***2016***	***2017***	***2016***	***2016***
Net sales	0	0	0	273	581
Operating costs	-1,681	-1,760	-3,542	-3,461	-7,255
Operating loss	**-1,681**	**-1,760**	**-3,542**	**-3,188**	**-6,674**
Net financial items	-1	-1	-1	-3	-4
Loss before taxes	**-1,682**	**-1,761**	**-3,543**	**-3,191**	**-6,678**
Taxes	40	40	79	79	158
Net loss of the period	**-1,642**	**-1,721**	**-3,464**	**-3,112**	**-6,520**
Earnings per share, SEK	-0.17	-0.18	-0.36	-0.33	-0.69
Earnings per share after dilution, SEK	-0.17	-0.18	-0.36	-0.33	-0.69
Average number of shares	9,517,860	9,517,860	9,517,860	9,517,860	9,517,860

Balance sheet summary

kSEK	***June 30, 2017***	***June 30, 2016***	***Dec. 31, 2016***
Assets			
Fixed assets			
Total fixed assets	1,306	2,075	1,691
Current assets			
Other receivables	769	628	222
Cash and cash equivalents	1,067	7,535	4,684
Total current assets	1,836	8,163	4,906
Total assets	**3,142**	**10,238**	**6,597**
Shareholders' equity and liabilities			
Shareholders' equity			
Total shareholders' equity	1,286	8,158	4,750
Provisions	276	434	355
Non-current liabilities	70	140	105
Current liabilities	1,510	1,506	1,387
Total shareholders' equity and liabilities	**3,142**	**10,238**	**6,597**

Cash-flow analysis, an overview

kSEK	*Jan. – June 2017*	*Jan. – June 2016*	*Jan. – Dec. 2016*
Cash flow from current operations before changes in working capital	-3,155	-2,793	-5,899
Cash flow from changes in working capital	-428	192	482
Cash flow from investing activities	-	-	-
Cash flow from financing activities	-35	-40	75
Period's cash flow	-3,617	-2,641	5,492
Liquid assets on January 1	4,684	10,176	10,176
Liquid assets at end of period	**1,067**	**7,535**	**4,684**

Changes in shareholders' equity

kSEK	Share capital	Revaluation reserve	Share premium reserve	Accumulated loss brought forward	Total shareholders' equity
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		-244		244	0
Issue expenses			-5		-5
Net loss of the period				-3,112	-3,112
Shareholders' equity on June 30, 2016	**1,761**	**1,340**	**-5**	**5,062**	**8,158**
Dissolution of write-up		-243		243	0
Net loss of the period				-3,408	-3,408
Shareholders' equity on Dec. 31, 2016	**1,761**	**1,097**	**-5**	**1,897**	**4,750**
Earnings appropr. acc. to shareholder resolution			5		5

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**

Key ratios	**Jan. – June 2017**	**Jan. – June 2016**	**Jan. – Dec. 2016**
Net sales, kSEK	0	273	581
Operating loss, kSEK	-3,542	-3,188	-6,674
Result of the period, kSEK	-3,464	-3,112	-6,520
Earnings per share, SEK	-0.36	-0.33	-0.69
Shareholders' equity per share, SEK	0.14	0.86	0.50
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	40.9	79.7	72.0
Average number of employees	3	3	3
Average number of shares	9,517,860	9,517,860	9,517,860
Number of shares at end of period	9,517,860	9,517,860	9,517,860

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 was 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 spring of 2017 has given Emotra the financial resilience needed for the commercialisation of EDOR®. Even though 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 as they increase.
Our liquidity situation to date 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, has consistently been kept at a low level. Last spring, however, the Board saw that the Company did not have enough available funds to finance the continued development and an international product launch. For that reason, the Board called an extraordinary shareholder meeting, which took place in Göteborg on May 19, to grant the Board the authority to decide on a new rights issue. The goal of this rights issue was to fund the Company's continued operations and development work, as well as finance our international market launch of EDOR®.
In this rights issue, which was registered in July, Emotra received applications, including subscription commitments, totalling approximately 13,808,516.70 SEK, or 79% of the maximum issue amount. 4,184,399 new shares were issued, providing Emotra with about 13.8 MSEK in new funds before issue costs, which are estimated to amount to about 1.2 MSEK. 3,704,723 shares (corresponding to 70%) were allocated through right of priority.

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 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.
Once Emotra's rights issue has been registered with the Swedish Companies Registration Office, the Company's share capital will amount to 2,534,917.92 SEK, divided into 13,702,259 shares.

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, 2017	October 24, 2017
Year-end report for 2017	February 23, 2018

The Annual General Meeting was held in Göteborg on June 30, 2017. 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 23, 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 August 23, 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.*