



Newsletter from Emotra AB (publ)

Göteborg, April 27, 2016

Article from Cision Promoted

Emotra has commissioned Cision Promoted, in cooperation with Nyhetsbyrån Direkt, to write an article about the Company.

The article was published on news.cision.com. We have translated the article and inserted it below.

Direct link to this article:

<http://news.cision.com/se/cision-promoted/r/i-vantans-tider-for-intresseveckande-emotra,c9965069>

High expectations on interesting Emotra

Wed. Apr. 27, 2016, 09:59 CET

The methods presently used in psychiatric and general health care to discover which patients are at risk of attempting suicide are unsure. The medical device company Emotra wants to change that with their EDOR™ test.

“Merely being better than today’s traditional method is not setting the bar high enough”, says CEO Claes Holmberg.

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.

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Suicide is the most common cause of death for people aged 15–45 around the world. Widespread depression is a global health issue and the psychiatric profession is struggling to find methods that will discover patients at risk in time. The Göteborg-based company Emotra, founded by Lars-Håkan Thorell who has 40 years' research experience in this field, may have discovered a technical method for determining which patients are hyporeactive contra normally reactive.

To put it simply, EDOR™ is an audio test. The patient is exposed to an irregular sequence of well-defined audio signals and the patient's reaction to these signals is registered. A normally reactive person will initially show a strong reaction, which will then subside along a steady, descending curve. A hyporeactive person's reaction, on the other hand, will subside drastically almost from the very beginning. Researchers have found a strong connection between this anomalous reaction (hyporeactivity) and suicide risk. This method is based on the fundamental orientation reaction that all living creatures exhibit.

"Even single-celled organisms have an orientation reaction. When we hear a sound, we pause to understand what it is. This is strongly rooted in our survival instinct. Our EDOR™ research has shown that a person who does not react, where this orientation reaction is so damaged that a normal reaction does not occur, is at risk of committing suicide", Claes Holmberg explains.

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Waiting with interest

According to Claes Holmberg, interest in Emotra and EDOR™ is strong. At this spring's large international conference in Madrid, the company's workshop was standing-room-only and many questions were asked about how the method works. The reason for this is that there is no other method available at present. Lars-Håkan Thorell's studies have all shown the same results, namely that EDOR™ identifies a biomarker for suicidal tendency, but these studies' scopes have been too small to draw any clinical conclusions. Emotra has recently completed the first stage of a clinical study which will be able to confirm, or dismiss, Lars-Håkan Thorell's predictions. At present, the 1,540 patients who were tested in the study's first stage are being followed up.

"Our study decides everything. Investors have adopted a wait-and-see policy with Emotra, which also is reflected in our share price. They have shown enormous interest, but want clinical results before they dare make a decision."

The recent conclusion of our study's first phase is a milestone in Emotra's development. The company is running on a "skeleton crew" with minimal costs. The capital the company has brought in will cover the cost of our clinical study and those salaries we need to pay. At the end of the period we had about 9 million SEK in cash, which Claes Holmberg says will last through the spring of 2017, by which time our follow-up of the 1,540 patients will be finished. Emotra has still not opened an official office. Instead, we collaborate with researchers around Europe who are compiling our study results at their workplaces.

"We have said that we will not be opening an office until we have concluded our study. Instead of burning 50 million SEK per year, we are spending 5–6 million. This is a deliberate strategy to promote our method."

Large savings potential for health care providers

Our strategy after a successful follow-up, which Claes Holmberg and the company expect, is to launch the product in the psychiatric health care sector. A convinced psychiatric profession should rationally be able to gain the general health care sector's attention, which is where the method would be most beneficial for discovering suicidal individuals among the depressed patients they meet. This would reduce the number of patients who are wrongly referred to psychiatric care. Our idea is to use the psychiatric profession as a partner in our product launch, not just see them as a market segment. The company is collaborating with the European Psychiatric Association's Suicide Section, also known as EPASS, which is monitoring our study as well as organising workshops and seminars about EDOR™.

"We won't be launching it first in Sweden, then Norway, and so on. Instead, we plan on initiating a widespread international launch in those countries in which we have clinics. Today, a total of 50 researchers all around Europe are involved in our study and once we have conclusive results of the method's accuracy we expect these researchers to vouch for it. With suicide rates as high as they are, sitting around and guessing is no longer acceptable. But this is precisely what is going on with today's standardised questionnaires."

Emotra has so far received a 500,000 euro grant from the Horizon 2020 program of the European Commission for Research (EC) to carry out a feasibility study. This study will map how a larger-scale EDOR™ project could be

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conducted. In October, Emotra will submit an application to EC for another 2.5 million euros to finance both the continued development of the product and an expansion of its area of application.

“There are three factors that decide whether a new health care method will be successful: 1. It solves a recognised problem and no alternative solution exists; 2. The method must significantly improve quality of care or save lives; and 3. It should not increase the complexity or cost of the provided care. Today in Sweden, the health care cost for each person that attempts suicide is almost 1 million SEK. 10,000 people per year in Sweden alone amounts to 10 billion SEK. The cost of implementing EDOR™ is nothing compared to the savings which can be realised if we can contribute to reducing the number of suicide attempts by half”, says Claes Holmberg.

Emotra is listed on AktieTorget and the current share price is around 5 SEK. During the past 12 months, the share price has fallen 14%, but it has rebounded 9% so far this year. The total market capitalisation amounts to 46 million SEK.

/Emelie Lundgren

Key figures in the factual report (SEK)

Net sales: 273,000 (0)

Operating loss: -1.43 million (-1.25)

Earnings per share after dilution: -0.15 (-0.32)

Liquid assets: 9.12 million (3.21)

Revenue has been entirely comprised of contributions. No sales occur.

Emotra’s largest owners (per cent)

Avanza Pension: 18.31

Nordnet Pensionsförsäkring: 10.26

Lars Nordell: 8.1

Lars-Håkan Thorell: 6.81

Elizabeth Kaminski: 6.76

Claes Holmberg: 3.59

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