

Emotra AB (publ)

Year-end report

January 1 – December 31, 2013

The Board and President of Emotra AB (publ) herewith present the year-end report for the financial year 2013.

- **Net revenue in 2013 was SEK 285 thousand (300), of which 0 (0) in the fourth quarter**
- **Operating results were SEK –1 410 thousand (–761), of which SEK –683 thousand (–744) in the fourth quarter**
- **Result per share after dilution SEK -0.86 (-0.56)**
- **At the end of the period, liquid assets amounted to SEK 1,764 thousand (31)**
- **Two new share issues were carried out during the year**
- **A further share issue was decided and carried out after 2013**
- **Three agreements signed with clinics**
- **Co-operation agreements signed with leading opinion makers**
- **Swedish-German article published in the September issue of Journal of Psychiatric Research**

Net revenue

No sales activities have been carried out during the year. Our revenue has been entirely comprised of contributions. The Company's operations during the year have mainly consisted of preparing our clinical multi-centre study, recruiting clinics for the study, as well as preparing and carrying out new share issues, as described below.

Letter from the CEO; pre-market clinical trials

As we have mentioned in earlier reports, Emotra's work during the coming years will consist of preparing our launch of EDOR in Europe. 15 internationally prominent clinics, possibly a few more, will carry out their own clinical trials of EDOR. The Company is discussing and negotiating with several clinics that have expressed a clear interest in participating in these trials. Three co-operation agreements have been signed this year, two with clinics in Warsaw and one with a clinic in Ravensburg, Germany. Another six agreements, four with Italian clinics, one with a Romanian clinic and one with a Hungarian clinic have been signed in 2014 and we expect more to follow in the near future.

In parallel with these negotiations, we are working hard with all the necessary paper work before we can commence our clinical trials. We are carrying out a number of different activities with the goal of securing a CE certification for our product within the next two months. Applications to various countries' ethics committees are being prepared, translated to different languages and submitted. During the autumn, we placed orders for new equipment and we expect delivery of it in the first

quarter 2014. We are putting the finishing touches to our training material. We are visiting clinics in various countries. We have gradually supplemented our clinical trial protocols following discussions with the different clinics involved in the trials. Other clinics that have expressed their interest will be joining our team. According to our timetable, everything should be ready in the first quarter of 2014. However, all of the involved clinics will not be up and running the trials until the second quarter 2014.

As we already mentioned, clinical evidence of the EDOR system's high reliability has already been published in a number of articles in scientific journals. Our aim with these further studies is to recruit psychiatric clinics as ambassadors for this method and to help spread scientific facts about the method's high effectiveness and reliability.

The company believes that this will spur interest from specialist psychiatric clinics in EDOR, as these clinics are our primary target market.

The Company has signed agreements with the European Psychiatric Association's Suicidal Section, EPA-SS, as well as with the association's prominent opinion-making leader. This was done in order to quality-assure and strengthen our trials, as well as to ensure the best possible conditions for disseminating information about and training for the method to specialised psychiatric clinics. EPA-SS will share responsibility for the planned trials and will play a prominent role in our future information dissemination and training efforts for the method.

Listing of our shares on AktieTorget

Following on the authority granted to the Board at the extraordinary shareholder meeting on January 11, 2013, the Board decided to carry out a new share issue and apply for a share listing on AktieTorget. The new share issue was carried out and shares in the Company are now listed on AktieTorget. The first trading day was June 24, 2013.

Financing through new share issues

Following on the authority granted to the Board at the extraordinary shareholder meeting on January 11, 2013, Emotra's Board decided to carry out a new share issue which, if fully subscribed, would provide the Company with SEK 10 million before issue expenses. This new share issue was carried out and the Company received SEK 3.6 million before issue expenses. The issue increased the number of outstanding shares in Emotra from 1,382,690 to 1,881,835.

On September 10, and in accordance with the resolution of the AGM on June 27 2013, the Board decided to carry out a directed share issue to three private investors for a total of 65,000 shares. The total issue price was SEK 877,500. This issue increased the number of outstanding shares in Emotra from 1,881,835 to 1,946,835.

After both of these share issues, the Company felt that it had enough liquid assets to finance the above mentioned clinical trials and all subsequent documentation efforts that would be required. The liquidity issues are made significantly easier by the fact that the company's costs, with the exception of the costs for the clinical trials, are low. However, it was the Board's opinion that the Company did not have sufficient funds to finance an international launch of EDOR. During the autumn of 2013, the Board discussed the Company's options for securing further capital in order to finance the Company's continued operations.

On December 18 2013, the Board decided to carry out a rights issue encompassing a maximum of 648,945 shares at a subscription price of SEK 15 per share which, if fully subscribed, would provide the Company with SEK 9.7 million before issue expenses. On December 19 2013, the Board published a notice for an extraordinary shareholder meeting to decide on the proposed new share issue. The meeting decided to carry out this new share issue during the second half of January 2014. At the

close of the issue, subscriptions totalled SEK 24.3 million, which means it was substantially over-subscribed.

The Problem of Suicide

Suicide is the most common cause of death for people aged 15–44. The number of suicides worldwide is 1 million per year, and 1,500 in Sweden. The vast majority of people that try to commit suicide 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 a suicide attempt is, in Sweden, SEK 0.9 million (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 during a well-defined test situation, key survival reactions in the brain can be measured as a short and, to the patient, 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 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.

Clinical Studies

In a series of studies, Lars-Håkan Thorell has previously demonstrated the high efficacy and reliability of EDOR.

Tracking and documentation of 279 patients at three independent international clinics has shown a 97% reliability of the hyporeactivity test when establishing depressed patients’ suicidal risk.

The strong connection between hyporeactivity and risk of suicide has been further confirmed through Thorell’s co-operation during the past few years with leading suicide researchers in Germany. The test results for 783 German patients were analysed using the same reliable method that Thorell has used in his previous research. This study confirmed the previously achieved results. In September 2013, the results were published in the Journal of Psychiatric Research, which is one of the most internationally renowned scientific journals in this discipline.

Products

EDOR is also the name of Emotra's product system, of which a first copy has been sold to and used by researchers at Sweden's Karolinska institute. 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.

Advantages of EDOR

- High-reliability method for detecting patients with suicide risk
- Equally high precision in identifying patients who are not at risk (that do not require preventive measures)
- Suicide prevention measures are directed at those who need them
- Objective and quantitative measurement results
- Many lives can be saved and much suffering can be avoided
- Reduced health care costs
- Leading researchers behind the method
- Quick and easy test
- Published clinical results

Emotra's strategies

Emotra's business follows well-based strategies. 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. This strategy also enables us to quickly reduce our cash burn rate in case of significant delays. The Company's operations are focused on establishing our product among the foremost psychiatric specialists and forging strong alliances with leading clinics and international organisations. The aim of these efforts is to lay the foundation for future information dissemination and training work, facilitating our future market growth and creating demand for our product. Once this type of demand has been established, we will evolve a more traditional sales organisation.

Outlook for 2014 and 2015

Our share issue was completed in January 2014, and the clinical trials will now commence with the goal of presenting our first results in spring 2015. The company expects most of the trials to be completed by the spring of 2016, at which time we intend to launch our product in Europe. The clinics that we have contacted have shown such an interest that the Company is considering a small increase in the number of clinics involved in our trials.

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 och särskilda överväganden" (Risk Factors and Special Considerations) in our 2013 Memorandum, which can be found on the company's web site or 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 is comprised of 2,595,780 shares. Each share's nominal value is SEK 0.3616. The Company is listed on AktieTorget (www.aktietorget.se), with the share code EMOT.

Significant Events After Closing of Books

In total, four new co-operation agreements for clinical trials were signed in January 2014 with university clinics in Genoa, Rome, Piemonte and Bari in Italy.

On January 10 2014, a co-operation agreement was signed with the European Psychiatric Association's Suicidal Section, EPA-SS. The parties have agreed to organise and carry out the planned international clinical multi-centre study in collaboration. The parties have also agreed to organise consensus meetings and symposiums, as well as train psychiatric specialists in how to use EDOR. A new issue of 648,945 shares, at a subscription price of SEK 15 per share, was carried out in January. This share issue provided the Company with SEK 9.7 million. This issue increased the number of outstanding shares in Emotra from 1,946,835 to 2,595,780.

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. During this period, Emotra has purchased presentation services from Fermland AB. 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 year-end report. 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.

Proposed Dividend

The Board recommends no dividend be declared for 2013.

Audit

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

Future Reports

Interim report for January – March, 2013	April 28 2014
Interim report for January – June, 2013	August 20, 2014
Interim report for January – September, 2013	October 22, 2014
Year-end report for 2014	February 12, 2015

The annual shareholder meeting will be held on April 28, 2014, at 5:00 PM in Göteborg. The annual report will be available from the Company's web site, www.emotra.se, at least two weeks prior to the shareholder meeting, but is also provided upon request by e-mail from the Company, at the following address: claes@emotra.se.



Press release, February 13, 2014
Emotra AB (publ)
Corporate identity number: 556612-1579

The Board of Directors and the Chief Executive Officer do hereby certify that this year-end 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.

Göteborg, February 13, 2014
Emotra AB (publ)

The Board of Directors and the Chief Executive Officer

For further information, please contact Claes Holmberg, CEO, Emotra AB, at +46 708 25 45 47 or claes@emotra.se

Income statement

Amounts in SEK thousands	<i>Oct. – Dec.</i>		<i>Jan. – Dec.</i>	
	2013	2012	2013	2012
Net Revenue	0	0	285	300
Operating costs	-683	-744	-1,695	-1,063
Operating loss	-683	-744	-1,410	-763
Net financial items	0	-5	-4	-10
Loss before taxes	-683	-749	-1,414	-773
Taxes	-	-	-	-
Net loss of the period	-683	-749	-1,414	-773
Earnings per share, SEK	-0.35	-0.54	-0.86	-0.56
Earnings per share after dilution, SEK	-0.35	-0.54	-0.86	-0.56
Average number of shares	1,946,835	1,382,690	1,636,752	1,382,690

Balance sheet

Amounts in SEK thousands	<i>Dec. 31,</i> <i>2013</i>	<i>Dec. 31,</i> <i>2012</i>
Intangible assets	3,785	3,799
Other current assets	81	359
Liquid assets	1,764	31
Total assets	5,630	4,189
Shareholders' equity	4,465	2,253
Long-term liabilities	550	550
Current liabilities	615	1,386
Total shareholders' equity and liabilities	5,630	4,189

Cash-flow analysis, summary

Amounts in SEK thousands	<i>Jan – Dec</i> <i>2013</i>	<i>Jan – Dec</i> <i>2012</i>
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Cash flow from operating activities	-1,872	13
Cash flow from investing activities	-	-
Cash flow from financing activities	3,605	-31
Period's cash flow	1,732	-18
Liquid assets at beginning of period	31	49
Liquid assets at end of period	1,764	31

Changes in shareholders' equity	Share capital	Revaluation reserve	Share premium reserve	Accumulated loss brought forward	Total shareholders' equity
Shareholders' equity on Jan. 1, 2012	138	3,589	367	-508	3,587
According to AGM			-367	-194	-561
Net loss/profit for the year					-773
Shareholders' equity at end of 2012	138	3,589	0	-702	2,253
Bonus issue	362	-362			
New share issue	204		4,267		4,471
Issue expenses			-844		-844
According to AGM				-773	
Net loss of the period					-1,414
Shareholders' equity at end of 2013	704	3,227	3,423	-1,475	4,465

Key ratios	Oct. – Dec. 2013	Oct. – Dec. 2012	Jan. – Dec. 2013	Jan. – Dec. 2012
Net sales, SEK thousands	0	0	285	300
Operating loss, SEK thousands	-683	-744	-1,410	-761
Result of the period, SEK thousands	-683	-749	-1,414	-773
Earnings per share, SEK	-0.35	-0.54	-0.86	-0.56
Shareholders' equity per share, SEK	2.29	1.63	2.29	1.63
Return on equity, %	neg.	neg.	neg.	neg.
Equity ratio in %	79.3	53.8	79.3	53.8



Press release, February 13, 2014

Emotra AB (publ)

Corporate identity number: 556612-1579

Average number of employees	3	1	2	1
Average number of shares	1,946,835	1,382,690	1,636,752	1,382,690
No. of shares at end of period	1,946,835	1,382,690	1,946,835	1,382,690

Emotra AB is listed on AktieTorget, and the Company has developed a method – EDOR – of detecting depressed patients who are at risk of committing suicide. Altogether, more than 1,000 patients have been tested and followed up. EDOR has shown a reliability rate of up to 97%. In other words, Emotra’s method can determine, with 97% certainty, if a person runs a significantly higher risk of suicide attempt, facilitating decisions about where special suicide prevention measures are needed. EDOR helps the right patients get the care they need.

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