



Interim Report

January 1 – September 30, 2017

The third quarter in figures

- Net sales amounted to TSEK 1,172 (1,580).
- The loss after tax amounted to TSEK 8,810 (12,395).
- The loss per share amounted to SEK 1.06 (1.50).
- The cash flow from current operations was negative in the amount of TSEK 9,796 (10,459).
- The gross margin in the period was 56.8 (44.6)%.
- Electrode sales in volume grew in total by 9% and reached 3,440 (3,168) units. Repeat sales of electrodes grew by 42%.

The first 9 months in figures

- Net sales amounted to TSEK 4,973 (4,501).
- The loss after tax amounted to TSEK 32,168 (38,463).
- The loss per share amounted to SEK 3.88 (4.64).
- The cash flow from current operations was negative in the amount of TSEK 32,821 (34,818).
- The gross margin in the period was 36.8 (34.3)%.
- Electrode sales grew in total by 33% and reached 12,768 (9,600) units. Repeat sales of electrodes grew by 74%.

Important events during the quarter

- Following the Pre-Market Approval (PMA) of Nevisense in the US in June, SciBase presented an update of their strategic growth plan. The focus of the plan is SciBase's entry into the US market, the continued growth in the core market Germany, and the utilization of the current product platform for additional clinical indications.
- At the British Association of Dermatologist's annual meeting in July a new study from Southampton University Hospital was presented showing Nevisense's potential to help clinicians detect melanomas that otherwise could have been missed.
- SciBase released a new generation of Nevisense and a new type of electrode for the evaluation of new clinical applications.
- In September software to integrate Nevisense with DermoScan's digital dermoscopy system DermoGenius Ultra was launched. The cooperation with DermoScan represents a great opportunity to integrate Nevisense with the more than 400 clinics using DermoGenius Ultra in Germany today.

Important events after the end of the period

- Nevisense was presented as one of the top ten most important news stories within skin cancer for dermatologists at the Fall Clinical Dermatology Conference.
- The first Nevisense system in the US will be installed with the well-known key opinion leader Darrel S. Rigel, MD and Clinical Professor of Dermatology at the New York University Medical Center.
- The first presentation of data in a scientific poster by a US center occurred as a poster at the Fall Clinical meeting by Dr Ryan Svoboda, a Clinical Research Fellow at the National Society for Cutaneous Medicine.
- SciBase signed a distribution contract with International Fitness and Health Organisation AB to sell to non-specialist clinics and pharmacies in Italy. The agreement included an initial order of approx. MSEK 0.5 and potential for an additional MSEK 0.5 order in 2018.
- The first US commercial order for Nevisense was received from a private clinic focused on self-pay patients in New York.
- A nominating committee has been appointed.
- The Company published a proposed preferential rights offering and a summons to an EGM.

Financial overview

THE GROUP	Oct 1 2016 -					
	July 1 - Sep 30		Jan 1 - Sep 30		Sep 30 2017	Jan 1 - Dec 31
	2017	2016	2017	2016	Rolling-12	2016
Net sales, SEK ths	1 172	1 580	4 973	4 501	6 908	6 436
Gross margin, %	56,8%	44,6%	36,8%	34,3%	36,3%	34,5%
Equity/Asset ratio, %	86,9%	91,3%	86,9%	91,3%	86,9%	90,8%
Net indebtness, multiple	0,15	0,09	0,15	0,09	0,15	0,10
Cash equivalents, SEK ths	50 948	98 272	50 948	98 272	50 948	84 955
Cashflow from operating activities, SEK ths	-9 796	-10 459	-32 821	-34 818	-45 853	-47 850
Earnings per share (before and after dilution), SEK	-1,06	-1,50	-3,88	-4,64	-5,65	-6,41
Shareholder's equity per share, SEK	7,31	12,96	7,31	12,96	7,31	11,19
Average number of shares, 000'	8 285	8 285	8 285	8 285	8 285	8 285
Number of shares at closing of period, 000'	8 285	8 285	8 285	8 285	8 285	8 285
Share price at end of period, SEK	18,30	25,20	18,30	25,20	18,30	19,00
Number of sold electrodes, pieces	3 440	3 168	12 768	9 600	18 368	15 200
Average number of employees	21	22	22	21	22	21

Definitions and a glossary are provided on page 18.

Comment by CEO Simon Grant

"First customer order received in the US and a new opportunity in Italy"

Highlights

- SciBase released a new generation of Nevisense and new electrodes for the evaluation of new applications.
- Sales of electrodes to repeat customers increased by 42% in volume while the total volume of sold electrodes increased by 9%.
- The operating expenses decreased by 28% resulting in a reduced loss of MSEK 3.6.
- Agreement reached for first US Key Opinion Leader installation.
- An integrated DermoScan and Nevisense solution was launched in September.
- Distribution contract signed for Italy addressing a new customer segment. The contract included an order of MSEK 0.5 in 2017 and a possible follow-up order of the same level in 2018.
- We have now received our first US commercial order from a private clinic focused on self-pay patients.

It was with a sense of accomplishment that we started the third quarter. FDA's approval of Nevisense, which came at the end of June, means that we now can lay the tough and cumbersome approval process behind us, and it is with pride that we are now looking forward and westward!

The focus in the summer and early autumn has been to update our strategy and we now have an ambitious growth plan where, of course, the United States has a prominent role. However, the strategy also includes a plan for new clinical applications within der-

matology. Overall, it is a focused and ambitious strategy that we believe will pave the way for sales growth for SciBase in the future.

USA

The United States is the world's largest market but at the same time is a challenging market in which to become the standard of care. We intend to take a step-wise approach and we will start in the north-eastern US with a focus on the New York Metropolitan Area. With a large population, a high number of dermatologists, a high incidence of malignant melanoma and a significant patient population used to paying directly for care, we believe that this is an excellent launch pad for a product introduction in the US. In addition, there is a number of important Key Opinion Leaders (KOL) in the area, and having these on-board is an important success factor in achieving market acceptance.

As one of the first steps in our US market launch we participated at the Fall Clinical Dermatology Conference in Las Vegas. The conference is one of the largest and most important national congresses within dermatology and in the congress Nevisense was presented as one of the top ten most important news stories within skin cancer. A scientific poster analysing Nevisense data was also presented by a US center for the first time in the US at the meeting.

The first installation with a US Key Opinion Leader will be at Darrel S. Rigel, MD and Clinical Professor of Dermatology, clinic at the New York University Medical Center. Finally, we have our first sales consultant on board in New York and have received our first commercial Nevisense order. The order is from Dr Gary Goldenberg who operates a private Dermatology clinic

in Manhattan focused on self-pay patients, and is an early indication that our strategy can work in this environment. Dr Goldenberg is also an Assistant Clinical Professor of Dermatology at The Icahn School of Medicine at Mount Sinai Hospital in New York City.

Germany

In Germany we have now reached a high penetration of the so-called 'early adopters'. Today we have 170 devices installed at 150 customer sites and the most gratifying thing is that we see an increased usage with many customers. Repeat orders from our existing customers showed a strong growth in the third quarter, with an increase of 41 percent, while the total electrode sales in volume grew by 8 percent in Germany.

Given our strong initial user base, it is now time for us to take the next steps on the German market. Our updated strategy means that we will broaden the target group we approach. To achieve this we must continue to improve Nevisense's ease-of-use and integrate with our customer's digital dermoscopy and electronic medical record systems. The first step was taken with the recently released improvements and functionality upgrades to Nevisense. The software to streamline information exchange between Nevisense and DermoScan's digital dermoscopy system DermoGenius Ultra was also launched in September. This means that we now are able to approach DermoScan's customer base, which represents around 400 clinics in Germany alone, with an integrated solution. The collaboration has already led to a number of interesting leads.

Sales in the quarter

The total sales of electrodes, in volume, increased by 9 percent in the quarter while sales to repeat customers increased by 42 percent. Pleasingly we also saw a significantly improved gross margin in the quarter. The sales of devices were however below our expectations. Total Sales reached MSEK 1.2, a decrease of 26 percent compared to Q3 2016, which reflected the holiday period, but also the bi-annual impact of a major exhibition which also meant that Q3 last year was unusually strong. We also see the effect of moving from the 'early adopters' to the mainstream dermatology market. Users here require a system that is both very easy to use and integrated into their clinic flow – two things we have focused on in the recent software release. Despite this quarterly variation accumulated sales year to date show a growth of 10 percent compared to the previous year. In addition, device sales in

Q4 have already exceeded the device sales for Q3 in total. Finally, it is especially pleasing that this week we received the first order of MSEK 0.5 from our new Italian distributor focussing on non-specialists, with potential for another MSEK 0.5 in 2018.

We have continued to focus on cost efficiencies, resulting in significantly lower operating expenses, a reduction of 28 percent compared to the third quarter 2016, thus reducing our loss during the quarter by MSEK 3.6.

Updated strategy

Part of our updated strategy is to continue development of products for the evaluation of other skin conditions, such as non-melanoma skin cancer and atopic dermatitis. Both these disorders are common and involve significantly larger patient groups than malignant melanoma. SciBase's strategy is to leverage the current product Nevisense as a unique platform that can both investigate and support treatment modalities within these new clinical areas. During the quarter we launched new electrodes and software functionality specifically for this purpose. SciBase is currently conducting clinical trials with leading centers to investigate these new indications. The first published results are expected in the first half of 2018 and following this SciBase will on the back of supportive results, start the commercialization of the first application.

We remain focused on our existing customer group, dermatologists, with the aim of offering a unique integrated platform based on Nevisense. Instead of being a product for the detection of malignant melanoma only, Nevisense will have multiple clinical uses and thus attract more users and usage, leveraging our business model based on electrode usage therefore exponentially providing the sales growth, which is key to future value creation.

The autumn has delivered a key value driver in the form of our US approval resulting in a massive market opportunity. This in combination with additional dermatology indications provide an exciting platform for the next twelve months, which the upcoming new share issue that we recently announced will enable us to pursue and exploit.



Simon Grant, CEO
Stockholm November 10, 2017



SciBase in brief

About SciBase

SciBase is a medical technology company that develops instruments for detection of skin cancer and other skin conditions. 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 suspected moles. The products are based on comprehensive research on Electrical Impedance Spectroscopy (EIS), 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 and Nevisense View are approved for sale in the United States (PMA), Europe (CE mark) and Australia.

In addition to detecting malignant melanoma, SciBase plans to increase the number of clinical applications for Nevisense. By using Nevisense as a platform, the Company may integrate functionality that uses the EIS method in assessing other skin diseases, such as non-melanoma skin cancer and atopic dermatitis. During 2017, SciBase launched a new type of electrode as well as new software and functionality for this purpose. Currently SciBase is conducting clinical trials with leading academic and clinical centers. The plan is to start commercialization of the first application in 2018.

SciBase was founded in 1998 by Stig Ollmar, a researcher at The Karolinska Institute, and has its headquarters in Stockholm. The company is listed on the Nasdaq First North exchange since June 2, 2015 and 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 multiple moles or skin areas.

Short facts

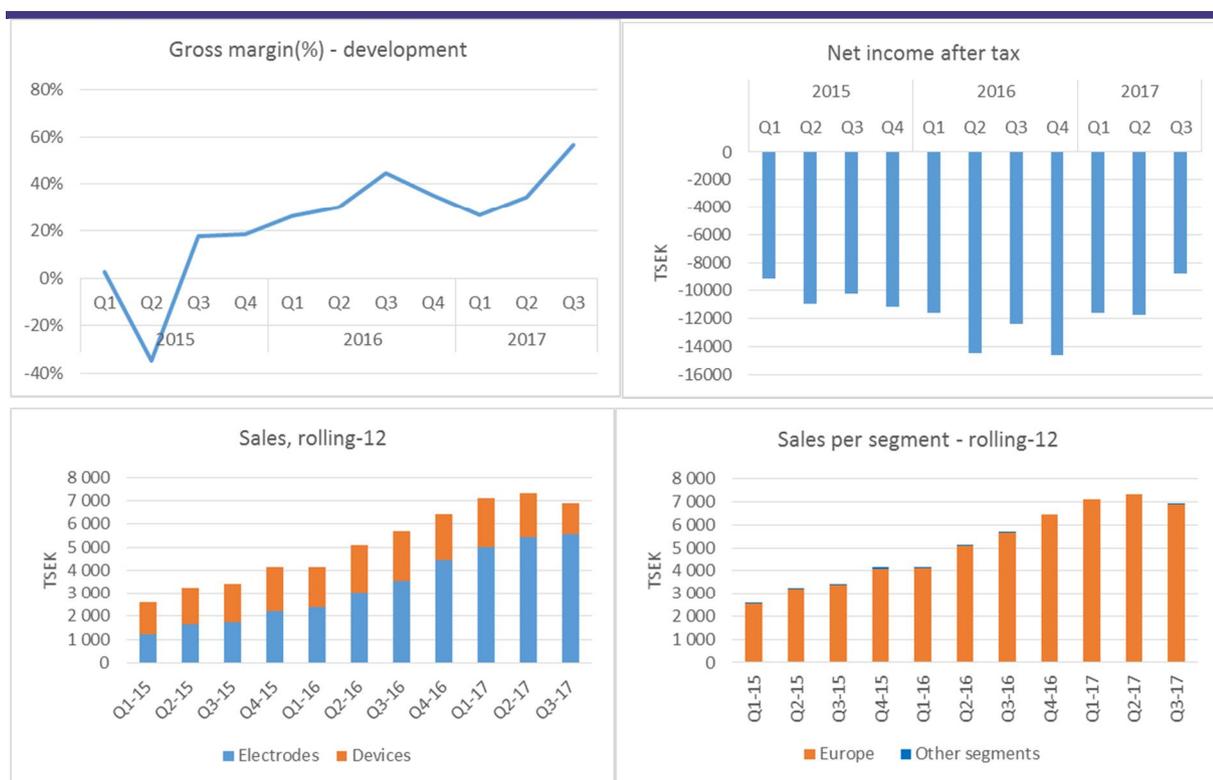
- Skin cancer is the most common and fastest-growing form of cancer in the world.
- Malignant melanoma is the most dangerous form of skin cancer with a high mortality rate if not detected early.
- In the United States, expenditure for the treatment of malignant melanoma is approximately USD 3.3 billion 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 86-97% are shown to be benign.
- With SciBase's Nevisense® and Nevisense View products, the number of unnecessary interventions can be reduced by up to 50%, representing a reduction of up to 2.4 million interventions annually and thus leading to significant cost savings.
- Nevisense® provides physicians with an objective instrument to support better diagnoses.
- Management of atopic dermatitis (eczema) represents the greatest burden globally of all skin diseases. As many as 20 percent of all children and between 1 and 10 percent of all adults are afflicted by atopic dermatitis.
- The number of patients affected by non-melanoma skin cancer (NMSC) is over ten times the number affected by melanoma. In the US there are approximately 2.8M cases of basal cell carcinoma (a common type of NMSC) each year.

'For us, Nevisense is a tool to achieve two goals; The primary goal is to detect melanoma as soon as possible to make sure that we offer the best patient care available. The second one is to reduce unnecessary excisions to decrease patient discomfort and to reduce the high cost associated with these excisions. We also like that it is a non-invasive test that quickly provides results that are easily understood, retrievable and auditable.'

Alan Milligan CNS, Royal Free Hospital, London

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.**



Third quarter

Net Sales

Net sales for the third quarter of 2017 amounted to TSEK 1,172 (1,580), a decrease of 26%. Of this, sales of instruments accounted for TSEK 102 (640) and sales of electrodes for TSEK 1,069 (940). In July 2016, an important congress was held in Germany, which led to a number of sales of new devices. This congress is only held every second year and is one of the reasons for the lower sales of devices in the period. This also leads to lower sales of electrodes to new customers. The sales of electrodes in volume to repeat customers did however increase by 41% in Germany while the total increase was 8%. Germany, where we have our primary focus, accounted for 100 (100)% of the sales in the period.

Sales of electrodes in the quarter reached 3,440 (3,168), an increase of 9%. The sales of electrodes to repeat customers increased by 42%.

Operating profit/loss

The operating loss for the period July – September 2017 improved and amounted to TSEK 8,805 (12,407), a decreased loss of TSEK 3,602. The improved operating result is mainly thanks to lower expenses related to the now completed PMA process and reduced sales and marketing activities outside Germany.

The gross margin in the period was 56.8 (44.6)%. The main reason for the improved margin is partly the mix of sales towards electrodes and partly related to in the quarter lower purchasing costs for components included in the electrode. The margin is very volume dependent.

Sales and marketing expenses decreased by TSEK 1,365 and amounted to TSEK 5,096 (6,461) for the

period. The decrease is primarily attributable to reduced cost of personnel outside Germany.

Administration expenses for the period amounted to TSEK 1,965 (1,648), an increase of TSEK 317 primarily due other expenses including increased board-fees.

Development expenses for the period amounted to TSEK 2,413 (4,966), a decrease of TSEK 2,553. The expenses decreased primarily due to the completed PMA process, which was charged to earnings for the period with about MSEK 0.1 (1.5) and reduced product development costs.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 60,974 and, at the end of the period, to TSEK 50,948.

Cash flow from current operations for the period was negative to the amount of TSEK 9,796 (10,459), of which changes in working capital amounted to a negative TSEK 1,191 (positive 1,816). The negative operating cash flow improved mainly thanks to the reduced loss. Total cash flow for the period was negative to the amount of TSEK 10,005 (10,516).

Net investments in tangible assets for the period amounted to TSEK 209 (54) and mainly involved investments in production tools and demo instruments. 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 181 (74).

First 9 months

Net Sales

Net sales for the period January - September 2017 amounted to TSEK 4,973 (4,501), an increase of 10%. Of this, sales of instruments accounted for TSEK 1,070 (1,721) and sales of electrodes for TSEK 3,903 (2,780). Germany, where we have our primary focus, accounted for 94 (94)% of the net sales in the period. In Germany the Company has now penetrated the so-called "early adopters" and have an installed base of approximately 150 customers with 170 devices. The Company's initial target group is around 800 dermatology clinics of the total 2,800 existing clinics. Customers outside the "early adopter" group have a slightly different focus where they (among other things) want a very easy to use product and a test that can be easily integrated into their practice's patient flow. This has led to some product modifications and leads to a somewhat longer sales process than for the "early adopters". The sales in Germany increased in value by 11% in the period compared to the corresponding period 2016.

Sales of electrodes in the period reached 12,768 (9,600) electrodes sold, an increase of 33%. In Germany the total (repeat and initial) sales of electrodes in volume increased by 35%. Repeat (sales to customers who return for additional purchases after their initial order) sales of electrodes increased in by 74% compared to the corresponding period 2016.

Operating profit/loss

The operating loss for the period January - September 2017 amounted to TSEK 32,134 (38,480), a reduced loss of TSEK 6,346. The improved operating loss is mainly due to reduced expenses related to the recently completed PMA process and reduced sales and marketing activities outside Germany.

The gross margin in the period was 36.8 (34.3)%. During the second quarter of 2016 the Company announced that the strategically important manufacturing of electrodes was to be insourced. This has led to a more stable production and allows for an improved margin in the longer term. However, the margin in the period was to

some extent negatively (Q1) impacted by scrap related to electrode production development.

Sales and marketing expenses decreased by TSEK 2,876 and amounted to TSEK 16,619 (19,495) for the period. The decrease is primarily attributable to reduced cost of personnel in Sweden following our lower activity levels outside Germany.

Administration expenses for the period amounted to TSEK 6,813 (6,168), an increase of TSEK 645 primarily due to the in the second quarter performed office relocation and increased cost of personnel attributable to the function QA/Regulatory. The function was during the beginning of 2016 an external resource.

Development expenses for the period amounted to TSEK 10,459 (14,187), a decrease of TSEK 3,728. The expenses decreased primarily thanks to the now completed PMA process, which was charged to earnings for the period with about MSEK 1.6 (3.9) and reduced product development costs.

Cash flow, investments and financial position

At the beginning of the year, cash and cash equivalents amounted to TSEK 84,955 and, at the end of the period, to TSEK 50,948.

Cash flow from current operations for the period was negative to the amount of TSEK 32,821 (34,818), of which changes in working capital amounted to a negative TSEK 1,272 (positive 3,325). The negative operating cash flow improved mainly thanks to the reduced operating loss. Total cash flow for the period was negative to the amount of TSEK 34,003 (35,463).

Net investments in tangible assets for the period amounted to TSEK 1,182 (645) and mainly involved investments in production tools, demo instruments and investments in the new facilities. 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 530 (205).

Other disclosures

Shareholders

At the end of the period, SciBase Holding AB had approximately 1,127 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 September 30, 2017 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 28th 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 MUSD 520-770 in excision costs that can be avoided with SciBase method.

Employees

At the end of the period, the number of employees amounted to 20 (22), of whom 35 (32)% were women. This includes new production employees at our Uppsala electrode production facility and salespeople in Germany.

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.

In October of 2017 the Company published a rights issue of up to MSEK 85. The rights issue is secured through subscription undertakings and guarantees to MSEK 75. It is the Board's opinion that the current financial assets together with the secured part of the rights issue together is sufficient to realize the Company's current business plan.

Transactions with related parties

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

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 28-30 of SciBase's 2016 Annual Report.

Parent Company

SciBase Holding AB (publ), corporate identity number 556773-4768, 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 September 30, 2017, there were three employees, the CEO and the Groups finance department. The operations consist 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 3,230 (3,230). The loss for the period amounted to TSEK 34,097 (2,383). 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. The shareholders contribution expensed in the period was MSEK 31.6 (0.0).

Significant events during the quarter

Following the Pre-Market Approval (PMA) of Nevisense in the US in June, SciBase today presents an update of their strategic growth plan. The focus of the plan is SciBase's entry into the US market, the continued growth in the core market Germany, and the utilization of the current product platform for additional clinical indications. The strategic plan has been developed together with the Company's Board and to support the above includes a reasonably aggressive investment strategy that over time entail increased capital requirements. The Company believes that if the strategy is successfully implemented, both the US market and the new applications will drive rapid growth. In summary, SciBase believes this approach has great potential and can lead to significant growth for the Company. The key elements of the strategy are:

- That the company plans the US introduction of Nevisense in the North-East, initially targeting self-pay clinics, while building a general reimbursement case.
- That there will be a continued focus on growth in the German market, addressing more mainstream private Dermatologists with improved Nevisense features.
- By leveraging Nevisense as a platform, SciBase can address unmet needs within other skin-conditions and be even more useful as a tool for Dermatologists.

Long term, the Company hopes to utilise the ASIC project to both reduce cost and enable the development of smaller, simpler instruments potentially addressing new customer groups with new screening capabilities.

A new study was presented as a poster at the 97th Annual Meeting of the British Association of Dermatologists in Liverpool July 4-6 2017. The study, performed at the Skin Cancer Clinic at Southampton University Hospital and conducted by Dr Catriona Henderson and Dr Birgit Pees, evaluated Nevisense as an adjunct to existing methods used for melanoma detection on 48 patients. The results of the study reinforce what has been seen in other studies - that sometimes even innocuous-looking lesions can be melanoma, and that adding Nevisense can help clinicians detect these, when otherwise they might be missed. The study concludes that using Nevisense "could help reduce unnecessary excisions and help detect subtle melanomas earlier. In a pigmented lesion clinic Nevisense can be used as an adjunct to macroscopic, dermoscopic and clinical history, to identify subtle early melanomas, which might otherwise be missed. Nevisense can also be used to reassure that an otherwise mildly suspicious lesion does not need excision."

SciBase presented a new generation of its Nevisense device for early detection of malignant melanoma. The new Nevisense includes improvements in both software and hardware with the aim of streamlining the EIS measurement process. In addition, SciBase presents software and a new type of electrode, which transform Nevisense into an impedance measurement platform for the evaluation of new clinical indications

such as non-melanoma skin cancer. The next generation Nevisense includes the following:

- Intelligent guidance and user feedback built into the device based on AI (artificial intelligence), an improved patient archive and a storage capacity increased to over 1,000 patients
- New hardware with image management functionality, wifi connectivity and import of digital dermoscopy images
- Integration with Dermoscan's new EIS-compatible software for DermoGenius Ultra, which simplifies workflow with the aim of increasing usage of Nevisense

Significant events after the period

After the end of the period SciBase has participated in, exhibited and demonstrated Nevisense at the Fall Clinical Dermatology Conference in Las Vegas. The congress was held between 12th and 15 of October and is one of the largest and important national congresses within dermatology. At the congress Darrel S. Rigel, MD and Clinical Professor of Dermatology at the New York University Medical Center presented Nevisense as one of the top ten most important news stories within skin cancer. Nevisense was also presented in a scientific poster by Dr Ryan Svoboda. The poster illustrated the clinical performance of Nevisense and the EIS-method. The first installation and clinical use of Nevisense with patients in the US will be at Dr Rigel's clinic in New

The first US commercial order for Nevisense was received from a private clinic in New York focusing on self-pay patients.

SciBase signed a distribution contract with International Fitness and Health Organisation AB to sell to non-specialist clinics and pharmacies in Italy. The agreement included an initial order of approx. MSEK 0.5 and potential for an additional MSEK 0.5 order in 2018.

A nominating committee was appointed for the annual general meeting 2018 consisting of David Sonnek chairman (representing SEB Venture Capital, Andreas Pennervall (SEB Pensionsstiftelse), Åsa Knutsson (Fouriertransform) and Tord Lendau (Chairman of the Board).

The board of directors of SciBase Holding AB (publ) proposes a preferential rights issue of MSEK 85, secured to MSEK 75. The Rights Issue is subject to approval at the Extraordinary General Meeting to be held on 15 November 2017. The proposed terms of the rights offering are:

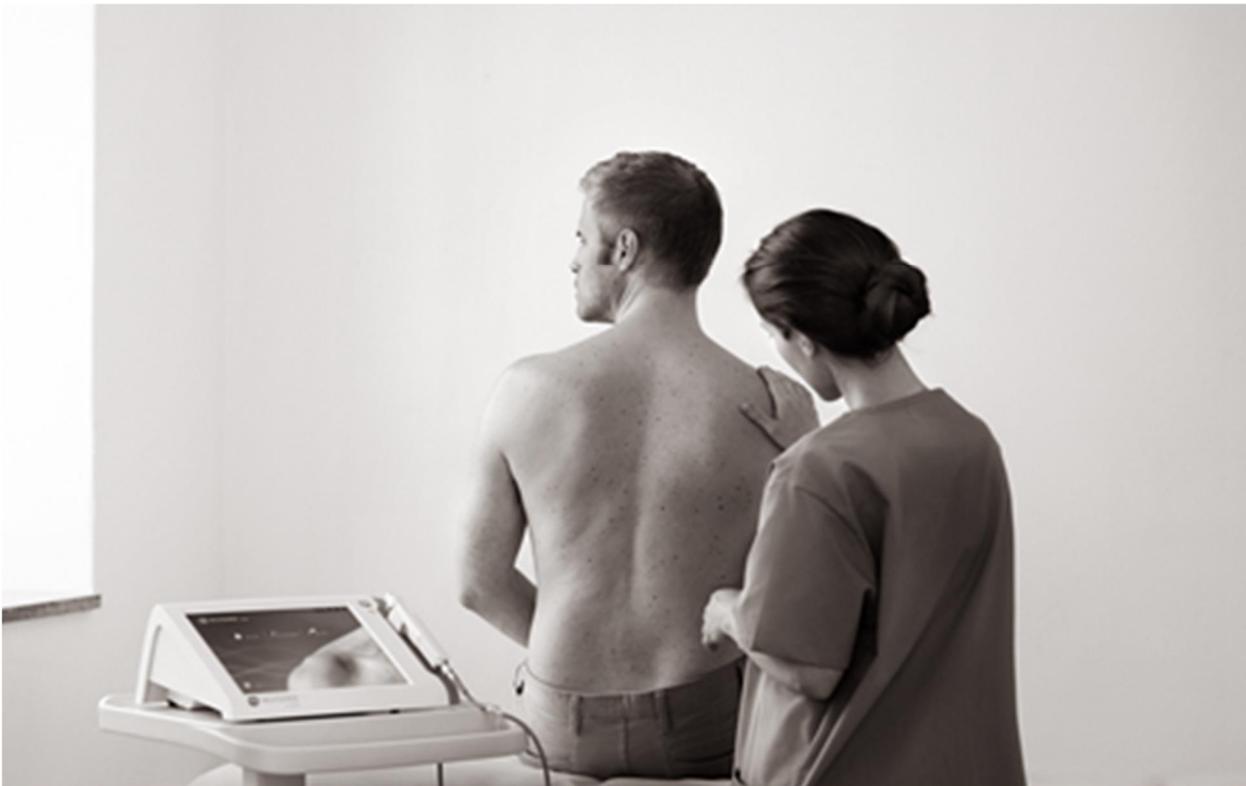
- A subscription price of SEK 9 per share
- For each share held on the record date, the shareholder will receive one (1) subscription right. Seven (7) subscription rights entitle the holder to subscribe for eight (8) new shares.

The proceeds from the Rights Issue will be primarily used for the launch of Nevisense in the US, to develop and market new applications for Nevisense and development of the next generation products based on an application specific integrated circuit platform. The Company's three largest shareholders, SEB Pensionsstiftelse, Fouriertransform Aktiebolag and SEB Venture Capital have expressed their support for the



Rights Issue and have undertaken to subscribe for a total of MSEK 16.0. The three main owners are participating as much as they can given their internal policies. In addition, a guarantee consortium procured by Pareto Securities AB has, subject to certain conditions, committed to subscribe for new shares for up to MSEK 59. Together, these subscription undertakings and guarantee commitments amount to MSEK 75 or approximately 88 percent of the new shares offered in the Rights Is-

sue. Members of the board of directors and management have also undertaken to subscribe for shares for a total of approximately MSEK 0.6.



Consolidated summary Income Statement

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1, 2016 -	
	2017	2016	2017	2016	Sep 30, 2017 Rolling-12	Jan 1 - Dec 31 2016
Net sales	1 172	1 580	4 973	4 501	6 908	6 436
Cost of goods sold	-506	-876	-3 142	-2 959	-4 399	-4 216
Gross Profit/Loss	666	704	1 831	1 542	2 509	2 220
Sales and marketing expenses	-5 096	-6 461	-16 619	-19 495	-23 363	-26 239
Administration expenses	-1 965	-1 648	-6 813	-6 168	-9 140	-8 495
Development expenses	-2 413	-4 966	-10 459	-14 187	-14 925	-18 653
Other operating income	8	-	96	18	378	300
Other operating expenses	-5	-36	-170	-190	-2 207	-2 227
Operating Income	-8 805	-12 407	-32 134	-38 480	-46 748	-53 094
Financial income	3	13	15	22	17	24
Financial expenses	-8	-1	-49	-4	-60	-15
Profit/Loss before taxes	-8 810	-12 395	-32 168	-38 462	-46 791	-53 085
Income tax	-	-	0	-1	0	-1
Profit/Loss for the period	-8 810	-12 395	-32 168	-38 463	-46 791	-53 086
Net Profit/Loss attributable to:						
Parent company shareholders	-8 810	-12 395	-32 168	-38 463	-46 791	-53 086
Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share)						
Profit/loss per share (before and after dilution)*	-1,06	-1,50	-3,88	-4,64	-5,65	-6,41
Average number of shares outstanding	8 285	8 285	8 285	8 285	8 285	8 285

*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'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1, 2016 -	
	2017	2016	2017	2016	Sep 30, 2017 Rolling-12	Jan 1 - Dec 31 2016
Profit/loss for the period	-8 810	-12 395	-32 168	-38 463	-46 791	-53 086
<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	-2	-5	-4	-7	-6
Tax effect attributable to changes in fair value on financial assets that can be sold	0	1	1	1	1	1
Translation differences on foreign operations	-35	17	22	137	-28	87
Sum other comprehensive income	-37	16	18	134	-34	82
Total comprehensive income for the period	-8 847	-12 379	-32 150	-38 329	-46 825	-53 004
Total comprehensive income attributable to:						
Parent company shareholders	-8 847	-12 379	-32 150	-38 329	-46 825	-53 004



Consolidated summary statement of financial position

SEK 000'	Sep 30		Dec 31
	2017	2016	2016
ASSETS			
<i>Fixed Assets</i>			
Tangible fixed assets	8 900	9 907	8 312
Financial fixed assets	1 171	1 178	1 176
Total Tangible Assets	10 071	11 085	9 488
<i>Current Assets</i>			
Inventory	4 509	4 489	4 038
Current tax receivable	996	996	548
Receivables	820	816	898
Other current receivables	2 346	1 902	2 179
Cash equivalents	50 948	98 272	84 955
Total Current Assets	59 619	106 475	92 618
Total Assets	69 690	117 560	102 106
Shareholders' Equity and Liabilities			
Shareholders' equity attributable to parent company shareholders	60 555	107 380	92 705
<i>Longterm Liabilities</i>			
Deferred tax liability	24	25	25
Total Longterm Liabilities	24	25	25
<i>Current Liabilities</i>			
Accounts payable	3 591	2 468	3 285
Other current liabilities	5 520	7 687	6 091
Total Current Liabilities	9 111	10 155	9 376
Total Liabilities	9 135	10 180	9 401
Total shareholders' equity and liabilities	69 690	117 560	102 106

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, 2016	30 654	428 468	74	-313 487	145 709
Profit/loss for the period				-38 463	-38 463
Other comprehensive income			134		134
Total comprehensive income	0	0	134	-38 463	-38 329
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance September 30, 2016	30 654	428 468	208	-351 950	107 380
Opening balance Jan 1, 2017	30 654	428 468	156	-366 573	92 705
Profit/loss for the period				-32 168	-32 168
Other comprehensive income			18		18
Total comprehensive income	0	0	18	-32 168	-32 150
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance September 30, 2017	30 654	428 468	174	-398 741	60 555

Consolidated summary statement of cash flows

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1, 2016 -	
	2017	2016	2017	2016	Sep 30, 2017 Rolling-12	Jan 1 - Dec 31 2016
Cashflow from operating activities before change in working capital	-8 605	-12 275	-31 549	-38 143	-44 342	-50 936
<i>Cashflows from changes in working capital</i>						
Change in Inventory	-396	474	-471	879	-21	1329
Change in Receivables	278	630	-536	-194	-447	-105
Change in Liabilities	-1073	712	-265	2 640	-1043	1862
<i>Total change in working capital</i>	<i>-1191</i>	<i>1816</i>	<i>-1272</i>	<i>3325</i>	<i>-1511</i>	<i>3086</i>
Cashflow from operating activities	-9 796	-10 459	-32 821	-34 818	-45 853	-47 850
<i>Investment activities</i>						
Acquisitions of Fixed Assets	-209	-54	-1182	-645	-1491	-954
Divestment of fixed assets	-	-	-	0	-	-
Cashflow from investment activities	-209	-54	-1 182	-645	-1 491	-954
<i>Financing activities</i>						
Cashflow from financing activities	0	0	0	0	0	0
Cashflow for the period	-10 005	-10 513	-34 003	-35 463	-47 344	-48 804
Cash equivalents at start of the year	60 974	108 786	84 955	133 736	98 272	133 736
Exchange rate differences in cash equivalents	-21	-1	-4	-1	20	23
Cash equivalents at end of the period	50 948	98 272	50 948	98 272	50 948	84 955



Income statement, Parent Company

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2016 -	
	2017	2016	2017	2016	Sep 30, 2017 Rolling-12	Jan 1 - Dec 31 2016
Net Sales	1 077	1 077	3 230	3 230	4 306	4 306
Administration expenses	-1 800	-1 661	-5 670	-5 613	-7 814	-7 757
Other expenses	-	-	-4	-	-4	-
Operating Profit/loss	-723	-584	-2 444	-2 383	-3 512	-3 451
<i>Earnings from financial items:</i>						
Profit/Loss from shares in group companies	-8 091	-	-31 621	-	-81 232	-49 611
Financial income	-	-	-	0	1	1
Financial expenses	-	-	-32	-	-32	-
Profit/loss after financial items	-8 814	-584	-34 097	-2 383	-84 775	-53 061
Taxes	-	-	-	-	-	-
Profit/loss for the period	-8 814	-584	-34 097	-2 383	-84 775	-53 061

Statement of other comprehensive income, Parent Company

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2016 -	
	2017	2016	2017	2016	Sep 30, 2017 Rolling-12	Jan 1 - Dec 31 2016
Profit/loss for the period	-8 814	-584	-34 097	-2 383	-84 775	-53 061
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-8 814	-584	-34 097	-2 383	-84 775	-53 061



Summary Balance Sheet, Parent Company

SEK 000'	Sep 30		Dec 31
	2017	2016	2016
ASSETS			
<i>Fixed Assets</i>			
Shares in Group Companies	137 646	175 782	137 646
Total Fixed Assets	137 646	175 782	137 646
<i>Current Assets</i>			
Current receivables and prepaids	32 141	2 538	5 040
Cash equivalents	18 287	93 989	79 258
Total Current Assets	50 428	96 527	84 298
TOTAL ASSETS	188 074	272 309	221 944
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholder's equity</i>			
<i>Restricted equity</i>			
Share capital	30 654	30 654	30 654
<i>Non-restricted equity</i>			
Other capital contributions	428 521	428 521	428 521
Retained earnings	-239 282	-186 221	-186 221
Profit/Loss for the period	-34 097	-2 383	-53 061
Shareholders equity	185 796	270 571	219 893
Current liabilities	2 278	1 738	2 051
Total liabilities	2 278	1 738	2 051
TOTAL SHAREHOLDERS' EQUITY AND LI	188 074	272 309	221 944



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 39-45 of the consolidated annual report for 2016.

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 Contingent Liabilities

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 2017. The corresponding agreement was in-place in 2016, 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.

Third quarter

Europe/Rest of the World

Net sales during the period amounted to TSEK 1,169 [1,580] of which Germany accounted for 100 [100]%. 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 665 [704].

Other geographical areas

Net sales during the period amounted to TSEK 3 [0]. In this area, it is only in Australia that the company is present, via a distributor. Gross profit amounted to TSEK 1 [0].

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.

First 9 months

Europe/Rest of the World

Net sales during the period amounted to TSEK 4,970 [4,501] of which Germany accounted for 94 [94]%. 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 1,830 [1,542].

Other geographical areas

Net sales during the year amounted to TSEK 3 [0]. In this area, it is only in Australia that the company is present, via a distributor. Gross profit amounted to TSEK 1 [0]. 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'	July 1 - Sep 30, 2017			July 1 - Sep 30, 2016		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	1 169	3	1 172	1 580	-	1 580
Sales between segments	-	-	-	-	-	-
Net sales from external customers	1 169	3	1 172	1 580	-	1 580
Cost of goods	-504	-2	-506	-876	-	-876
Gross Profit/Loss	665	1	666	704	0	704
Operating expenses			-9 471			-13 111
Operating profit/Loss			-8 805			-12 407
Financial Income			3			13
Financial Expenses			-8			-1
Group earnings - before tax			-8 810			-12 395

SEK 000'	Jan 1 - Sep 30, 2017			Jan 1 - Sep 30, 2016		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	4 970	3	4 973	4 501	-	4 501
Sales between segments	-	-	-	-	-	-
Net sales from external customers	4 970	3	4 973	4 501	-	4 501
Cost of goods	-3 140	-2	-3 142	-2 959	-	-2 959
Gross Profit/Loss	1 830	1	1 831	1 542	0	1 542
Operating expenses			-33 965			-40 022
Operating profit/Loss			-32 134			-38 480
Financial Income			15			22
Financial Expenses			-49			-4
Group earnings - before tax			-32 168			-38 462

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, November 10, 2017

Tord Lendau
Chairman of the Board

Per Aniansson
Board member

Thomas Eklund
Board member

Diana Ferro
Board member

Renee Lucander
Board member

Thomas Taapken
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 November 10, 2017.

Review report

SciBase Holding AB, 556773-4768

Introduction

We have reviewed the condensed interim report for SciBase Holding AB as at September 30, 2017 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the general review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying

analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, November 10, 2017
PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

Contact person:
Michael Colérus, CFO

Quarterly overview

THE GROUP	2017				2016			2015	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales, SEK ths	1 172	2 046	1 755	1 935	1 580	1 855	1 066	1 181	995
Gross margin, %	56,8%	34,2%	26,5%	35,0%	44,6%	30,1%	26,3%	18,4%	17,6%
Equity/Asset ratio, %	86,9%	87,2%	90,7%	90,8%	91,3%	92,7%	94,4%	95,1%	94,2%
Net indebtness, multiple	0,15	0,15	0,10	0,10	0,09	0,08	0,06	0,05	0,06
Cash equivalents, SEK ths	50 948	60 974	72 627	84 955	98 272	108 786	122 241	133 736	147 661
Cashflow from operating activities, SEK ths	-9 796	-11 044	-11 981	-13 032	-10 459	-13 112	-11 247	-13 864	-9 669
Earnings per share (before and after dilution), SEK	-1,06	-1,42	-1,40	-1,77	-1,50	-1,75	-1,40	-1,35	-1,24
Shareholder's equity per share, SEK	7,31	8,38	9,79	11,19	12,96	14,45	16,19	17,59	18,93
Average number of shares, 000*	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285
Number of shares at closing of period, 000*	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285
Share price at end of period, SEK	18,30	23,40	19,30	19,00	25,20	17,20	23,50	31,00	30,80
Number of sold electrodes, pieces	3 440	5 232	4 096	5 600	3 168	4 016	2 416	2 720	1 520
Average number of employees	21	21	22	23	22	19	18	15	15

*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

- Year-end report 2017, February 20 2018
- Interim report January – March 2018, May 9 2018
- AGM 2018, May 16 2018
- Interim report January – June, 20 August 2018

