

Emotra AB (publ)

Interim report

January 1 – March 31, 2014

The Board and Chief Executive Officer of Emotra AB (publ) hereby present the interim report for the first quarter 2014.

- **Net revenue was SEK 200 thousand (6)**
- **Operating results were SEK -1,070 thousand (-38)**
- **Result per share after dilution was -0.49 SEK (-0.03)**
- **At the end of the period, liquid assets amounted to SEK 8,739 thousand (12)**
- **A new share issue was carried out in January and February**
- **19 agreements regarding participation in clinical study signed**
- **EDOR CE certified**

Net revenue

No sales activities have been carried out during the period. Our revenue has been entirely comprised of contributions. During the period, an earlier conditional loan for SEK 200 thousand was converted to contributions. Throughout this period, the company has been working on conducting a rights issue of nearly SEK 10 million, before issue expenses, preparing a scheduled clinical multi-centre study, recruiting clinical centres for the study and finishing the process of securing a CE certification for EDOR.

Report from the CEO: 19 agreements for clinical study, CE marking, clearance from the ethics committees, kick-off meeting in Rome, appearances at international conferences

19 leading international clinics in Europe have signed agreements to participate in Emotra's clinical multi-centre study. Out of the contracts signed, five are with Italian clinics, three German, two Polish, two Spanish, two Swedish, one with a French clinic, one with a Romanian clinic, one with a Hungarian, one with a Portuguese and finally one with an Austrian clinic.

A number of additional projects have also taken place over the year. The product has been CE certified. A successful kick-off and training meeting with the participating clinics was held on 14–15 April in Rome. Applications to the ethics committees in various countries have been prepared and submitted. The first clinics have announced that they have received approval from their local ethics committee. Orders for new equipment were placed in the autumn and a significant number of instruments were delivered in conjunction with the meeting in Rome. The clinics, which have not yet

received their equipment, will receive delivery in the next few weeks. Training materials have been compiled.

As previously reported, 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 specialist 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 trials planned, and the organisation will play a prominent role in our future information dissemination and training efforts for the method.

Lars-Håkan Thorell, the innovator behind EDOR, will give a series of presentations at national and international scientific conferences in 2014. He will give a talk and is Co-Chairman at the 15th European Symposium on Suicide, 27–30 August 2014 in Tallinn, Estonia. He will speak at the XVI World Congress of Psychiatry, 14–18 September in Madrid, the World Psychiatric Association's annual World Congress. He will be the keynote speaker at the First International Congress of Suicide Prevention, 5–7 September in Lima, Peru. He has also been invited to speak at the Swedish society for biological psychiatry's conference, on September 11–12 at Djurönäset, Stockholm. In addition to these presentations, a number of other prominent opinion leaders will be giving presentations on Emotra's method at various international and national conferences throughout the year. The increasing number of presentations is a clear sign that EDOR is receiving growing attention both internationally and nationally.

Greater analytical capacity through software development

Emotra has entered into an agreement with an experienced consulting firm to develop software that can replace most of the manual work for test analyses. As previously noted, the need for a greater analytical capacity to meet an increasing demand for tests with EDOR is a priority for the business. This has now been realised.

The assignment includes creating the conditions for an effective and safe transfer of large volumes of data to and from the clinics and Emotra. An additional part of the assignment involves the development of a high capacity database, containing all essential parameters, partly about the tested patients, and partly on what formed the basis for the assessment. One of the advantages of building a large database of this kind is that it will make future comparative studies possible between different patient categories and between patients assessed or treated differently. The work has been going on for some time and will continue throughout 2014, and is scheduled to be completed in the spring of 2015.

Rights issue completed

On December 18 2013, the Board made a proposal for a decision regarding 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. Our new share issue being completed, Emotra's share capital now amounts to SEK 938,670.30 divided into 2,595,780 shares. Thanks to this successful issue, Emotra has the necessary financial stamina to conduct the clinical multi-centre study now being started up.

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 and developing software for EDOR, are low. 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 have further discussions on how the company could receive additional capital to finance a broad international market introduction for EDOR.

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 have 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 the name of Emotra's test method, but also the name of the product system. The product has not yet been launched, even if the first copy was previously sold to and used by scientists at Karolinska institutet. The EDOR product is comprised of both hardware and software, that together make up a complete measuring system. The measurement system itself includes an instrument that the Company has developed, the "EDOR Box", a pair of headphones, a specially-equipped laptop computer, software, as well as training packages and expert services via the Internet.

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

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.

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 market growth and creating demand for our product. Once this type of demand has been established, we will evolve a more traditional sales organisation.

Multi-centre study

Now that the clinics have met for a kick-off and training meeting in Rome, the clinical multi-centre study is underway. The first clinics have already received approval from the Ethics Committee, and will shortly be bringing in patients for tests with EDOR. The objective is to present the first results during the spring of 2015. The company expects the majority of evaluations to be completed by

spring 2016, which is when the European launch will be set up. Interest from surveyed clinics has been so extensive that the number of participating clinical teams has been expanded from the previously agreed 15 to now include 19 clinics.

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 2014 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 0.361614. The Company is listed on AktieTorget (www.aktietorget.se), with the share code EMOT.

Significant Events After Closing of Books

A meeting in Rome, bringing together the participating clinics, was held on 14 and 15 April. During the meeting, which was the formal start-up for Emotra's multi-centre study, all of the clinics received training on the technology.

Annual General Meeting 2014

The Annual General Meeting will be held today, April 28, 2014, at 5:00 PM in Göteborg. The Annual Report has been made available on the company's website www.emotra.se for three weeks now and may also be ordered from the company by email claes@emotra.se.

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 interim 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.

Other

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

Future Reports



Press release, April 28, 2014

Emotra AB (publ)

Corporate identity number: 556612-1579

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

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.

Göteborg, April 28, 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>Jan. - March</i>		<i>Jan. - Dec.</i>	
	2014	2013	2013	2012
Net Revenue	200	6	285	300
Operating costs	-1,270	-44	-1,695	-1,063
Operating loss	-1,070	-38	-1,410	-763
Net financial items	0	-1	-4	-10
Loss before taxes	-1,070	-39	-1,414	-773
Taxes	-	-	-	-
Net loss of the period	-1,070	-39	-1,414	-773
Earnings per share, SEK	-0.49	-0.03	-0.86	-0.56
Earnings per share after dilution, SEK	-0.49	-0.03	-0.86	-0.56
Average number of shares	2,177,571	1,382,690	1,636,752	1,382,690

Balance sheet

Amounts in SEK thousands	March 31, 2014	March 31, 2013	Dec. 31, 2013	Dec. 31, 2012
Intangible assets	3,785	3,799	3,785	3,799
Other current assets	512	366	181	358
Liquid assets	8,739	12	1,764	31
Total assets	13,036	4,177	5,630	4,189
Shareholders' equity	12,198	2,214	4,465	2,253
Long-term liabilities	350	550	550	550
Current liabilities	488	1,413	610	1,386
Total shareholders' equity and liabilities	13,036	4,177	5,630	4,189

Cash flow analysis, an overview

Amounts in SEK thousands	<i>Jan. - March</i>	<i>Jan. - March</i>	<i>Jan. - Dec. 2013</i>	<i>Jan. - Dec. 2012</i>
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	2014	2013			
Cash flow from operating activities	-1,822	-14	-1,872	13	
Cash flow from investing activities	-	-	-	-	
Cash flow from financing activities	8,797	-5	3,605	-31	
Period's cash flow	6,975	-19	1,732	-18	
Liquid assets at beginning of period	1,764	31	31	49	
Liquid assets at end of period	8,739	12	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 of 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
New share issue	235		9,499		9,734
Issue expenses			-931		-931
Net loss of the period					-1,070
Shareholders' equity at end of period	939	3,227	11,991	-1,475	12,198
Key ratios	Jan. – March, 2014	Jan. – March, 2013	Jan. – Dec. 2013	Jan. – Dec. 2012	
Net sales, SEK thousands	200	6	285	300	
Operating loss, SEK thousands	-1,070	-38	-1,410	-761	
Result of the period, SEK thousands	-1,070	-39	-1,414	-773	

Earnings per share, SEK	-0.49	-0.03	-0.86	-0.56
Shareholders' equity per share, SEK	4.70	1.60	2.29	1.63
Return on equity, %	neg.	neg.	neg.	neg.
Equity ratio in %	93.6	53.0	79.3	53.8
Average number of employees	3	1	2	1
Average number of shares	2,177,571	1,382,690	1,636,752	1,382,690
Number of shares at end of period	2,595,780	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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