

Emotra AB (publ)

Quarterly Report

January 1 – September 30, 2013

The Board of Directors and the CEO of Emotra AB (publ) hereby present the quarterly report for the first three quarters of the financial year 2013.

- **Two agreements for clinical trials were signed**
- **A directed new share issue encompassing 65,000 shares at the issue price of 13.50 SEK was carried out**

Summary of accounting for the period January – September, 2013

- **Net revenue of 285 TSEK (300)**
- **Operating results of –727 TSEK (–17)**
- **Results per share, after dilution –0.51 SEK (–0.12)**
- **At the end of the period, liquid assets amounted to 2,665 TSEK (65)**

Summary of accounting for the period July – September, 2013

- **Net revenue of 196 TSEK (0)**
- **Operating results of –536 TSEK (–22)**
- **Results per share, after dilution –0.30 SEK (–0.16)**
- **At the end of the period, liquid assets amounted to 2,665 TSEK (65)**

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 almost exclusively consisted of preparation and completion of new share issues as well as preparing clinical trials, 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 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. Two collaborative agreements, both of them with clinics in Warsaw, were signed during this period, another one after the end of this period, and we expect to sign several more 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 four months. Applications to various countries' medical ethics committees are being written. We have ordered new equipment. We are putting the finishing touches to our training material. We are visiting clinics in various countries. The protocols for our clinical trials are being refined following valuable feedback from these clinics. Other clinics that have expressed their interest will be joining our team. According to our timetable, everything should be ready during the first quarter of 2014 and all of the involved clinics will then have commenced these trials.

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.

Financing: directed share issue has been carried out

At the annual shareholder meeting on June 27, 2013, the Board was granted the authority to make one or more new share issues until the next annual meeting, without right of priority for existing shareholders. The Board's authority was limited by the condition that the issue price must be at least 7.20 SEK per share and that a maximum of 420,000 new shares can be issued.

In accordance with their authority, on September 10 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 877,500 SEK.

This issue increased the number of outstanding shares in Emotra from 1,881,835 to 1,946,835.

It is the company's opinion that it has sufficient liquid assets to complete the preparation work mentioned above and the clinical trials. However, we do not have sufficient funds to finance an international launch of EDOR. The Board is investigating the company's options for securing further capital in order to finance the company's continued operations. These 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.

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, 0.9 MSEK (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 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 collaboration 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. The results have been 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, which 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. 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

Outlook for 2014 and 2015

After our recently completed share issue, the clinical trials will commence with the goal of presenting our first results during the autumn of 2014. The company expects most of the trials to be completed by the autumn of 2015, at which time we intend to launch our product in Europe.

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 1,946,835 shares. Each share's nominal value is 0.36 SEK. The Company is listed on AktieTorget (www.aktietorget.se), with the share code EMOT.

Significant Events After Closing of Books

A collaboration agreement for clinical trials was signed in October 2013 with the Department of Psychiatry, University of Ulm, in Ravensburg, Germany. The Swedish-German study of 783 patients was published in the October issue of the Journal of Psychiatric Research.

Transactions with Related Persons

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 quarterly 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.

Miscellaneous

This quarterly report has not been audited by the Company's auditor.

Future Reports

Financial Statement for 2013, February 13, 2014

The Board of Directors and the Chief Executive Officer do hereby certify that this quarterly 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, November 7, 2013
Emotra AB (publ)

The Board of Directors and the Chief Executive Officer

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Press release, November 7, 2013

Emotra AB (publ)

Corporate identity number: 556612-1579

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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