

Emotra AB (publ)

Full-year report

January 1 – December 31, 2015

The Board and President of Emotra AB herewith present the full-year report for the financial year 2015

- **Net sales in 2015 were 0 kSEK (280)**
- **Operating loss was -6,305 kSEK (-6,111)**
- **Loss per share after dilution was -1.10 SEK (-2.40)**
- **At the end of the period, liquid assets amounted to 10,177 kSEK (4,331)**
- **A new share issue of 10.9 MSEK (after issue expenses) completed**
- **European clinical multi-centre study progressing according to schedule**
- **Emotra granted financial support from the EU Horizon 2020**
- **The PRV has approved Emotra's patent application**
- **EDOR®, registered trademark in Sweden**
- **Symposium about EDOR at international conventions in Madrid and Oviedo 2016**

Summary of the period October – December 2015

- **Net sales were 0 kSEK (80)**
- **Operating loss was -1,842 kSEK (-1,423)**
- **Loss per share after dilution was -0.22 SEK (-0.52)**

Net sales

No sales activities have been carried out during the year. Our revenue in 2015 has been entirely comprised of contributions.

A word from our CEO: Operations progressing according to plan

Emotra's multi-centre study is rapidly proceeding as planned. At the end of 2015, 1,271 EDOR tests had been carried out and submitted to Emotra for analysis. After a somewhat calmer beginning of the new year, activity has picked up and the pace of EDOR test data submissions has increased in the past few weeks. At present, Emotra has received more than 1,400 tests. The Company expects to stop accepting new test data for this study within about a month. From what we have been told in

our meetings with the involved clinics, registering the test data, submitting it and then receiving the analysis results from Emotra is a quick and easy process. However, the tested patients need to be followed during a twelve-month period before any conclusions can be drawn about the method's safety, effectiveness and reliability. Provided that the study results meet our expectations, our experience so far shows that EDOR has every possibility of becoming a routine, reliable clinical evaluation tool.

Two satellite conferences will be arranged in 2016, one in Madrid in connection with a large international convention on March 12–15, and one in connection with another large international convention in Oviedo, Spain on September 8–10. The purpose of the Oviedo meeting is to prepare a final consensus meeting. Our goal at the planned consensus meeting is to establish a unanimous statement from all of the involved clinics.

Our ambition is to have these clinics act as ambassadors for EDOR. This is important for our coming introduction of the product in the specialist psychiatric care sector in Europe. Emotra is maintaining a dialogue with the European Psychiatric Association's Suicide Section, EPA-SS, on how we should launch the method and how to structure the user training.

On September 22, 2015, Emotra published a notice that the Swedish patent agency, PRV, had informed the Company that their patent application, "Apparatur för användning vid bedömning av självmordsrisk" (Apparatus for use in the determination of suicide risk) was going to be approved. A few weeks later, the Company received the patent certificate.

The Company has also applied for and received trademark protection for the EDOR® name.

On January 21 this year, the Company announced that financial support from the EU Horizon 2020 had been granted.

Emotra will not be working the media, since media activities are expensive and only have a short-term effect. When we have come to the point where we have strong clinical results to support us and when our clinical trial partners have decided to become ambassadors for EDOR, we will be giving high priority to various types of media activities.

The Company's financial planning is long-term. In order to keep operating costs down, all business is carried out by a small organisation with low fixed costs.

Emotra granted financial support from the EU Horizon 2020

In December 2015, Emotra submitted an application for financial support from the EU Horizon 2020. On January 21 this year, Emotra was able to announce that the Company had been granted financial support from the programme. The application was for a €50K grant to finance a phase 1 feasibility study to demonstrate the potential to broaden the EDOR indication range to include children and young people up to 20 years of age. The feasibility study will also include a review of the conditions to develop "EDOR Interconnect", a global communication platform that will facilitate Emotra's communication with clinical departments and serve them in different parts of the world. Broadening the indication range for EDOR to younger people and developing EDOR Interconnect have long-term strategic importance for Emotra. The first activity is aimed at a significant increase in the future market for EDOR. The second one would mean significantly strengthening customer relations. The feasibility study may take a maximum of 6 months and if it shows good potential, an application for a full phase 2 study will be submitted. The EU can finance a phase 2 study with up to €2.5M.

Growing international interest

Last year, EDOR's inventor and Emotra's Research Manager, Lars-Håkan Thorell, presented EDOR and the research behind the method at a number of scientific conferences, both domestic and international, in Sweden, Europe and the USA. In the coming year his lecture schedule will be even busier, and he has been invited to make one of the key note presentations at a large international conference in Sao Paulo, Brazil, in August 2016.

Last autumn, Emotra's CEO Claes Holmberg held a presentation of the Company and its EDOR method at the 21st MedTech Investing Europe Conference, which was held at The King's Fund, London, UK.

In addition to the above mentioned activities, Emotra's scientific advisor, Professor Marco Sarchiapone, from Molise, Italy, has presented EDOR and our ongoing clinical multi-centre study on a number of occasions. A further number of presentations have been made by other study participants.

In 2016 we will be holding a number of important special symposiums in connection with international conferences. The number of EDOR presentations will increase and during 2017, once the results of our study have been published, we should witness a further increase in the number of EDOR presentations at various scientific conferences in this area.

We are nearing the end of the testing period for our multi-centre study

Since the new data transfer software was implemented in mid-February 2015, the transfer of EDOR test data has worked in line with expectations. At the end of 2015, a total of 1,271 tests had been submitted to Emotra for analysis, and today that number has grown to more than 1,400. According to our schedule, the test period will be concluded in about one month. Since all of these patients need to be followed during a full year after testing, we expect the study to be finalised in the first quarter of 2017. As soon as our study is concluded, all patients have been followed up and checked, and our final data have been analysed, we will be holding a consensus meeting with the aim of determining which conclusions to draw from the results. Our future product launch will to a large extent depend on the conclusions drawn at this consensus meeting.

Rights issue completed

With reference to the authority granted to the Board of Directors at the extraordinary shareholder meeting held on September 1, 2015, Emotra carried out a new share issue with right of priority in the autumn of 2015. The new share issue encompassed a total of 4,326,300 shares and provided the Company with appr. 10.9 MSEK after issue expenses. 2,859,848 shares (approximately 66% of the new issue volume) were allocated through right of priority. The issue also resulted in 60 new shareholders.

After the new share issue Emotra's share capital amounts to 1,760,804.10 SEK, divided among 9,517,860 shares.

This successful new share issue has given Emotra the financial resilience needed to complete the ongoing multi-centre clinical study.

Our liquidity situation is 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 will continue to discuss solutions for securing the further funds needed to finance a broad, international market launch of EDOR.

Patent approved by PRV

On September 22, 2015, Emotra announced that the PRV, the Swedish Patent and Registration Office, had notified the Company of their intention to approve Emotra's Swedish patent application, No. 1300614-3, "Apparatus for use in evaluation of suicide risk". Emotra's patent application concerns a possible improvement of the existing product by providing greater control of the test situation to further improve the method's precision.

Simultaneously, Emotra was requested to clear up a handful of minor linguistic imprecisions to clarify the patent text. This has been done and the Company has received its patent certificate.

Swedish trademark protection has been granted

The Company has now received Swedish trademark protection for the EDOR[®] name. 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**".

Emotra should seem to be well protected against any future competitors. On top of its recently granted trademark protection, Emotra has a number of other strong protections. The Company's crucial mathematical algorithm for analysis of EDOR[®] test data is a trade secret that is the product of several years' research. The Company has received patent protection for an improved version of the product. Furthermore, any potential competitor would need to carry out a clinical trial that is as ambitious as the one Emotra is presently carrying out in collaboration with EPA-SS.

The Company has also applied for trademark protection in the EU and expects an answer to this application in the spring of 2016.

Researchers in training

Our two newly employed researchers, who have both defended theses on electrodermal reactivity and autonomous functions in the nervous system, are completing their training with us. Their training is mainly comprised of analysing submitted test results and comparing their respective analyses with those made by Lars-Håkan Thorell, EDOR's inventor.

Our goal with these new analysts is to increase our analytical capacity once the product has been launched commercially.

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.

EDOR – Emotra's Testing Method

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 so-called electrodermally hyporeactive. Hyporeactive people lack the capacity to generate a certain type of reaction to these signals. 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

Clinical Studies

Earlier studies have shown a 97% reliability of the hyporeactivity test when establishing depressed patients' suicidal risk.

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.

Products

EDOR is the name of Emotra's testing method, but also the name of our product system. The product has not yet been launched, although a prototype has been sold to and used by researchers at the Karolinska Institute in Stockholm, Sweden. The EDOR product is comprised of both hardware and software that together make up a complete measuring system. The measurement system itself is an instrument that the Company has developed, the "EDOR Box", which is comprised of a pair of headphones, a specially-equipped laptop computer, 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.

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 nominal value is 0.185 SEK.

The Company is listed on AktieTorget (www.aktietorget.se), with the share code EMOT.

Significant Events After Closing of Books

Approximately 130 more tests have been submitted to Emotra since the period-end date. All in all, more than 1,400 tests have now been submitted.

No other significant events have occurred after the reporting period.

Transactions with persons close to the Company

Emotra has an agreement with Jonebrant Ekonomikonsult AB for managing the Company's accounting and financial functions. Jonebrant Ekonomikonsult AB is partially owned by the Board member Roy Jonebrant. In connection with suicide prevention training, Emotra has purchased presentation services from Fermland AB during this period. This company is partially owned by Margit Ferm, the Chairperson of the Board.

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.

Dividend recommendation

The Board recommends no dividend be declared for 2015.

Audit

This interim report has not been subject to audit by the Company's auditor.

Future Reports

Interim report for January – March, 2016	April 26, 2016
Interim report for January – June, 2016	August 24, 2016
Interim report for January – September, 2016	October 26, 2016
Full-year report for 2016	February 15, 2017

The Annual General Meeting will be held in Göteborg at 4 p.m. on April 26, 2016. 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, February 11, 2016
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

	<i>Oct. – Dec.</i>		<i>Jan. – Dec.</i>	
Income statement				
kSEK	2015	2014	2015	2014
Net sales	0	80	0	280
Operating costs	-1,842	-1,503	-6,305	-6,391
Operating loss	-1,842	-1,423	-6,305	-6,111
Net financial items	-	26	-5	21
Loss before taxes	-1,842	-1,397	-6,310	-6,090
Taxes	40	39	158	118
Net loss of the period	-1,802	-1,358	-6,152	-5,972
Earnings per share, SEK	-0.22	-0.52	-1.10	-2.40
Earnings per share after dilution, SEK	-0.22	-0.52	-1.10	-2.40
Average number of shares*)	8,215,318	2,595,780	5,592,125	2,491,228

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

Balance sheet

kSEK	<i>December 31,</i>	<i>December 31,</i>
	2015	2014
Intangible assets	2,425	3,202
Tangible assets	46	60

Other current assets	585	554
Liquid assets	10,177	4,331
Total assets	13,233	8,147
Shareholders' equity	11,275	6,507
Provisions	513	671
Non-current liabilities	210	280
Current liabilities	1,235	689
Total shareholders' equity and liabilities	13,233	8,147

Cash-flow analysis, an overview

kSEK	<i>Jan. – Dec. 2015</i>	<i>Jan. – Dec. 2014</i>
Cash flow from operating activities	-5,005	-6,126
Cash flow from investing activities	-	-69
Cash flow from financing activities	10,850	8,762
Period's cash flow	5,845	2,567
Liquid assets at beginning of period	4,331	1,764
Liquid assets at end of period	10,176	4,331

Changes in shareholders' equity

kSEK	Share capital	Revaluation reserve	Share premium reserve	Accumulated loss brought forward	Total shareholders' equity
Shareholders' equity on December 31, 2013	704	2,437	3,423	-2,889	3,675
New share issue	234		9,500		9,734

Issue expenses			-931		-931
Bonus issue	22		-22		
Dissolution of write-up		-365		365	
According to AGM			-2,889	2,889	
Net loss of the period				-5,971	-5,971
Shareholders' equity on Dec. 31, 2014	960	2,072	9,081	-5,606	6,507
New share issue	801		11,529		12,330
Issue expenses			-1,410		-1,410
Earnings appropri. acc. to shareholder resolution			-9,081	9,081	
Dissolution of write-up		-488		488	0
Net loss of the period				-6,152	-6,152
Shareholders' equity on December 31, 2015	1,761	1,584	10,119	-2,189	11,275

Key ratios

	Jan. – Dec. 2015	Jan. – Dec. 2014
Net sales, kSEK	0	280
Operating loss, kSEK	-6,305	-6,111
Result of the period, kSEK	-6,152	-5,972
Earnings per share, SEK	-1.10	-2.40
Shareholders' equity per share, SEK	1.18	2.51
Return on equity, %	Neg.	Neg.
Equity ratio in %	85.2	79.9
Average number of employees	3	3

Average number of shares*)	5,592,125	2,491,228
Number of shares at end of period	9,517,860	2,595,780

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

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.

Emotra AB (publ), Göteborgsvägen 74, SE-433 63 Sävedalen, Sweden
Tel: +46 708 25 45 47, www.emotra.se