



# Interim Report

## January 1 – December 31, 2016

### The fourth quarter in figures

- Net sales amounted to TSEK 1,935 (1,181).
- The loss after tax amounted to TSEK 14,623 (11,154).
- The loss per share amounted to SEK 1.77 (1.35).
- The cash flow from current operations was negative in the amount of TSEK 13,032 (13,864).
- Significant margin improvement with gross margin increasing to 35.0% in Q4 (18.4%).

### The full year in figures

- Net sales amounted to TSEK 6,436 (4,151).
- The loss after tax amounted to TSEK 53,086 (41,532).
- The loss per share amounted to SEK 6,41 (6.01).
- The cash flow from current operations was negative in the amount of TSEK 47,850 (46,588).
- Significant margin improvement with gross margin increasing to 34.5% (2.5%).

### Important events during the quarter

- Our primary market Germany continues to show good growth with sales in value up by 54% and electrode sales volume up by 93% in the quarter.
- Significant resources invested in the PMA process, with continued progress. Ongoing work to provide replies to feedback from the FDA within several areas.
- A nominating committee has been appointed for the AGM 2017.
- In the period the management team was strengthened with Niklas Jakobsson, responsible for QA and regulatory issues and with Anna Danström head of manufacturing and logistics.
- The semi-automated electrode production process now validated.
- First delivery of Nevisense View in the period.

### Important events after the end of the period

- DermoScan and SciBase agree to co-promote an integrated solution for digital dermoscopy and Nevisense.

## Financial overview

THE GROUP	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Net sales, SEK ths	1 935	1 181	6 436	4 151
Gross margin, %	35,0%	18,4%	34,5%	2,5%
Equity/Asset ratio, %	90,8%	95,1%	90,8%	95,1%
Net indebtness, multiple	0,10	0,05	0,10	0,05
Cash equivalents, SEK ths	84 955	133 736	84 955	133 736
Cashflow from operating activities, SEK ths	-13 032	-13 864	-47 850	-46 588
Earnings per share (before and after dilution), SEK*	-1,77	-1,35	-6,41	-6,01
Shareholder's equity per share, SEK*	11,19	17,59	11,19	21,09
Average number of shares, 000'*	8 285	8 285	8 285	6 910
Number of shares at closing of period, 000'*	8 285	8 285	8 285	8 285
Share price at end of period, SEK	19,00	31,00	19,00	31,00
Average number of employees	23	15	21	14

\*Adjusted for in May 2015 performed reversed split, 40:1

Definitions and a glossary are provided on page 16.



## Comment by CEO Simon Grant

“All-time high Sales for a quarter and the first shipment of our new product Nevisense View”

### Highlights

- All-time high sales in the quarter reaching MSEK 1.9 (1.2) an increase of 64%
- Record volume of sold electrodes, an increase of 106%, reflecting strong growth in test usage
- Significantly improved gross margin in the quarter increasing to 35,0 (18,4)%
- German sales increased in value by 54% overall and in electrode sales volume by 93%
- The first Nevisense View was delivered in December to Belgium
- The semi-automated electrode production process now validated and ready to be implemented. The production quality system has also been transferred to SciBase.

In the last quarter we were happy to see continued sales growth, driven by increased Nevisense usage. Compared to the same period 2015 our sales increased by 64 percent and reached MSEK 1.9, which is a new all-time high. We also sold 5,600 electrodes, an increase of 106 percent. The sales for the full year 2016 amounted to over MSEK 6.4, which is an increase with 55 percent compared to 2015. The volume of sold electrodes (tests) increased by 87 percent to 15,200. Germany continues to be our growth engine and it is encouraging to see that we have a growing number of high-volume users there. As you know, our business model requires an initial device sale but the potential lies in the sale of single-patient electrodes when the device is used.

### The first Nevisense View delivered

In December Nevisense View, a new device combining our EIS-method with the documentation of clinical images, became commercially available. With Nevisense View it is possible to import clinical and dermoscopic images of lesions and store them together with patient data and the EIS test results. For clinicians, this can have significant benefits. It can improve workflow, facilitate full documentation of suspicious lesions and help monitor difficult to diagnose lesions. In December we delivered the first Nevisense View to Belgium. Since then we have also sold units in Sweden and we see an increasing interest from these as well as from other markets, including Germany.

As part of the release of Nevisense View, we also released a major update of Nevisense itself. This included both an update in the Nevisense hardware but also significant improvements in the system software. We have, for example, added inbuilt network connectivity (Wi-Fi and Ethernet), improved patient data management and the body map, and added follow-up functionality.

### Germany is the engine but there are other interesting markets

Germany is, as you know, our largest and most important market and we continue to grow at a rapid pace there. During the quarter sales increased by 54 percent and the volume of sold electrodes by 93 percent compared to the same period 2015. We see now over one thousand patients tested each month in Germany. We also see a growing number of clinics with more than one system, which is positive as it is a sign that they see the benefits of Nevisense. In total we now have fifteen customers in Germany with two, three or even four Nevisense systems. The German market success is driven by market conditions and our direct sales presence. There are many private dermatology clinics, there is reimbursement coverage for EIS-measurements and good acceptance for the method.

In January 2017 we entered into a co-promotion agreement with DermoScan GmbH. This co-operation provides an opportunity to reach DermoScan's customer base of several hundred clinics. We will be able to offer an integrated solution for each other's products and that will both improve workflow and save time for clinics. DermoScan will market Nevisense towards both their existing as well as new customers with Germany as the initial focus.

With Nevisense View we see improved opportunities for our offer on the Belgian and Swiss markets and we will subsequently increase our efforts there. We also see and increased interest in Nevisense View in Sweden.

In the USA the process to achieve a PMA approval continues to move forward. During the period we have provided additional complementary information, as is the normal process. We receive on-going feedback and we stand by our hope that we will receive an FDA approval by the end of the second quarter 2017.

### Moving forward in electrode production

In the period we finalized the validation of the semi-automated production process, which now is ready for implementation. We now have a short-term focus on increasing production capacity and yield.

We're now looking forward to a spring where sales and the on-going PMA process will continue to be our main priorities. We will work to support the sales channels as they introduce Nevisense View and we are also looking forward to our cooperation with DermoScan. We believe that the cooperation offers good opportunities for us to reach new groups of customers and increase the knowledge of SciBase, Nevisense and the EIS-method.



Simon Grant, CEO  
Stockholm February 17, 2017





## SciBase in brief

### About SciBase

SciBase is a medical technology company that develops instruments for the detection of skin cancer. The Nevisense® and Nevisense View products can detect malignant melanoma, the most dangerous form of skin cancer, directly on the skin without needing to cut away suspect moles. The Company was founded in 1998 by Stig Ollmar, a researcher at The Karolinska Institute. The products are based on comprehensive research and SciBase has conducted the largest study to date on the detection of malignant melanoma, in which Nevisense achieved excellent results. The study was published in May 2014 in the prestigious British Journal of Dermatology. Nevisense is approved for sale in Europe (holding a CE mark) and Australia. Approval by the US FDA is expected during the first half of 2017.

SciBase's headquarters are located in Stockholm, where the company is listed on the Nasdaq First North exchange since June 2, 2015. Avanza is the Company's certified advisor.

### Business model

The company's business model is based on customers initially purchasing an instrument (Nevisense or Nevisense View) and then buying disposables (electrodes) on an on-going basis. Each electrode can only be used on one patient but on as many as ten moles.

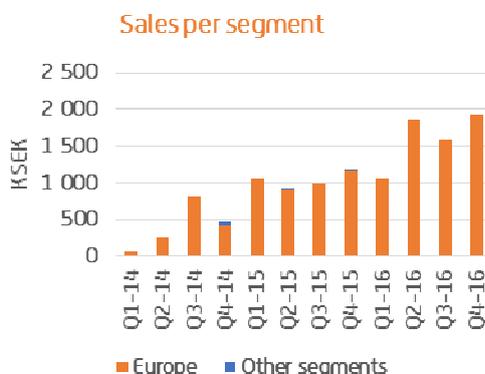
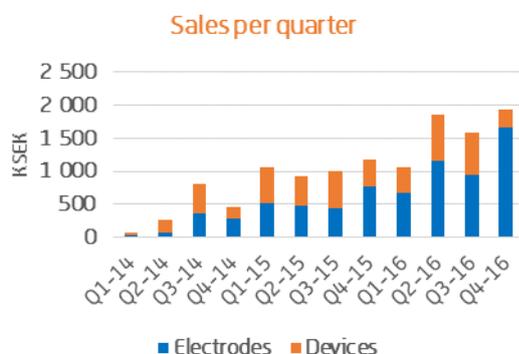
### Short facts

- Skin cancer is the most common and fastest-growing form of cancer in the world.
- Malignant melanoma is the most dangerous form of skin cancer with a high mortality rate if not detected early.
- In the United States, expenditure for the treatment of malignant melanoma is approximately USD 3.3 billion annually, equivalent to 41% of expenditure for skin cancer. In recent years, expenditure has increased four-fold.
- Today, some 50-60 million annual examinations for malignant melanoma are performed, of which 5-6 million lead to excisions. Of these, some 93-97% are shown to be benign.
- With SciBase's Nevisense® and Nevisense View products, the number of unnecessary interventions can be reduced by up to 40%, representing a reduction of about 1.5-2.5 million interventions annually and thus leading to significant cost savings.
- Nevisense® provides physicians with an objective instrument to support better diagnoses.

*" Nevisense has mainly two advantages: Firstly: less need for cutting. Second advantage from my point of view is a nearly 100% hitrate."* Prof Dr. Axel Hauschild, key opinion leader and dermatologist in Germany

### Excisions of lesions in Sweden

- 100,000 individuals undergo surgery per year
- 150,000 lesions excised per year to detect 3,500 invasive melanomas
- The annual cost is estimated to be over MSEK 300



## Fourth quarter

### Net Sales

Net sales for the fourth quarter of 2016 amounted to TSEK 1,935 (1,181), an increase of 64%. Of this, sales of instruments accounted for TSEK 269 (414) and sales of tests for TSEK 1,666 (767). Germany, where we have our primary focus, accounted for, 84 (89)% of the net sales in the quarter. The German market continues to develop positively, as a result of increased market investments including our own sales organization. Sales increased by 54% in the quarter compared to the fourth quarter 2015. We continue to see it as strategically important and correct to focus on the German market given the strong position we are building there. During the quarter we also delivered the first Nevisense View, a new instrument combining EIS with digital dermoscopy, to Belgium, Sweden and Switzerland.

Sales of electrodes reached a new all-time high in the quarter with 5,600 (2,720) electrodes sold, an increase of 106%. Electrode sales in Germany increased in the quarter by 93%.

### Operating profit/loss

The operating loss for the period October - December 2016 amounted to TSEK 14,614 (11,152), an increased loss of TSEK 3,462. The main reasons for this are increased investments in sales and marketing activities in Germany, expenses related to the ongoing PMA process, product development, expenses related to the improvement of the electrode production process and the write-down of assets in Q4 related to the fully automated production project (MSEK 1.8). The reason for the write-down is that certain assets and capitalized expenditures will not be utilized in the current process.

The gross margin improved significantly and was 35.0 (18.4)% for the period. The main reason for this is a reduced cost of goods for the electrode.

Sales and marketing expenses rose by TSEK 928 and amounted to TSEK 6,744 (5,816) for the period. The increase is primarily attributable to expenses for the com-

mercialization of Nevisense® and the increase of resources for sales and marketing in both Sweden and Germany.

Administration expenses for the period amounted to TSEK 2,327 (2,785), a decrease of TSEK 458 primarily because a function was transferred to Development during 2016 (TSEK 645 included in the expenses for 2015).

Development expenses for the period amounted to TSEK 4,466 (2,776), an increase of TSEK 1,690, of which TSEK 645 are attributable to the transferred function from administration in 2016. Otherwise, expenses increased primarily due to the ongoing PMA process, which was charged to earnings for the period with about MSEK 0.4, new product development projects, the ongoing project to automate the production of electrodes and increased resources connected to these activities.

Other operating expenses mainly consist of the above described write-down of assets to the amount of TSEK 1,752.

### Cash flow, investments and financial position

At the start of the quarter, cash and cash equivalents amounted to TSEK 98,272 and, at the end of the period, to TSEK 84,955.

Cash flow from current operations for the period was negative to the amount of TSEK 13,032 (13,864), of which changes in working capital amounted to a negative TSEK 239 (2,760). The negative operating cash flow, excluding changes in working capital, decreased mainly due to the above-described cost increases related to increased market investments. Total cash flow for the period was negative to the amount of TSEK 13,341 (13,874).

Net investments in tangible assets for the period amounted to TSEK 309 (44) and mainly involved investments in demo instruments and production tools. Investments in intangible assets for the period amounted to TSEK 0 (0).

Depreciation of tangible assets was charged against earnings for the period to the value of TSEK 95 (50).



## Full Year 2016

### Net Sales

Net sales for the full year of 2016 amounted to TSEK 6,436 (4,151), an increase of 55%. Of this, sales of instruments accounted for TSEK 1,989 (1,944) and sales of tests for TSEK 4,446 (2,207). Germany, where we have our primary focus, generated the majority of the sales for the year 91 (84)%. The German market continues to develop positively as a result of increased market acceptance, driven by market investments and an increased presence in the form of our own sales organization. Sales in Germany increased by 67% compared to 2015. The number of sold devices in Germany increased by 40% during the year while sold electrodes increased by 113%. We see an increased usage from a number of customers driving the sales of electrodes. We continue to see it as strategically important and right to focus on the German market given the strong position we are building there.

During the year 15,200 (8,144) electrodes were sold, an overall volume increase of 87%.

### Operating profit/loss

The operating loss for the full year 2016 amounted to TSEK 53,094 (41,976), an increased loss of TSEK 11,118. The main reasons for this are expenses related to the ongoing PMA process, product development, increased investments in sales and marketing activities and expenses related to the improvement of the production process for electrodes. On top of this a write-down of assets related to the fully automated production process of MSEK 1,8 occurred in Q4 because certain assets and capitalized expenditures are not utilized in the current process.

The gross margin improved significantly and was 34.5 (2.5)% for the year. The main reasons for this were that the bulk of sales occurred in the Company's direct market Germany and a reduced cost of goods for the electrode.

Sales and marketing expenses rose by TSEK 5,647 and amounted to TSEK 26,239 (20,592) for the period. The increase is primarily attributable to expenses for the commercialization of Nevisense® and the increase of resources for sales and marketing in both Sweden and Germany.

Administration expenses for the period amounted to TSEK 8,495 (10,975), a decrease of TSEK 2,480 thanks to

the IPO process during 2015, lower expenses for patents in the period and the fact that during 2016 a function was transferred to Development (in 2015 TSEK 2,001 was included).

Development expenses for the year amounted to TSEK 18,653 (10,560), an increase of TSEK 8,093 (of which TSEK 2,001 is attributable to the transferred function). Otherwise, expenses increased primarily due to the ongoing PMA process, which has burdened earnings for the year with about MSEK 4.4, new product development projects, the ongoing project to automate the production of electrodes and increased resources connected to these activities.

Other operating expenses mainly consist of the above described write-down of assets to the amount of TSEK 1,752.

### Cash flow, investments and financial position

At the start of the year, cash and cash equivalents amounted to TSEK 133,736 and, at the end of 2016, to TSEK 84,955.

Cash flow from current operations for the period was negative to the amount of TSEK 47,850 (46,588), of which changes in working capital amounted to a positive TSEK 3,086 (negative 4 718). The negative operating cash flow, excluding changes in working capital, decreased mainly due to the above-described cost increases related to increased market investments. Total cash flow for the year was negative to the amount of TSEK 48,804 (positive 106,229). The previous year's cash flow was positively affected by the in the second quarter 2015 performed new share issue raising around MSEK 154.2 (net).

Net investments in tangible assets for the year amounted to TSEK 954 (835) and mainly involved investments in a new company car, demonstration instruments and office equipment. Investments in intangible assets for the year amounted to TSEK 0 (0).

Depreciation of tangible assets was charged against earnings for the year to the value of TSEK 300 (170).

## Other disclosures

### Shareholders

At the end of 2016, SciBase Holding AB had approximately 1,158 shareholders, of whom the four largest represented approximately 60.1% of the capital and votes. The total number of shares amounts to 8,284,768. The largest shareholders as of December 31, 2016 were SEB Venture Capital (23%), SEB Pensionsstiftelse (16%), Fouriertransform AB (15%) and Omega Fund IV LP. (7%).

At an extraordinary shareholders meeting held on April 28, 2015 it was resolved to implement an incentive program. The program comprises a maximum of 553,863 warrants of which 392,317 have been allotted so far. The warrants that were allotted to the subsidiary SciBase Intressenter AB, shall thereafter at market value, be allotted to employees, the Board, the CEO and management. For a full description of the program please see the Company's website and the minutes from the EGM on April 28<sup>th</sup> 2015.

### Market overview

Skin cancer is believed to be the most common form of cancer in the world. More than 3.5 million cases of skin cancer are reported every year in the US alone, which is more than the other five most common cancers combined. Currently around 50 million formal skin cancer screenings are estimated to be performed annually in SciBase's target geographies. The cost for these 50 million screenings is estimated to be around USD 2 billion. Around 10-15% of patients exhibit lesions that are atypical and can be difficult to judge. Though there is considerable variation, approximately 10% or 5 million lesions are suspicious enough to be excised. These 5 million annual excisions represent SciBase's initial target market where Nevisense could help to improve the quality of the diagnosis.

Of the five million estimated annual excisions performed in SciBase's target markets around 95% or 4.8 million lesions are later found to be benign. Uncertainty in the detection of malignant melanoma due to inexperience and limitations of visual screening methods leads physicians to excise many lesions 'just in case', as physicians do not want to risk missing a melanoma. The excision and biopsy of benign (harmless, i.e. not skin cancers) lesions due to uncertainty of visual screening methods is estimated to cost payers around USD 1.5 billion annually. SciBase estimates that Nevisense could reduce the number of benign lesion excisions by 34-50% (1.6-2.4 million lesions annually) based on the EIS score. These lesions represent around USD 520-770 million in excision costs that could be avoided with SciBase's method. For more information regarding SciBase's products and market see the annual report for 2015 pages 4-8.

### Employees

At the end of 2016, the number of employees amounted to 23 (16), of whom 30 (31)% were women.

### Financing

The Board of Directors regularly reviews the company's existing and forecast cash flows to ensure that the

company has the funds and resources necessary to pursue operations and strategic focus adopted by the Board. The company's long-term cash needs are largely determined by how successful the current product will be/is in the market, developments and regulatory events that could affect the company's ability to sell its products or that would affect compensation levels in insurance systems for the use of the company's products as well as the expenditure associated with these efforts.

Based on current forecasts and because of the in May 2015 completed new share issue, it is the Board's opinion that the Company currently has the financial resources necessary to conduct operations according to the approved plan for the next 12 months.

### Transactions with related parties

In the period, the parent Company SciBase Holding AB has invoiced TSEK 4,306 (3,230) to the fully owned subsidiary SciBase AB, which corresponds to a 100% of the parent Company's turnover in the period. In the period there were no other transactions with related parties that had any material impact on the Group or Parent Company's position and earnings during the reporting period.

### Risks and uncertainty

The principal risks and sources of uncertainty for SciBase include, albeit not exclusively, financial risks, such as the future earnings trend, financing, and currency and credit risks. In addition to market risks, there are also risks associated with SciBase's operations, such as obtaining necessary approval from authorities, product development, patents and intellectual property rights, product responsibility and forward looking info. Nor are there any guarantees that the Company will be able to secure the financial resources necessary to conduct its operations. Further information on the Company's risk exposure can be found on pages 26-28 of SciBase's 2015 Annual Report.

### Parent Company

SciBase Holding AB (publ), corporate identity number 556 773-4768, is the Parent Company of the Group. The company was formed in 2009 following a restructuring of the Group. The actual operations are conducted by the fully owned subsidiary SciBase AB.

As per December 31, 2016, the Parent Company had three employees, the CEO and the Groups finance department and the operations consists of consulting activities for the rest of the Group. The company's main task is of a financial nature – to fund the Group's operational activities.

Net sales for the period reached TSEK 4,306 (3,230). The loss for the period amounted to TSEK 53,061 (3,030). The Company's net sales consist of invoiced consultancy fees to the fully owned subsidiary SciBase AB.

The shareholders' contributions to the fully owned subsidiary SciBase AB has for 2016 and onwards been decided to be charged to earnings and not be booked as a financial tangible asset, in total MSEK 49 during 2016.



### Significant events during the third quarter

The following people have been appointed as members of SciBase Holding's election committee for the Annual General Meeting in 2017:

David Sonnek (representing SEB Venture Capital and SEB pensionsstiftelse),  
Per Nordberg (Fouriertransform),  
Renee Aguiar-Lucander (Omega fund IV L.P.),  
Tord Lendau (Chairman of the Board).

The appointments have been made in accordance with the instructions regarding principles for the appointment of the company election committee, which were determined at the Annual General Meeting of SciBase Holding on May 16, 2016. The Annual General Meeting of SciBase Holding AB (publ) will be held on May 16, 2017 in Stockholm. Shareholders who wish to have an item considered at the Annual General Meeting can submit a request to the Board to this effect. Such a request for an item to be considered is to be sent to SciBase Holding AB (publ), Att: Chairman of the Board, Box 3337, 103 67 Stockholm, and must have been received by the Board no later than seven weeks before the Annual General Meeting, or otherwise in such good time that the matter, where necessary, can be included in the notice to attend the Annual General Meeting.

### Significant events after the period

SciBase has signed an agreement with the German medical device company DermoScan GmbH to link Nevisense with its EIS measurement for early detection of malignant melanoma, with DermoScan's digital dermoscopy system DermoGenius Ultra.

DermoScan is one of Europe's foremost manufacturers of digital dermoscopy systems. DermoScan's systems are used by several hundred clinics in Germany and other markets. The agreement means that EIS measurements from Nevisense will be integrated as a standard option in DermoGenius Ultra. The result is that both patient data and Nevisense (EIS) measurements can be shared between the two systems. The solution improves both the clinic workflow and the diagnostic process for dermatology clinics.



## Consolidated summary Income Statement

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Net sales	1 935	1 181	6 436	4 151
Cost of goods sold	-1 257	-964	-4 216	-4 048
Gross Profit/Loss	678	217	2 220	103
Sales and marketing expenses	-6 744	-5 816	-26 239	-20 592
Administration expenses	-2 327	-2 785	-8 495	-10 975
Development expenses	-4 466	-2 776	-18 653	-10 560
Other operating income	282	73	300	146
Other operating expenses	-2 037	-65	-2 227	-98
Operating Income	-14 614	-11 152	-53 094	-41 976
Financial income	2	-	24	465
Financial expenses	-11	-2	-15	-21
Profit/Loss before taxes	-14 623	-11 154	-53 085	-41 532
Income tax	-	-	-1	-
Profit/Loss for the period	-14 623	-11 154	-53 086	-41 532
Net Profit/Loss attributable to:				
Parent company shareholders	-14 623	-11 154	-53 086	-41 532
Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share)				
Profit/loss per share (before and after dilution)*	-1,77	-1,35	-6,41	-6,01
Average number of shares outstanding	8 284,77	8 284,77	8 284,77	6 909,77

\*Profit/loss per share after dilution is not reported, since this would imply improved earnings per share

## Consolidated summary statement of comprehensive income

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Profit/loss for the period	-14 623	-11 154	-53 086	-41 532
<i>Other comprehensive income for the period:</i>				
<i>Items that have or may be reclassified to profit or loss:</i>				
Changes in fair value on financial assets that can be sold	-2	-3	-6	-3
Tax effect attributable to changes in fair value on financial assets that can be sold	0	1	1	1
Translation differences on foreign operations	-50	-33	87	-18
Sum other comprehensive income	-52	-35	82	-20
Total comprehensive income for the period	-14 675	-11 189	-53 004	-41 552
Total comprehensive income attributable to:				
Parent company shareholders	-14 675	-11 189	-53 004	-41 552



## Consolidated summary statement of financial position

SEK 000'	Dec 31	
	2016	2015
<b>ASSETS</b>		
<i>Fixed Assets</i>		
Tangible fixed assets	8 312	9 446
Financial fixed assets	1 176	1 182
<b>Total Tangible Assets</b>	<b>9 488</b>	<b>10 628</b>
<i>Current Assets</i>		
Inventory	4 038	5 367
Current tax receivable	548	540
Receivables	898	734
Other current receivables	2 179	2 246
Cash equivalents	84 955	133 736
<b>Total Current Assets</b>	<b>92 618</b>	<b>142 623</b>
<b>Total Assets</b>	<b>102 106</b>	<b>153 251</b>
<b>Shareholders' Equity and Liabilities</b>		
Shareholders' equity attributable to parent company shareholders	92 705	145 709
<i>Longterm Liabilities</i>		
Deferred tax liability	25	26
<b>Total Longterm Liabilities</b>	<b>25</b>	<b>26</b>
<i>Current Liabilities</i>		
Accounts payable	3 285	3 224
Other current liabilities	6 091	4 292
<b>Total Current Liabilities</b>	<b>9 376</b>	<b>7 516</b>
<b>Total Liabilities</b>	<b>9 401</b>	<b>7 542</b>
<b>Total shareholders' equity and liabilities</b>	<b>102 106</b>	<b>153 251</b>



## Consolidated change in shareholders' equity

SEK 000'	Share Capital	Other Capital Contributions	Reserves	Accumulated Loss	Total shareholders' Equity attributable to parent company shareholders
Opening balance Jan 1, 2015	22 032	282 474	94	-271 955	32 645
Profit/loss for the period				-41 532	-41 532
Other comprehensive income			-20		-20
Total comprehensive income	0	0	-20	-41 532	-41 552
<i>Transactions with shareholders:</i>					
Reduction of sharecapital	-3 588	3 588			0
New share issue	12 210	152 790			165 000
Issue expenses		-10 831			-10 831
Warrants		447		0	447
Total transactions with shareholders	8 622	145 994	0	0	154 616
Closing balance Dec 31, 2015	30 654	428 468	74	-313 487	145 709
Opening balance Jan 1, 2016	30 654	428 468	74	-313 487	145 709
Profit/loss for the period				-53 086	-53 086
Other comprehensive income			82		82
Total comprehensive income	0	0	82	-53 086	-53 004
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Dec 31, 2016	30 654	428 468	156	-366 573	92 705

## Consolidated summary statement of cash flows

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Net Income before taxes	-14 623	-11 154	-53 085	-41 532
Adjustments for non-cashflow items	1 830	50	2 150	-338
Paid Income Tax	-	-	-1	-
Cashflow from operating activities before change in working capital	-12 793	-11 104	-50 936	-41 870
<i>Cashflows from changes in working capital</i>				
Change in Inventory	450	-880	1 329	-4 422
Change in Receivables	89	300	-105	-402
Change in Liabilities	-778	-2 180	1 862	106
Total change in working capital	-239	-2 760	3 086	-4 718
Cashflow from operating activities	-13 032	-13 864	-47 850	-46 588
<i>Investment activities</i>				
Acquisitions of Fixed Assets	-309	-44	-954	-1 905
Divestment of fixed assets	-	-	-	108
Cashflow from investment activities	-309	-44	-954	-1 797
<i>Financing activities</i>				
New share issues	-	-	-	165 000
Expenses related to new share issues	-	-	-	-10 833
Warrants	-	34	-	447
Cashflow from financing activities	0	34	0	154 614
Cashflow for the period	-13 341	-13 874	-48 804	106 229
Cash equivalents at start of the year	98 272	147 661	133 736	27 566
Exchange rate differences in cash equivalents	24	-51	23	-59
Cash equivalents at end of the period	84 955	133 736	84 955	133 736



## Income statement, Parent Company

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Net Sales	1 076	1 077	4 306	3 230
Administration expenses	-2 144	-1 793	-7 757	-6 260
Operating Profit/loss	-1 068	-716	-3 451	-3 030
<i>Earnings from financial items:</i>				
Profit from shares in group companies	-49 611	-	-49 611	-
Financial income	1	-	1	-
Financial expenses	0	-	0	-
Profit/loss after financial items	-50 678	-716	-53 061	-3 030
Taxes	-	-	-	-
Profit/loss for the period	-50 678	-716	-53 061	-3 030

## Statement of other comprehensive income, Parent Company

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2016	2015	2016	2015
Profit/loss for the period	-50 678	-716	-53 061	-3 030
<i>Other comprehensive income</i>	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income	-50 678	-716	-53 061	-3 030



## Summary Balance Sheet, Parent Company

SEK 000'	Dec 31	
	2016	2015
<b>ASSETS</b>		
<i>Fixed Assets</i>		
Shares in Group Companies	137 646	137 647
Total Fixed Assets	137 646	137 647
<i>Current Assets</i>		
Current receivables and prepaids	5 040	6 119
Cash equivalents	79 258	130 472
Total Current Assets	84 298	136 591
<b>TOTAL ASSETS</b>	<b>221 944</b>	<b>274 238</b>
<b>SHAREHOLDERS* EQUITY AND LIABILITIES</b>		
<i>Shareholder's equity</i>		
Share Capital	30 654	30 654
Other capital contributions	428 521	428 521
Retained earnings	-186 221	-183 191
Profit/Loss for the period	-53 061	-3 030
Shareholders equity	219 893	272 954
Current liabilities	2 051	1 284
Total liabilities	2 051	1 284
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>221 944</b>	<b>274 238</b>

## Notes

### Note 1 Accounting principles

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. For the Parent Company, the interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Securities Market Act in accordance with the provisions of RFR 2. For both the Group and the Parent Company the same accounting principles and bases for calculation have been applied as in its most recent Annual Report. Significant accounting and valuation principles are detailed on pages 37-43 of the consolidated annual report for 2015.

New or revised IFRS standards and interpretations by the IFRS Interpretations Committee have not had an effect on the Group's or Parent Company's earnings, financial position or disclosures.

### Note 2 Fair value of financial instruments

#### *Current receivables and liabilities*

For current receivables and liabilities, such as accounts receivable and accounts payable with a maturity of less than six months, the carrying amount is considered to reflect fair value.

#### *Financial fixed assets*

The Groups financial fixed assets, which consist of cash funds, are traded in an active market and fair value is calculated based on the last quoted bid price on the balance sheet date. These assets are included in Level 1 of the fair value hierarchy.

### Note 3 Pledged Assets

The Parent Company issued a capital adequacy guarantee to its wholly owned subsidiary SciBase AB for a maximum of TSEK 55,000 that is valid until the end of 2016. The corresponding agreement was in-place in 2015 and 2014 as well.

### Note 4 Seasonal effects

To a certain extent, SciBase's sales and operating profit are expected to be dependent on seasonal variation that the company cannot influence. In the third quarter, due to the vacation period, the number of tests performed is expected to decrease and consequently the company's sales are also expected to dip.

### Note 5 Information regarding operating segments

The Group has today only one operating segment, detection of malignant melanoma. Follow-ups are done on the geographical areas, Europe/Rest of the World, US/North America and Asia/Oceania.

#### *Fourth quarter*

##### *Europe/Rest of the World*

Net sales during the period amounted to TSEK 1,935 (1,155) of which Germany accounted for 84 (91)%. In the period the focus for the sales and marketing effort has continued to be Germany with the Company's own sales organization. However, a considerable effort has also been made to get other markets to start generating sales. Gross profit amounted to a profit of TSEK 678 (231).

##### *Other geographical areas*

Net sales during the year amounted to TSEK 0 (26). In this area, it is only in Australia that the company is present, via a distributor. Gross profit amounted to TSEK 0 (14).

The Group has chosen to merge the areas US/North America and Asia/Oceania into Other geographical areas since they do not amount to a substantial portion of the total.

#### *Full Year*

##### *Europe/Rest of the World*

Net sales during the year amounted to TSEK 6,436 (4,102) of which Germany accounted for 91 (85)%. During the year the focus for the sales and marketing effort has continued to be Germany with the Company's own sales organization. However, a considerable effort has also been made to get other markets to start generating sales. Gross profit amounted to a profit of TSEK 2,220 (145).

##### *Other geographical areas*

Net sales during the year amounted to TSEK 0 (49). In this area, it is only in Australia that the company is present, via a distributor. Gross profit amounted to TSEK 0 (loss of 42). The sales channel in Australia is under evaluation.

The Group has chosen to merge the areas US/North America and Asia/Oceania into Other geographical areas since they do not amount to a substantial portion of the total.

SEK 000'	Oct 1 - Dec 31, 2016			Oct 1 - Dec 31, 2015		
	Europe/ Rest of the World	Other Segments	Total	Rest of the World	Other Segments	Total
Segment - Net sales	1 935	-	1 935	1 155	26	1 181
Sales between segments	-	-	-	-	-	-
Net sales from external customers	1 935	-	1 935	1 155	26	1 181
Cost of goods	-1 257	-	-1 257	-924	-40	-964
Gross Profit/Loss	678	0	678	231	-14	217
Operating expenses			-15 292			-11 369
Operating profit/Loss			-14 614			-11 152
Financial Income			2			0
Financial Expenses			-11			-2
Group earnings - before tax			-14 623			-11 154

SEK 000'	Jan 1 - Dec 31, 2016			Jan 1 - Dec 31, 2015		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	6 436	-	6 436	4 102	49	4 151
Sales between segments	-	-	-	-	-	-
Net sales from external customers	6 436	-	6 436	4 102	49	4 151
Cost of goods	-4 216	-	-4 216	-3 957	-91	-4 048
Gross Profit/Loss	2 220	0	2 220	145	-42	103
Operating expenses			-55 314			-42 079
Operating profit/Loss			-53 094			-41 976
Financial Income			24			465
Financial Expenses			-15			-21
Group earnings - before tax			-53 085			-41 532



## Signatures

The Board of Directors and the President provide their assurance that this interim report provides an accurate view of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and uncertainties faced by the Parent Company and the companies included within the Group.

[SciBase Holding AB]  
Stockholm, February 17, 2017

Tord Lendau  
Chairman of the Board

Per Aniansson  
Board member

Carsten Browall  
Board member

Renee Lucander  
Board member

Stig Ollmar  
Board member

Andreas Pennervall  
Board member

Simon Grant  
President and CEO

*This information is information that SciBase Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on February 17, 2017.*

This interim report has not been subject to review by the Company's auditors.

Contact person:  
Michael Colérus, CFO

## Quarterly overview

THE GROUP	2016				2015			2014	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales, SEK ths	1 935	1 580	1 855	1 066	1 181	995	918	1 057	460
Gross margin, %	35,0%	44,6%	30,1%	26,3%	18,4%	17,6%	-34,5%	2,6%	-41,5%
Equity/Asset ratio, %	90,8%	91,3%	92,7%	94,4%	95,1%	94,2%	91,4%	73,0%	78,5%
Net indebttness, multiple	0,10	0,09	0,08	0,06	0,05	0,06	0,09	0,37	0,27
Cash equivalents, SEK ths	84 955	98 272	108 786	122 241	133 736	147 661	165 595	17 313	27 566
Cashflow from operating activities, SEK ths	-13 032	-10 459	-13 112	-11 247	-13 864	-9 669	-13 858	-9 197	-9 290
Earnings per share (before and after dilution), SEK	-1,77	-1,50	-1,75	-1,40	-1,35	-1,24	-1,80	-1,84	-2,06
Shareholder's equity per share, SEK	11,19	12,96	14,45	16,19	17,59	18,93	27,41	4,71	6,55
Average number of shares, 000*	8 285	8 285	8 285	8 285	8 285	8 285	6 085	4 985	4 985
Number of shares at closing of period, 000*	8 285	8 285	8 285	8 285	8 285	8 285	8 285	4 985	4 985
Share price at end of period, SEK	19,00	25,20	17,20	23,50	31,00	30,80	43,00	-	-
Average number of employees	23	22	19	18	15	15	13	14	11

\*Adjusted for in May 2015 performed reversed split, 40:1

## Definitions

### Financial key ratios

- TSEK: SEK 000'
- Gross margin, %: Gross profit divided by net sales.
- Operating profit: Operating income less operating expenses.
- Operating margin, %: Operating profit divided by income.
- Equity/assets ratio: Equity at the end of the period divided by total assets at the end of the period.
- Debt/equity ratio: Total liabilities in relation to equity.
- Earnings per share for the period before dilution: Profit for the period divided by average number of shares before dilution.
- Earnings per share for the period after dilution: Profit for the period divided by average number of shares after dilution. Earnings per share after dilution is the same as before dilution because potential ordinary shares do not cause to dilution.
- Shareholders' equity per share: Equity divided by average number of shares.
- Dividend per Share: Dividend for the period divided by average number of shares after dilution.
- Number of shares before dilution at the end of the period: Number of shares in issue before dilution at the end of the period.
- Average number of shares before dilution: Average number of shares during the period before dilution.
- Average number of shares after dilution: Average number of shares in issue after dilution is the same as before dilution because potential ordinary shares do not cause to dilution.
- Number of employees (average): Weighted average number of employees in the relevant period.
- IFRS: International Financial Reporting Standards

### Industry specific glossary

- CE labeling: A mandatory conformity marking to show that products sold within the European Economic Area (EEA) since 2008 fulfills the requirements of the acquis. CE labeling is also included on products sold outside the EEA but that are produced in the EEA, or intended for sale there.
- Dermatoscopy or Dermoscopy: Examination of skin lesions with a dermatoscope, a strong magnifying glass with a built-in light source.
- Electrical Impedance Spectroscopy (EIS): A measure of the overall impedance occurring in tissue when alternating current is applied at a series of alternating frequencies. This is measured by transmitting an imperceptible alternating current between the bands on the electrode, which is mounted on the tip of the probe and measures the current.
- FDA: The US Food and Drug Administration is the US authority controlling all aspects of the development, manufacture and commercialization of pharmaceutical products and medical devices in the United States.
- Malignant melanoma: The most dangerous form of skin cancer, consisting of cancer in pigment-producing melanocytes.
- Unnecessary excision: The removal of benign skin lesions/birthmarks.
- Nevi: Lesion.
- PMA: Form of approval required for all Class III devices for FDA approval in the USASA



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### Future reporting dates

Interim report January – March 2017, May 10 2017

AGM 2017, May 16 2017

Interim report January – June 2017, August 18 2017

Interim report January – September 2017, November 10 2017

