Press release, October 24, 2017
Emotra AB (publ)
Corporate identity number: 556612-1579

Emotra AB (publ)

Interim report

January 1 – September 30, 2017

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

Summary of the period January – September, 2017

- **Net sales for the period were 0 kSEK (581)**
- **Operating loss was -6,742 kSEK (-5,047)**
- **Loss per share after dilution was -0.62 SEK (-0.52)**
- **At the end of the period, liquid assets amounted to 11,014 kSEK (5,976)**
- **Clinical multi-centre study, EUDOR-A, concluded on schedule**
- **Market launch of EDOR® initiated**
- **Four first EDOR® training seminars completed**
- **Market manager recruited**

Summary of the period July – September, 2017

- **Net sales for the period were 0 kSEK (0)**
- **Operating loss was -3,200 kSEK (-1,859)**
- **Loss per share after dilution was -0.24 SEK (-0.19)**

Significant Events After Closing of Books

- **Two more EDOR® training seminars completed**

Comments from our CEO

- ***Summary***

After completion of our multi-centre study, EUDOR-A, a consensus meeting was held in Rome on March 29 to 30. The participants at the meeting unanimously backed the decision to launch EDOR® on the European market as a supplement to the routines at psychiatric specialist clinics for assessing the suicide risk among depressed patients.
The consensus meeting also stated that further analyses of the EUDOR-A study results should be performed. A prominent biostatistician at Columbia University in New York was employed to carry out the statistical analysis. This work has now been completed. The analysis confirmed our earlier statistical calculations, but it also produced some new observations of minor importance.

The fact that the results from our EUDOR-A study have been checked and our statistics have been confirmed by a recognised, third-party researcher is an important prerequisite for the scientific papers that will be based on the study.
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, which sets it apart from the subjective methods that are used in clinical practice.
We have now launched our product and carried out our first six training seminars for new centres in Romania, France, Kazakhstan, and Portugal during the period in question, as well as in Hungary and Poland in October. Interest in participating in these seminars continues to be keen, and we are in discussions with clinics we met at all these seminars. The fact that Emotra held a seminar in Kazakhstan was due to special circumstances related to that country's investment in strengthening psychiatric care. The other five countries were all represented in EUDOR-A.
Emotra is working to integrate a computerised documentation program in EDOR®. The goal is an ability to follow up tested patients in a Phase IV patient follow-up system. Developing a system that enables the large-scale collection of patient material over a long time period is of strategic importance to the company. This is why Emotra wants to develop its "Global Communication Platform", which in the long run is judged to be an important tool to help both the company and clinicians/researchers in different countries to carry out studies that will increase the understanding of hyporeactivity as well as an understanding of why some individuals commit suicide while others don't.
Our discussions with the clinics that are interested in acquiring EDOR® revolve around their contributions to the follow-up system as well as various financial compensation aspects.
In June and July, Emotra completed a new share issue that strengthened the Company's cash position by 12.4 MSEK. We have recruited a Marketing Manager who will lead the development of our marketing activities and the creation of our marketing organisation. Emotra is in the midst of a transformative process, moving from a very small development company to a commercially-oriented company.

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

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. Continued studies, first of all an ever-growing documentation from reported tests to a patient follow-up system (Phase IV follow-up), will in the long run increase our understanding of hyporeactivity's importance for suicidal behaviour.
The first six training seminars, which were held in Romania, France, Kazakhstan, Portugal, Hungary, and Poland, gathered participants from psychiatric clinics and research institutes at major hospitals. After each completed seminar, a number of clinics have informed Emotra of their interest in investigating and discussing the conditions for acquiring the device.
When training seminar attendees want to acquire our equipment, they are not able to simply place an order with us in connection with the training seminar. Acquisition of new equipment has to be decided by their hospital's senior administration or a special procurement function. Through our successful training seminars, we have established contact with a number of clinics that have informed us of their desire to acquire EDOR®. Emotra can offer these clinics a number of different business models to facilitate the decision process for potential buyers.
We are currently discussing the pricing of our products and our rates for clinical follow-up of tested patients.

When Emotra gets the opportunity to deal with psychiatric specialists in private practice, they do not need to ask for a formal acquisition approval. Instead, they can decide on such acquisitions directly in connection with the seminar.
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 in the process of establishing.

- ***Market manager recruited***

As a first step in the establishment of our international marketing department, we have now recruited Daniel Poté as our Marketing Manager. Yesterday, October 23, 2017, was the first day on the job for our new Marketing Manager. Mr 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. The position as Marketing Manager includes responsibility for marketing against, training of, sales to, and communication with psychiatric specialist clinics in Europe. Furthermore, our Marketing Manager will collaborate with important international organisations, be responsible for the build-up of an international marketing organisation and handling of 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 role as a global product manager at Vitrolife he was 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.

- ***EUDOR-A***

Over 1,500 patients have been tested using EDOR® since our naturalistic (non-blind) European clinical multi-centre study, EUDOR-A, was launched in the autumn of 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. However, we cannot rule out that other factors may also have contributed to the drastic reduction in the number of suicides.
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. This work was carried out by a researcher at Columbia University in the USA and it confirms the statistical calculations we made immediately after our study was completed. This work also produced some interesting observations which we will be describing 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 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.

All 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.

- ***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 who 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, October 24, 2017
Claes Holmberg, CEO

Income Statement summary

kSEK	*July-Sept.*		*Jan.-Sept.*		*Jan. – Dec.*
	2017	***2016***	***2017***	***2016***	***2016***
Net sales	0	308	0	581	581
Operating costs	-3,200	-2,167	-6,742	-5,628	-7,255
Operating loss	**-3,200**	**-1,859**	**-6,742**	**-5,047**	**-6,674**
Net financial items	-1	-1	-2	-4	-4
Loss before taxes	**-3,201**	**-1,860**	**-6,744**	**-5,051**	**-6,678**
Taxes	39	39	118	118	158
Net loss of the period	**-3,162**	**-1,821**	**-6,626**	**-4,933**	**-6,520**
Earnings per share, SEK	-0.24	-0.19	-0.62	-0.52	-0.69
Earnings per share after dilution, SEK	-0.24	-0.19	-0.62	-0.52	-0.69
Average number of shares	13,117,343	9,517,860	10,717,688	9,517,860	9,517,860

Balance sheet summary

kSEK	***Sept. 30, 2017***	***Sept. 30, 2016***	***Dec. 31, 2016***
Assets			
Fixed assets			
Total fixed assets	1,114	1,878	1,691
Current assets			
Inventories	589	0	0
Other receivables	669	305	222
Cash and cash equivalents	11,014	5,976	4,684
Total current assets	12,272	6,281	4,906
Total assets	**13,386**	**8,159**	**6,597**
Shareholders' equity and liabilities			
Shareholders' equity			
Total shareholders' equity	10,491	6,337	4,750
Provisions	237	395	355
Non-current liabilities	35	105	105
Current liabilities	2,623	1,322	1,387
Total shareholders' equity and liabilities	**13,386**	**8,159**	**6,597**

Cash-flow analysis, an overview

kSEK	*Jan. – Sept. 2017*	*Jan. – Sept. 2016*	*Jan. – Dec. 2016*
Cash flow from current operations before changes in working capital	-6,166	-4,420	-5,899
Cash flow from changes in working capital	200	295	482
Cash flow from investing activities	-	-	-
Cash flow from financing activities	12,296	-75	-75
Period's cash flow	6,330	-4,200	-5,492
Liquid assets on January 1	4,684	10,176	10,176
Liquid assets at end of period	**11,014**	**5,976**	**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		-366		366	0
Issue expenses			-5		-5
Net loss of the period				-4,933	-4,933
Shareholders' equity on Sept. 30, 2016	**1,761**	**1,218**	**-5**	**3,363**	**6,337**
Dissolution of write-up		-122		122	0
Net loss of the period				-1,587	-1,587
Shareholders' equity on Dec. 31, 2016	**1,761**	**1,096**	**-5**	**1,898**	**4,750**
Earnings appropr. acc. to shareholder resolution			5	-5	0
Dissolution of write-up		-365		365	0

New share issue	774		13,035		13,809
Issue expenses			-1,442		-1,442
Net loss of the period				-6,626	-6,626
Shareholders' equity on Sept. 30, 2017	**2,535**	**731**	**11,593**	**-4,368**	**10,491**

Key ratios	**Jan. – Sept. 2017**	**Jan. – Sept. 2016**	**Jan. – Dec. 2016**
Net sales, kSEK	0	581	581
Operating loss, kSEK	-6,742	-5,047	-6,674
Result of the period, kSEK	-6,626	-4,933	-6,520
Earnings per share, SEK	-0.62	-0.52	-0.69
Shareholders' equity per share, SEK	0.77	0.67	0.50
Return on equity, %	Neg.	Neg.	Neg.
Equity ratio in %	78.4	77.7	72.0
Average number of employees	3	3	3
Average number of shares	10,717,688	9,517,860	9,517,860
Number of shares at end of period	13,702,259	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. 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 13,808,516.70 SEK, or appr. 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 expenses, which amounted to about 1.4 MSEK. 3,704,723 shares (corresponding to about 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 2,534,917.92 SEK is comprised of 13,702,259 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

Year-end report for 2017 February 23, 2018

The Annual General Meeting was held in Göteborg on June 30, 2017. The Annual Report for 2015 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, October 24, 2017
Emotra AB (publ)

The Board of Directors and CEO

For further 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 October 24, 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.*