

Interim report

January 1 – June 30, 2019

The second quarter in figures

- Net sales amounted to TSEK 2,168 (1,571).
- The loss after tax amounted to TSEK 10,613 (10,298).
- The loss per share amounted to SEK 0.64 (0.62).
- The cash flow from current operations was negative in the amount of TSEK 9,900 (10,119).
- The gross margin reached 53.3% (58.2%).
- Electrode sales volume increased by 33% and reached 5,712 (4,304) units. Repeat sales of electrodes to existing customers increased by 41%.

The first half-year in figures

- Net sales amounted to TSEK 4,536 (3,510).
- The loss after tax amounted to TSEK 19,520 (19,955).
- The loss per share amounted to SEK 1,17 (1.20).
- The cash flow from current operations was negative in the amount of TSEK 18,850 (19,801).
- The gross margin increased to 52.9% (51.7%).
- Electrode sales volume increased by 38% and reached 11,792 (8,438) units. Repeat sales of electrodes to existing customers increased by 50%.

Important events during the quarter

- Sales in the company's key market Germany increased by 40% in the quarter following a further improvement in electrode sales.
- An application for the Nevisense 3.0 software was submitted to the US FDA.
- A new study was published that opened up the skin barrier assessment application for SciBase's product Nevisense. The paper, entitled 'Direct assessment of skin epithelial barrier by electrical impedance spectroscopy', was published in the journal Allergy, European Journal of Allergy and Clinical Immunology.
- Three scientific presentations described the use of EIS for skin barrier assessment at the EAACI (European Academy of Allergy and Clinical Immunology) meeting in June. SciBase presented the skin barrier application for the first time at an allergy conference.
- Nevisense was included in the first US and European investigator-initiated studies utilizing Nevisense for skin barrier assessment.
- The AGM 2019 was held on May 16th.

Important events after the end of the period

- New Nevisense software was released in the EU that included wireless integration with the Heine digital dermoscopy system, skin barrier analysis tools and further ease-of-use improvements.

Financial overview

THE GROUP	July 1 2018 -					
	Apr 1 - June 30		Jan 1 - June 30		June 30 2019	Jan 1 - Dec 31
	2019	2018	2019	2018	Rolling-12	2018
Net sales, SEK ths	2 168	1 571	4 536	3 510	7 925	6 899
Gross margin, %	53,3%	58,2%	52,9%	51,7%	52,7%	52,0%
Equity/Asset ratio, %	74,5%	92,0%	74,5%	92,0%	85,0%	88,1%
Net indebtness, multiple	0,34	0,09	0,34	0,09	0,18	0,13
Cash equivalents, SEK ths	46 772	85 231	46 772	85 231	46 772	67 514
Cashflow from operating activities, SEK ths	-9 900	-10 119	-18 850	-19 801	-36 532	-37 482
Earnings per share (before and after dilution), SEK	-0,64	-0,62	-1,17	-1,20	-2,63	-2,66
Shareholder's equity per share, SEK	3,10	5,76	3,10	5,76	6,96	4,30
Average number of shares, 000'	16 618	16 618	16 618	16 618	10 576	16 618
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618	16 618	16 618
Share price at end of period, SEK	4,34	6,45	4,34	7,45	4,34	3,10
Number of sold electrodes, pieces	5 712	4 304	11 792	8 438	15 920	12 566
Average number of employees	18	20	18	20	19	19

Definitions and a glossary are provided on page 17.

Comment by CEO Simon Grant

“ Continued sales momentum and exciting progress within the Skin Barrier application ”

Q2 Highlights

- Continued good sales growth with sales in the quarter reaching MSEK 2.2, up 38% from Q2-18.
- Sales of electrodes grew by 33% and reached 5,712 (4,304) electrodes sold.
- An application for the Nevisense 3.0 software was submitted to the US FDA in May.
- The skin barrier application gathered momentum with publication of a new paper in Allergy, initiation of three further barrier clinical studies, completion of additional barrier software tools and several scientific and commercial activities at the EAACI (European Academy of Allergy and Clinical Immunology) meeting in Lisbon in June.

Q2 sales showed good growth

The positive sales trend following the release of Nevisense 3.0 has continued in the second quarter, with sales growing by 38% compared to Q2 2018. The main driver for sales growth was a 41% increase in electrode sales at existing [repeat] customers in Germany. Overall, electrode sales grew by 32% to 5,712 units, up from 4,304. Sales of Nevisense units were up 100% on Q2 2018 but remain below where we want them to be.

The improved method, Nevisense 3.0 is having the effect we had hoped for on electrode sales and our focus is on expanding the customer base. Germany and the US remain our focus geographies, but we also look to expand the markets we are present in if it makes sense.

USA

The US market is ‘patient throughput’ and reimbursement driven. Initially we have focused our sales effort on self-pay clinics in the North-East and there is a market there but in order to gain traction and significant sales in the US, we need both Nevisense 3.0 approval and reimbursement, i.e. insurance coverage for our system. As we have seen in Europe, Nevisense 3.0 makes it easier to be integrated into a clinic’s workflow.

A milestone in Q2 was that we submitted our application for the Nevisense 3.0 software to the FDA in May. We estimate that the approval process can take 6-9 months but FDA controls the timeline.

Our US focus continues to be on building a US customer base in the North-East and the reimbursement process. Until we have a reimbursement code and coverage, our customers submit claims manually. This is resource intensive but has resulted in good success with most claims being paid by insurance companies. Finally, we have initiated US clinical studies that are needed to support the reimbursement process, and we expect the first results to be published in Q4.

Skin Barrier – a new application with high potential

Following the publication of the scientific article entitled ‘Direct assessment of skin epithelial barrier by

electrical impedance spectroscopy’ in the journal Allergy, we have been very busy. There has been broad interest from researchers and early adopters, especially within the areas of Dermatology and Pediatric Allergy.

In June we participated in our first allergy-related conference, the EAACI (The European Academy of Allergy and Clinical Immunology) meeting in Lisbon. The SIAF team from Davos led by Prof Cezmi Akdis presented their animal data and preliminary human data in three different sessions. This generated significant interest in SciBase EIS-methodology and we were able to introduce SciBase’s Barrier products to many researchers and clinicians.



Being able to characterize the skin’s barrier function has the potential to help answer difficult clinical questions within a number of different areas, and we are faced with many ideas from researchers. We have been positively surprised to be already included in three investigator-driven clinical studies with leading researchers around the world. We know that going from a high interest to significant sales within a new application can take time, but we expect the first sale of Nevisense barrier products to a well-known research hospital in Japan in the coming weeks.

The reason Nevisense has been included in studies so quickly is because of the limitations of the current method used to measure skin barrier function, Trans-Epidermal Water Loss (TEWL). TEWL is not used in normal clinical practice because it is both time consuming and very sensitive to environmental and patient artifacts. In addition, data presented by Professor Akdis indicates that there appears to be more useful information contained in EIS measurements than in TEWL.

The next milestone will be the publication of the human data trial from the Davos team, while at SciBase we work to develop and validate clinical algorithms and analyses that can be used in clinical practice and add real value in the assessment of skin barrier related disorders.

Further software improvements

Our aim is to release software system updates twice a year. Late last year we released the major update Nevisense 3.0 software and nearly all users have updated



their systems. In July of this year we provided an update to this software version 3.4. A key focus is again on practical ease-of-use improvements and in addition we have added wireless integration between Nevisense and the Heine digital dermoscopy system. Other improvements are the addition of new research tools for barrier testing and improved wireless networking capabilities.

Gross Margin development

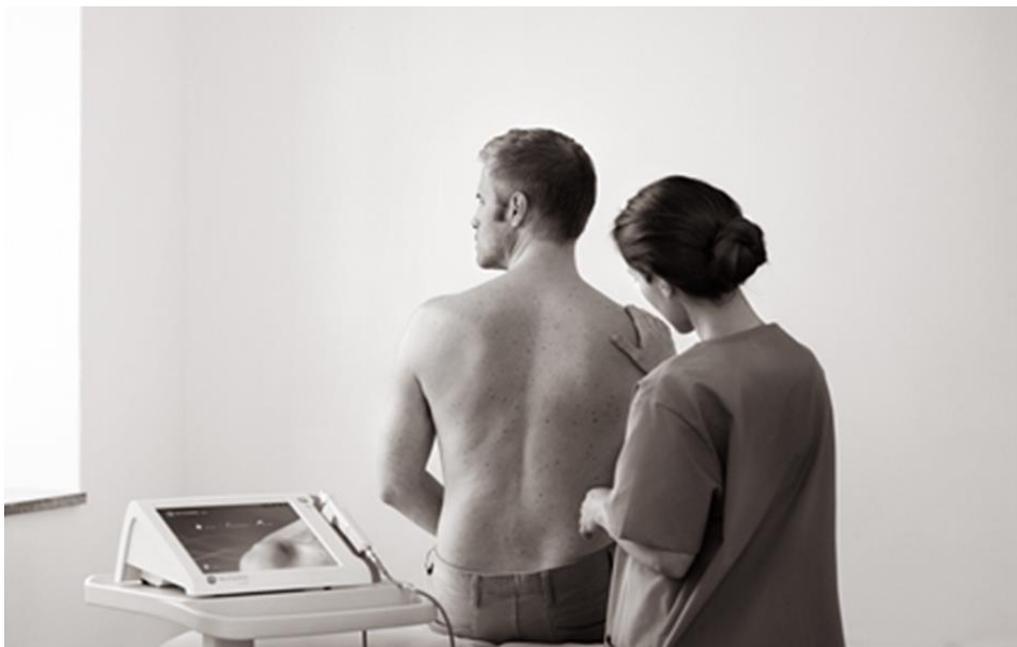
The gross margin continues to exceed 50%, now for the fourth consecutive quarter. This is the result of continuous process improvements from our production team. For the quarter it reached 53.3 [58.2]% and our medium-term goal remains at 70%. Investments are being made to deliver further margin improvements. These are in the process of being implemented

and we believe that they will contribute to an improved margin towards the end of the year.

The continued sales growth is very pleasing, and we will continue to build on the success of Nevisense 3.0 in the second half of 2019. Our sales focus is on expanding the customer base. It is also very encouraging to feel the ‘pull’ from researchers within the Barrier area and it feels as though we have something both unique and in demand. Clearly, a lot of hard work remains but we feel that we have sales momentum, exciting new products and that 2019 can be the beginning of something very interesting.



Simon Grant, CEO
Sundbyberg August 22, 2019



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 product can detect malignant melanoma, the most dangerous form of skin cancer, directly on the skin without needing to cut away suspected moles. The product is 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 is approved for sale in the United States (PMA), Europe (CE mark) and Australia (TGA).

In addition to detecting malignant melanoma, SciBase is working to add further 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. Currently SciBase is conducting clinical trials with leading academic and clinical centers. The plan is to start commercialization of the first application barrier function, as soon as possible with a focus on researchers.

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

Business model

The company's business model is based on customers initially purchasing a Nevisense instrument then buying disposables (electrodes) on an on-going basis. Each electrode can only be used on one patient but then 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 a recent 5 year period, melanoma expenditure 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® the number of unnecessary interventions can be reduced by up to 50%, representing a reduction of over two 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.

Certified Advisor (CA)

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"The value that Nevisense provides to me allows me to provide better care for my patients and have better outcomes," *Gary Goldenberg, MD, USA*

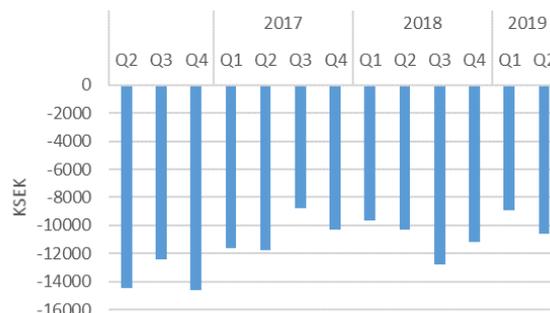
US facts

- There are expected be 91,000 cases of invasive melanoma and 87,000 cases of in situ melanoma in the US in 2018
- There are more cases of skin cancer than all other cancers combined – though only 3% of these cases are melanoma
- Melanoma is the fifth most common cancer among men and the sixth most common for women
- The lifetime risk for melanoma in the US is 1 in 24

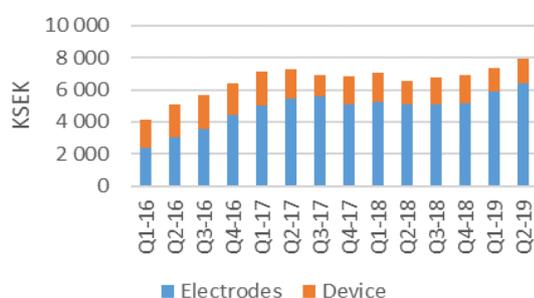
Gross margin (%) - development



Income after tax



Sales, rolling-12



Sales per segment - rolling-12



Second quarter

Net Sales

Net sales for the second quarter of 2019 amounted to TSEK 2,168 (1,571), an increase of 38%. Cleared for currency effects the sales increased by 32%. Of this, sales of instruments accounted for TSEK 217 (107) and sales of electrodes for TSEK 1,953 (1,463). Increased system usage and electrode sales have continued following the launch of Nevisense 3.0 in Q3 2018 in Germany. This is the main factor driving the continued positive sales development seen in the quarter. Customers have been very pleased with the improvements to the system and are using Nevisense more often. Sales in Germany, where we have our primary focus, accounted for 101 (100)% of the sales in the period. Sales in Germany increased by 40% compared to the second quarter of 2018. Cleared for currency effects the sales in Germany increased by 37%. Outside of Germany a potential bad debt with our ex-distributor in Switzerland has been accrued for (sales of instruments).

The total sales of electrodes in the quarter reached 5,712 (4,304), an increase of 33%. In Germany the total sales of electrodes in volume increased by 32% and repeat sales to recurring customers increased by 41%.

Operating profit/loss

The operating loss for the period April - June 2019 amounted to TSEK 10,545 (10,239), a slightly increased loss of TSEK 306. The increase compared to the second quarter 2018 is mainly due to increased activities in the US related to the reimbursement process. Currency effects negatively affected the operating loss by approximately MSEK 0.3. The result for the period was negatively affected by the write down of obsolete goods with TSEK 183.

The gross margin in the period was 53.3 (58.2)% and continues to be stable at a level over 50%. When cleared for currency effects the gross margin would have been just over 50%. The overall margin remains very dependent on electrode production and sales volumes.

Sales and marketing expenses increased by TSEK 391 and amounted to TSEK 6,156 (5,765). The expenses in the period have been affected by continued increased market investments in the US and negative currency effects. This has been partially balanced by decreased headcount and marketing expenses in Sweden and to some extent in Germany.

Administration expenses for the period amounted to TSEK 2,455 (2,502), a decrease of TSEK 47.

Development expenses for the period amounted to TSEK 2,931 (2,903), an increase of TSEK 28. The increase was primarily due to regulatory activities in the US.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 58,057 and, at the end of the period, to TSEK 46,772.

Cash flow from current operations for the period was negative to the amount of TSEK 9,900 (10,119), of which changes in working capital amounted to a positive TSEK 700 (negative 189). The negative operating cash flow improved partly due to adjustments due to IFRS 16 and changes in working capital. Total cash flow for the period was negative to the amount of TSEK 11,227 (negative 10,265). The total cash flow for the second quarter was affected by investments in production tools.

Net investments in tangible assets for the period amounted to TSEK 1,012 (146) and mainly involved investments in production tools and demo instruments. Investments in intangible assets for the period amounted to TSEK 0 (0).

First half-year

Net Sales

Net sales for the first half of 2019 amounted to TSEK 4,536 (3,510), an increase of 29%, cleared for currency effects the sales increased by 25%. Of this, sales of instruments accounted for TSEK 494 (706) and sales of electrodes for TSEK 4,043 (2,804). The release of Nevisense 3.0 in Q3 2018 in Germany has increased system usage and electrode sales. This and the publication of the German Onkoder guidelines during Q4 2018 are the main factors driving the positive sales development seen in the first 6 months. The sales in Germany, where we have our primary focus, accounted for 99 (98)% of the sales in the period. Sales in Germany increased by 31% compared to the first half of 2018. Cleared for currency effects the sales in Germany increased by 26%.

The total sales of electrodes in the period reached 11,792 (8,438), an increase of 40%. In Germany the total sales of electrodes in volume increased by 38% and repeat sales to recurring customers increased by 50%.

Operating profit/loss

The operating loss for the period January - June 2019 amounted to TSEK 19,471 (19,829), a decreased loss of TSEK 358. The improved operating income compared to the first half of 2018 is mainly thanks to increased sales with a slightly improved gross margin. Currency effects negatively affected the operating loss by approximately MSEK 0.3.

The gross margin in the period was 52.9 (51.7)% and continues to be stable over 50%. The main reasons for this are the during 2018 implemented process improvements and positive currency effects. When cleared for currency effects the gross margin would have been just over 50%. The margin remains very volume dependent.

Sales and marketing expenses decreased by TSEK 122 and amounted to TSEK 11,592 (11,714). The expenses in

Depreciation of tangible assets was charged against earnings for the period to the value of TSEK 721 (201) of which TSEK 453 are due to leased assets.

the period has been affected by continued increased market investments in the US and negative currency effects which have been partially balanced by decreased headcount and marketing expenses in Sweden and to some extent in Germany as well.

Administration expenses for the period amounted to TSEK 4,444 (4,646), a decrease of TSEK 202.

Development expenses for the period amounted to TSEK 5,504 (5,279), an increase of TSEK 225. The increase was primarily due to regulatory activities in the US.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 67,514 and, at the end of the period, to TSEK 46,772.

Cash flow from current operations for the period was negative to the amount of TSEK 18,850 (19,801), of which changes in working capital amounted to a negative TSEK 193 (negative 525). The negative operating cash flow improved partly due to adjustments due to IFRS 16 and thanks to the improved net income. Total cash flow for the period was negative to the amount of TSEK 20,770 (negative 24,721). The total cash flow for the first half of 2018 was negatively affected by remaining, paid cost related to the in December 2017 closed new share issue of approximately MSEK 4.7.

Net investments in tangible assets for the period amounted to TSEK 1,116 (251) 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 1,385 (407) of which TSEK 906 are due to leased assets.

Other disclosures

Shareholders

At the end of the period, SciBase Holding AB had approximately 1,176 shareholders, of whom the three largest represented approximately 37.4% of the capital and votes. The total number of shares amounts to 16,618,101. The largest shareholders as of June 30, 2019 were SEB Venture Capital (13%), SEB Pensionsstiftelse (13%) and Fouriertransform AB (12%).

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. 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 all other 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 19 (20), of whom 32 (40)% were women. This includes the 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 December of 2017 the Company performed a rights issue that, before issue costs, provided the Company with SEK 75 million. The net contribution was approximately SEK 66 million. It is the Board's opinion that the current financial assets are sufficient to realize the Company's current business plan.

Transactions with related parties

During the period, the parent Company SciBase Holding AB has invoiced TSEK 2,153 (2,153) 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 information. 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 34-37 of SciBase's 2018 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 June 30, 2019, 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 2,153 (2,153). The loss for the period amounted to TSEK 18,260 (22,602). 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 from 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 15,5 (20.4).

Significant events during the quarter

A new study that opens up new applications for SciBase's product Nevisense was published online in the journal *Allergy, European Journal of Allergy and Clinical Immunology*. The study was performed in Davos by SIAF with support from SciBase, and the lead author for the publication was Prof. Cezmi A. Akdis, Director of SIAF. Building on work done within atopic dermatitis (AD) by Stig Ollmar and SciBase over a decade ago, SIAF applied SciBase's combination of unique electrode design and electrical impedance spectroscopy (EIS) methodology to assess skin barrier function in mice. The aim of the study was to establish a method to assess the skin epidermal barrier function *in vivo* with good environmental stability, so that it could be used as a diagnostic tool for barrier-related inflammatory disorders of the skin, such as AD. The study concluded that '*EIS spectroscopy is a rapid and reliable diagnostic tool to detect skin barrier defects*'.

In May the application for Nevisense 3.0 was submitted to the FDA in the US.

The AGM 2019 was held on May 16, 2019. The meeting resolved to adopt the profit and loss account and balance sheet for the group and the Company included in the annual report, to adopt the profit and loss distribution, to discharge the board members and managing director from liability, re-election of Tord Lendau, Thomas Eklund, Diana Ferro and Thomas Taapken. The meeting also decided upon the board fees and resolved to adopt guidelines for determination of salary and other remuneration to senior management in accordance the Board's proposal. PricewaterhouseCoopers AB (PwC) (re-election) was elected as auditor with Magnus Lagerberg as responsible auditor. Furthermore, the meeting resolved to adopt principles for the appointment the nominating committee for the annual general meeting 2020. The meeting resolved unanimously to

authorize the board of directors to, during the time until the next annual general meeting, decide upon issuances of new shares, issuance of warrants and/or convertibles. New issues of shares and issues of warrants and/or convertibles may occur with or without preferential rights for shareholders of the Company and payment may be used for strategic acquisitions, and may be made either in cash and/or by way of set-off or contribution in kind or otherwise on specific terms. The number of shares issued, or number of shares created in connection with exercise of warrants or conversion of convertibles, shall not exceed 1,661,810.

The annual report 2018 was published on April 25th.

Significant events after the period

New Nevisense software was released in the EU that included:

- Wireless support including integration with the Heine digital dermoscopy system.
- First dedicated skin barrier analysis tools for research purposes.
- Further ease-of-use improvements to streamline use in the clinic.

Consolidated summary Income Statement

SEK 000'	Apr 1 - June 30		Jan 1 - June 30		July 1, 2018 -	
	2019	2018	2019	2018	June 30, 2019	Jan 1 - Dec 31
					Rolling-12	2018
Net sales	2 168	1 571	4 536	3 510	7 925	6 899
Cost of goods sold	-1 013	-656	-2 135	-1 696	-3 752	-3 313
Gross Profit/Loss	1 155	914	2 401	1 814	4 173	3 586
Sales and marketing expenses	-6 156	-5 765	-11 592	-11 714	-23 880	-24 002
Administration expenses	-2 455	-2 502	-4 444	-4 646	-8 647	-8 849
Development expenses	-2 931	-2 903	-5 504	-5 279	-10 620	-10 395
Other operating income	30	93	-20	102	61	183
Other operating expenses	-188	-76	-311	-106	-4 747	-4 542
Operating Income	-10 545	-10 239	-19 471	-19 829	-43 660	-44 019
Financial income	0	1	98	2	99	2
Financial expenses	-68	-60	-147	-127	-219	-199
Profit/Loss before taxes	-10 613	-10 298	-19 520	-19 955	-43 780	-44 215
Income tax	-	-	0	0	0	0
Profit/Loss for the period	-10 613	-10 298	-19 520	-19 955	-43 780	-44 215
Net Profit/Loss attributable to:						
Parent company shareholders	-10 613	-10 298	-19 520	-19 955	-43 780	-44 215
Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share)						
Profit/loss per share (before and after dilution)*	-0,64	-0,62	-1,17	-1,20	-2,63	-2,66
Average number of shares outstanding	16 618	16 618	16 618	16 618	16 618	16 618

*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'	Apr 1 - June 30		Jan 1 - June 30		July 1, 2018 -	
	2019	2018	2019	2018	June 30, 2019	Jan 1 - Dec 31
					Rolling-12	2018
Profit/loss for the period	-10 613	-10 298	-19 520	-19 955	-43 780	-44 215
<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	50	147	0	47	-3	43
Tax effect attributable to changes in fair value on financial assets that can be sold	1	1	2	2	4	4
Translation differences on foreign operations	-633	-126	-380	-128	-330	-78
Sum other comprehensive income	-582	22	-378	-79	-329	-31
Total comprehensive income for the period	-11 195	-10 277	-19 897	-20 034	-44 109	-44 246
Total comprehensive income attributable to:						
Parent company shareholders	-11 195	-10 277	-19 897	-20 034	-44 109	-44 246



Consolidated summary statement of financial position

SEK 000'	June 30		Dec 31
	2019	2018	2018
ASSETS			
<i>Fixed Assets</i>			
Tangible fixed assets	11 001	8 463	3 881
Financial fixed assets	1 211	1 215	1 211
Total Tangible Assets	12 212	9 678	5 092
<i>Current Assets</i>			
Inventory	5 469	4 366	3 878
Current tax receivable	846	846	548
Receivables	1 525	1 414	1 575
Other current receivables	2 370	2 471	2 506
Cash equivalents	46 772	85 231	67 514
Total Current Assets	56 981	94 329	76 021
Total Assets	69 193	104 007	81 113
Shareholders' Equity and Liabilities			
Shareholders' equity attributable to parent company shareholders	51 580	95 690	71 478
<i>Longterm Liabilities</i>			
Deferred tax liability	20	15	21
Total Longterm Liabilities	4 420	15	21
<i>Current Liabilities</i>			
Accounts payable	3 442	1 030	1 445
Other current liabilities	9 752	7 272	8 169
Total Current Liabilities	13 193	8 302	9 614
Total Liabilities	17 613	8 317	9 635
Total shareholders' equity and liabilities	69 193	104 007	81 113

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, 2018	61 487	463 393	-120	-409 037	115 724
Profit/loss for the period				-19 955	-19 955
Other comprehensive income			-79		-79
Total comprehensive income	0	0	-79	-19 955	-20 034
<i>Transactions with shareholders:</i>					
New share issue	0	0			0
Issue expenses		0			0
Total transactions with shareholders	0	0	0	0	0
Closing balance June 30, 2018	61 487	463 393	-199	-428 991	95 690
Opening balance Jan 1, 2019	61 487	463 393	-151	-453 251	71 478
Profit/loss for the period				-19 520	-19 520
Other comprehensive income			-378		-378
Total comprehensive income	0	0	-378	-19 520	-19 897
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance June 30, 2019	61 487	463 393	-528	-472 771	51 580

Consolidated summary statement of cash flows

SEK 000'	Apr 1 – June 30		Jan 1 – June 30		July 1, 2018 –	
	2019	2018	2019	2018	June 30, 2019 Rolling-12	Jan 1 – Dec 31 2018
Cashflow from operating activities before change in working capital	-10 600	-9 930	-18 657	-19 276	-37 974	-38 592
<i>Cashflows from changes in working capital</i>						
Change in Inventory	-523	424	-1 591	148	-1 103	636
Change in Receivables	-149	1 115	-113	4 120	-5 407	-1 175
Change in Liabilities	1 372	-1 727	1 511	-4 793	7 952	1 648
<i>Total change in working capital</i>	700	-189	-193	-525	1 442	1 110
Cashflow from operating activities	-9 900	-10 119	-18 850	-19 801	-36 532	-37 482
<i>Investment activities</i>						
Acquisitions of Fixed Assets	-1 012	-146	-1 116	-251	-1 163	-298
Divestment of fixed assets	78	0	78	-	78	-
Cashflow from investment activities	-935	-146	-1 038	-251	-1 085	-298
<i>Financing activities</i>						
Expenses related to new share issues	0	0	0	-4 669	0	-4 669
Amortization leasing contracts	-443	-	-882	-	-882	-
Cashflow from financing activities	-443	0	-882	-4 669	-882	-4 669
Cashflow for the period	-11 277	-10 265	-20 770	-24 721	-38 499	-42 449
Cash equivalents at start of the year	58 057	95 542	67 514	110 015	85 232	110 015
Exchange rate differences in cash equivalents	-7	-45	29	-63	40	-52
Cash equivalents at end of the period	46 772	85 232	46 772	85 232	46 772	67 514

Income statement, Parent Company

SEK 000'	Jan 1 - Mar 31		Jan 1 - Mar 31		Apr 1 2018 -	
	2019	2018	2019	2018	Mar 31, 2019 - Rolling-12	Jan 1 - Dec 31 2018
Net Sales	1 077	1 077	2 153	2 153	4 306	4 306
Gross profit	1 077	1076,623	2 153	2 153,247	4 306	4 306
Administration expenses	-2 771	-2 206	-4 932	-4 242	-8 637	-7 947
Other expenses	-	-	0	-	0	0
Operating Profit/loss	-1 694	-1 129	-2 778	-2 088	-4 330	-3 640
<i>Earnings from financial items:</i>						
Profit/Loss from shares in group companies	-8 879	-9 014	-15 470	-20 392	-38 001	-42 923
Financial income	0	-	0	-	-	-
Financial expenses	0	-60	-11	-122	-75	-185
Profit/loss after financial items	-10 573	-10 203	-18 260	-22 602	-42 406	-46 748
Taxes	-	-	-	-	-	-
Profit/loss for the period	-10 573	-10 203	-18 260	-22 602	-42 406	-46 748

Statement of other comprehensive income, Parent Company

SEK 000'	Jan 1 - Mar 31		Jan 1 - Mar 31		Apr 1 2018 -	
	2019	2018	2019	2018	Mar 31, 2019 - Rolling-12	Jan 1 - Dec 31 2018
Profit/loss for the period	-10 573	-10 203	-18 260	-22 602	-42 406	-46 748
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-10 573	-10 203	-18 260	-22 602	-42 406	-46 748



Summary Balance Sheet, Parent Company

SEK 000'	June 30		Dec 31
	2019	2018	2018
ASSETS			
<i>Fixed Assets</i>			
Shares in Group Companies	137 647	137 646	137 646
Total Fixed Assets	137 647	137 646	137 646
<i>Current Assets</i>			
Current receivables and prepaids	27 858	29 729	24 842
Cash equivalents	16 313	56 579	37 874
Total Current Assets	44 171	86 307	62 716
TOTAL ASSETS	181 818	223 953	200 362
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholder's equity</i>			
Restricted equity			
Share capital	61 487	61 487	61 487
Non-restricted equity			
Other capital contributions	463 446	463 447	463 446
Retained earnings	-328 003	-281 254	-281 254
Profit/Loss for the period	-18 260	-22 602	-46 748
Shareholders equity	178 670	221 078	196 930
<i>Current Liabilities</i>			
Current liabilities	3 148	2 875	3 432
Total liabilities	3 148	2 875	3 432
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	181 818	223 953	200 362



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 with the exception of what is stated below. Significant accounting and valuation principles are detailed on pages 47-53 of the consolidated annual report for 2018.

IFRS 16 - Leases is effective as of 1 January 2019 and replaces IAS 17. For leases, the standard eliminates the classification of leases as either operating or finance, as required by IAS 17, and instead introduces a single lease accounting model. SciBase has applied the modified retrospective method when transitioned to IFRS 16 on 1 January 2019 meaning that SciBase will not recalculate the financial statements for 2018. The cumulative effect of applying IFRS 16 has been stated on January 1, 2019. The leasing liabilities attributable to leasing agreements that have previously been classified as operating leases in accordance with IAS 17 have been valued at the present value of the remaining lease payments discounted using the marginal loan interest rate as of January 1, 2019. SciBase has reported a utilization right for an amount corresponding to the leasing debt, adjusted for the amount of the leasing debt, any prepaid or accrued payments attributable to the leasing agreement, as of December 31, 2018. SciBase has only a limited number of agreements that are affected by the new standard. These agreements mainly relate to rental costs for premises and company cars.

The transition to IFRS 16 had the following effects on the Group's balance sheet report at the transition date on January 1, 2019.

<i>KSEK</i>	
Tangible Assets per December 31, 2018	5 092
IFRS 16 adjustment	7 397
Tangible Assets per January 1, 2019	12 489
<i>KSEK</i>	
Long-term Liabilities December 31, 2018	21
IFRS 16 adjustment	5 282
Long-term Liabilities January 1, 2019	5 303
<i>KSEK</i>	
Short-term Liabilities December 31, 2018	2 016
IFRS 16 adjustment	2 069
Short-term Liabilities January 1, 2019	4 086
<i>KSEK</i>	
H1-19	H1-19
Depreciation leasing contracts	-906
Rental expenses	1 035
Operating Income	129
Financial expenses	-153
Effect on the result for the period	-24

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 Group's 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 2019. The corresponding agreement was in-place in 2018, 2017, 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.

Second quarter

Europe/Rest of the World

Net sales during the period amounted to TSEK 2,168 (1,571) of which Germany accounted for 101 (100)%. In the period an accrual regarding a potential bad debt regarding the distributor in Switzerland has been done. In the period the focus for the sales and marketing effort has continued to be Germany with the Company's own sales organization. Gross profit amounted to a profit of TSEK 1,155 (914).

Other geographical areas

Net sales during the period amounted to TSEK 0 (0). Gross profit amounted to TSEK 0 (0).

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

First half-year

Europe/Rest of the World

Net sales during the period amounted to TSEK 4,526 (3,463) of which Germany accounted for 99 (99)%. In the period the focus for the sales and marketing effort has continued to be Germany with the Company's own

sales organization. Gross profit amounted to a profit of TSEK 2,398 (1,790).

Other geographical areas

Net sales during the period amounted to TSEK 11 (47).
Gross profit amounted to TSEK 3 (24).

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

SEK 000'	Apr 1 - June 30, 2019			Apr 1 - June 30, 2018		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	2 168	0	2 168	1 571	0	1 571
Sales between segments	-	-	-	-	-	-
Net sales from external customers	2 168	0	2 168	1 571	0	1 571
Cost of goods	-1 013	0	-1 013	-656	0	-656
Gross Profit/Loss	1 155	0	1 155	914	0	914
Operating expenses			-11 700			-11 153
Operating profit/Loss			-10 546			-10 238
Financial Income			0			1
Financial Expenses			-68			-60
Group earnings - before tax			-10 613			-10 298

SEK 000'	Jan 1 - June 30, 2019			Jan 1 - June 30, 2018		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	4 526	11	4 536	3 463	47	3 510
Sales between segments	-	-	-	-	-	-
Net sales from external customers	4 526	11	4 536	3 463	47	3 510
Cost of goods	-2 127	-8	-2 135	-1 672	-24	-1 696
Gross Profit/Loss	2 398	3	2 401	1 790	24	1 814
Operating expenses			-21 871			-21 643
Operating profit/Loss			-19 470			-19 829
Financial Income			98			2
Financial Expenses			-147			-127
Group earnings - before tax			-19 520			-19 955

Net sales per category and segment

Amounts in KSEK	Jan 1 - Mar 31 2019		Jan 1 - Mar 31 2018		Jan 1 - Mar 31 2019		Jan 1 - Mar 31 2018		Rolling-12		Full Year 2018	
	Europe/ Rest of the World	Other segments										
Electrodes	1 953	0	1 463	0	4 032	11	2 802	2	6 373	11	5 143	2
Instruments	217	0	107	0	494	0	660	46	1 544	0	1 710	46
Total	2 169	0	1 571	0	4 527	11	3 463	47	7 916	11	6 852	47



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, August 22, 2019

Tord Lendau
Chairman of the Board

Diana Ferro
Board member

Thomas Eklund
Board member

Thomas Taapken
Board member

Simon Grant
CEO

This information is information that SciBase Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on August 22, 2019.

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

Contact person:
Michael Colérus, CFO, +46 70 341 34 72

Quarterly overview

THE GROUP	2019			2018			2017		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales, SEK ths	2 168	2 368	2 030	1 359	1 571	1 939	1 886	1 172	2 046
Gross margin, %	53,3%	52,6%	52,1%	52,6%	58,2%	46,4%	31,5%	56,8%	34,2%
Equity/Asset ratio, %	74,5%	79,0%	88,1%	89,2%	92,0%	91,9%	90,5%	86,9%	87,2%
Net indebtedness, multiple	0,34	0,27	0,13	0,12	0,09	0,09	0,11	0,15	0,15
Cash equivalents, SEK ths	46 772	58 057	67 514	77 551	85 231	95 542	110 015	50 948	60 974
Cashflow from operating activities, SEK ths	-9 900	-8 950	-9 990	-7 692	-10 119	-9 682	-11 358	-9 796	-11 044
Earnings per share (before and after dilution), SEK	-0,64	-0,54	-0,69	-0,77	-0,62	-0,58	-1,13	-1,06	-1,42
Shareholder's equity per share, SEK	3,10	3,78	4,30	4,97	5,76	6,38	12,69	7,31	8,38
Average number of shares, 000'	16 618	16 618	16 618	16 618	16 618	16 618	9 118	8 285	8 285
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618	16 618	16 618	16 618	8 285	8 285
Share price at end of period, SEK	4,34	4,14	3,10	4,52	6,45	7,45	7,80	18,09	23,13
Number of sold electrodes, pieces	5 712	6 080	1 040	3 088	4 304	4 134	3 936	3 440	5 232
Average number of employees	18	19	19	19	20	20	20	21	21

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 USA

Alternative performance measures (APM)

This section contains a reconciliation of certain alternate performance measures (APM) against the most reconcilable items in the financial statements. The reporting of APMs has limitations as analytical tools, and should not be viewed without context or as compensation for financial measures prepared in accordance with IFRS. APMs are reported to improve investors' evaluation of ongoing operating profit, as a means of predicting future periods, and to simplify a meaningful comparison of results between periods. Management uses these APMs to evaluate, among other things, ongoing operations compared with previous results, for internal planning and forecasting, as well as for calculation of certain performance-related compensation. The APMs reported in this interim report may differ from measures with similar terms used by other companies.

APM for the period January – June

Gross Margin (%)

	2019	2018
Gross Profit	2 401	1 814
Net Sales	4 536	3 510
Gross Margin (%)	52,9%	51,7%

Definition:

Gross Profit / Loss divided with Net Sales.

Cause of use:

The gross margin shows the difference between net sales and the cost of goods sold in % of net sales. The gross margin is affected by several factors such as product mix, price trends, exchange rate fluctuation, efficiency in manufacturing processes etc. This is an important measurement as it provides a better understanding of the Company's progress.

Shareholder Equity ratio (%)

	2019	2018
Total Shareholders' Equity	51 580	95 690
Total Assets	69 193	104 007
Shareholders' Equity ratio (%)	74,5%	92,0%

Definition:

Total Shareholders' Equity at the end of the period divided with Total Assets at the end of the year.

Cause of use:

Shareholders equity ratio shows the Group's financial sustainability and the portion that is financed by equity.

Debt ratio (times)

	2019	2018
Total Liabilities	17 613	8 317
Total Shareholders' Equity	51 580	95 690
Debt ratio (times)	0,34	0,09

Definition:

Total debt in relation to Total Shareholders' Equity, 2019 adjusted for IFRS 16.

Cause of use:

The debt ratio indicates how much debt the Company is using to finance its assets relative to the value of shareholders' equity. It is closely connected to the Shareholder's equity ratio.

Earnings per share, after dilution (sek)

	2019	2018
Profit/Loss for the period	-19 520	-19 955
Average number of shares (thousand)	16 618	16 618
Earnings per share (sek)	-1,17	-1,20

Definition:

Is the portion of a company's profit allocated to each outstanding share of common stock after dilution. The result per share after the dilution is no different than before the dilution due to that potential common stock do not give rise to a dilution effect.

Cause of use:

This shows the value per share.

Shareholders' equity per share (sek)

	2019	2018
Shareholders' Equity	51 580	95 690
Average number of shares (thousand)	16 618	16 618
Shareholders' equity per share	3,10	5,76

Definition:

Shareholders' equity divided with the average number of shares after dilution

Cause of use:

The shareholders' equity per share provides a measure of the net worth per share and can be set in relation to the actual stock price

Average number of shares (thousand)

	2019	2018
Opening balance - Jan 1	16 618	16 618
Closing balance - Mar 31	16 618	16 618
Average number of shares (thousand)	16 618	16 618

Definition:

The average number of issued shares.

Cause of use:

The average number of shares gives a more accurate picture of the result and shareholders' equity due to the fact that the number of shares can change.



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Future reporting dates

Interim report Q3-2019, November 13 2019

Year-end report 2019, February 2020