

Interim report

January 1 – September 30, 2019

The third quarter in figures

- Net sales amounted to TSEK 1,940 (1,359).
- The loss after tax amounted to TSEK 9,868 (12,754).
- The loss per share amounted to SEK 0.59 (0.77).
- The cash flow from current operations was negative in the amount of TSEK 10,264 (7,692).
- The gross margin reached 53.4% (52.6%).
- Electrode sales volume increased by 54% and reached 4,752 (3,088) units. Repeat sales of electrodes to existing customers increased by 63%.

The first 9-months in figures

- Net sales amounted to TSEK 6,476 (4,869).
- The loss after tax amounted to TSEK 29,387 (32,709).
- The loss per share amounted to SEK 1,77 (1.97).
- The cash flow from current operations was negative in the amount of TSEK 29,114 (27,492).
- The gross margin increased to 53.1% (51.9%).
- Electrode sales volume increased by 43% and reached 16,544 (11,606) units. Repeat sales of electrodes to existing customers increased by 53%.

Important events during the quarter

- Sales in the company's key market Germany continue to grow and increased by 36% in the quarter following a further improvement in electrode sales. Total sales increased by 43%.
- In the period the first sale and shipment of SciBase products for the evaluation of skin barrier function was made. The first shipment is to a prestigious hospital in Japan for research into skin barrier function in infants.
- 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.

Important events after the end of the period

- SciBase receives the first multi system order from a large US dermatology practice group. Advanced Dermatology, P.C. is a group of over 40 dermatology practices in the New York tri-state area.
- SciBase receives order from the dermatology clinic at the Mount Sinai hospital in New York.
- A nominating committee has been appointed.

Financial overview

THE GROUP	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2018 -	
	2019	2018	2019	2018	Sep 30 2019 Rolling-12	Jan 1 - Dec 31 2018
Net sales, SEK ths	1 940	1 359	6 476	4 869	8 506	6 899
Gross margin, %	53,4%	52,6%	53,1%	51,9%	52,8%	52,0%
Equity/Asset ratio, %	73,4%	89,2%	73,4%	89,2%	83,2%	88,1%
Net indebtness, multiple	0,36	0,12	0,36	0,12	0,20	0,13
Cash equivalents, SEK ths	35 917	77 551	35 917	77 551	35 917	67 514
Cashflow from operating activities, SEK ths	-10 264	-7 692	-29 114	-27 492	-39 104	-37 482
Earnings per share (before and after dilution), SEK	-0,59	-0,77	-1,77	-1,97	-2,46	-2,66
Shareholder's equity per share, SEK	2,53	4,97	2,53	4,97	3,75	4,30
Average number of shares, 000'	16 618	16 618	16 618	16 618	16 618	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	5,25	4,52	5,25	4,52	5,25	3,10
Number of sold electrodes, pieces	4 752	3 088	16 544	11 606	20 416	15 478
Average number of employees	18	19	18	20	18	19

Definitions and a glossary are provided on page 17.

Comment by CEO Simon Grant

"First sale for the Skin Barrier application and two important US orders"

Q3 Highlights

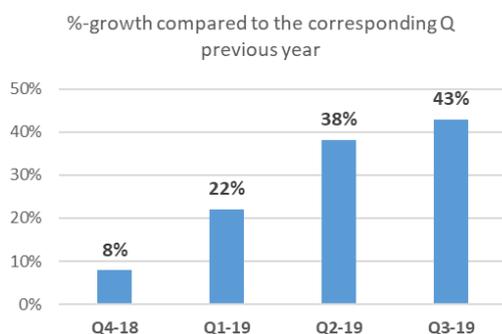
- Continued good sales growth with sales in the quarter reaching MSEK 1.9, up 43% from Q3-18.
- Sales of electrodes grew by 54% and reached 4,752 (3,088) electrodes sold.
- First sale of products for the new application skin barrier assessment.
- Broad interest from researchers as well as the first industry players for the skin barrier application.
- Order received from the Advanced Dermatology P.C. group in New York for six Nevisense systems.
- Order received from the Mount Sinai hospital dermatology department in New York.

Q3 sales show continued good growth

The increased utilization trend that followed the release of Nevisense 3.0 has continued in the third quarter, with electrode volume sales growing by 51% compared to Q3 2018 (4,672 vs 3,088). The main driver for the electrode sales growth was a 63% increase at existing (repeat) customers in Germany. Sales of Nevisense units were at a similar level to Q3 2018 and remain below where we want them to be. In Germany we continue our marketing efforts to expand our customer base by targeting the next customer level (outside the early adopters).

In the quarter the first sale and delivery of products for the new skin barrier application was made to researchers in Japan. The interest remains high and is very encouraging.

Germany and the US remain our focus geographies, but we also look to expand the markets we are present in if it makes sense.



Following the launch of Nevisense 3.0 in Q3 2018 we see an accelerated sales growth quarter over quarter (compared to previous year).

USA

Our US focus continues to be on building a US customer base in the North-East US and the reimbursement process. As private equity investment drives a consolidation of dermatology practices into groups we have targeted several of these groups as a way to gain a foothold in the US market. It was very pleasing to secure an initial order of six systems and electrodes in

October from Advanced Dermatology P.C., This group is one of the largest dermatology groups in the New York/tri-state area with over forty clinics. Though a relatively moderate order size, this is an important recognition of the potential of Nevisense as we work to penetrate the large US market. In addition we received an order in November for a further two Nevisense systems from the Mount Sinai Hospital Dermatology department in New York, Mount Sinai is one of the largest and most respected hospitals in the US.

Our dialog continues with the FDA regarding the application for the Nevisense 3.0 software which has performed so well in Europe. Our best estimate is to receive an approval in the beginning of 2020.

Our US customers continue to have good success with their manual insurance claims. The clinical studies needed to support the reimbursement process are proceeding and we expect those results to be published in coming quarters.

One of those studies completed the data collection phase in October when we participated at the Fall Clinical congress in Las Vegas. At that meeting 267 Dermatologists participated in a Reader study comparing the effect of Nevisense on clinical decision-making.

Skin Barrier – first sale and good interest

During the period we received the first order and sale of products for the skin barrier application. The sale, to a prestigious Japanese hospital, is for research of the skin barrier within infants. We see additional interest from several other researchers in Japan as well, so we believe additional sales will follow. In November we received the first Swedish order for research within the skin barrier assessment.

We now have six studies in progress with Nevisense within the area of skin barrier – and two or three more expected to start before the end of 2019. All studies are investigator-initiated i.e. driven by the researcher, and they represent a wide array of applications and clinical uses. Our immediate aim is to both sell into this researcher segment and use this data to develop useful clinical indications. We also see initial interest from industry players.

The next milestone will be the publication of the human data trial results from the Swiss Institute of Allergy and Asthma Research (SIAF) team in Davos Switzerland. At SciBase our focus within barrier is to develop and validate clinical algorithms and analyses that can be used in clinical practice and add real value in the assessment or treatment of skin barrier related diseases.

MDR (Medical Device Regulation)

Finally, a few words on perhaps the most significant change in the European medical device industry in over 20 years. The Medical Device Regulation or MDR is a broad new framework of regulations for medical device manufacturers that come into force in May 2020. MDR aims to improve product quality and the



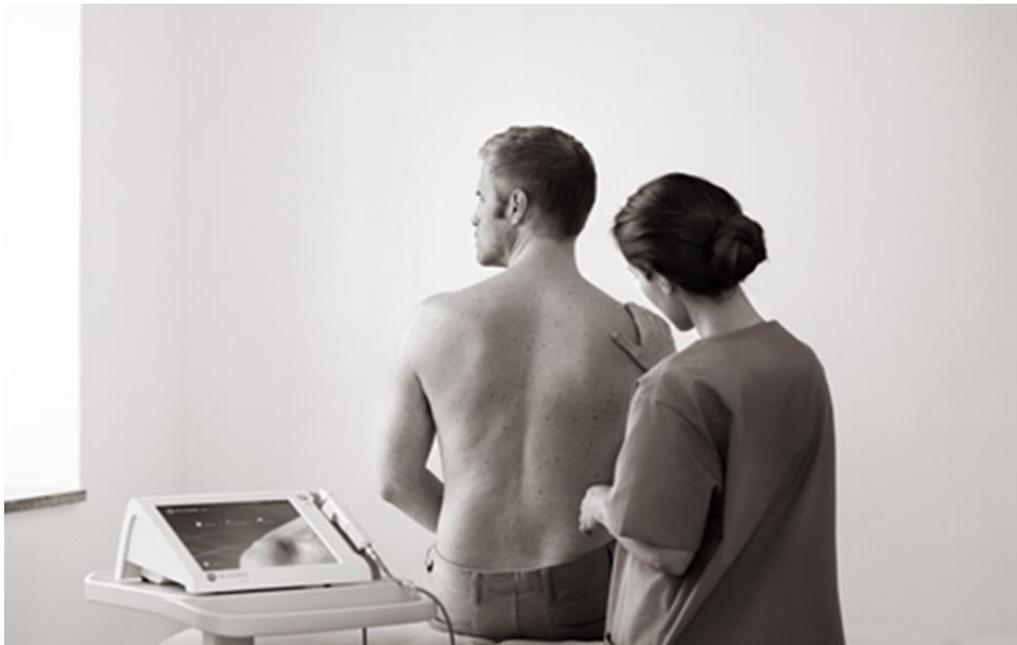
overall control of products within the industry. There are many aspects, but two key ones are the increased quality requirements for software-based products, and much tougher clinical data requirements. This will especially impact the many new medical 'app' or AI-based software products out there. Many may find they are no longer able to participate in the EU market because of MDR. One of the positive effects of the challenging approval process SciBase has been through so far, is that we are very well positioned to manage the transition.

After four quarters of improving growth within melanoma, the 'pull' of researchers within skin barrier testing and our progress in the US we are confident

that we are on the right path. For now, our focus is on German and US system sales and the new barrier application, but there are one or two other very exciting areas where we hope to be able to announce progress during the next quarter or two!



Simon Grant, CEO
Sundbyberg November 13th,
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.

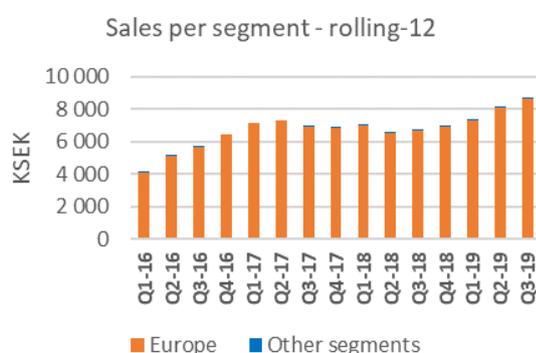
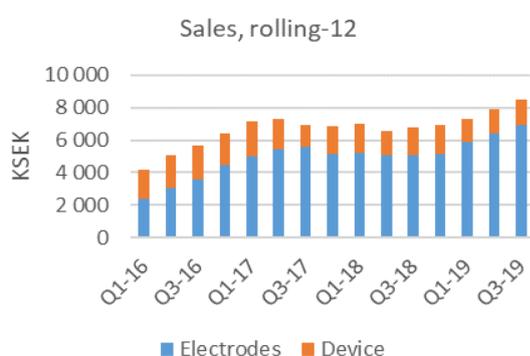
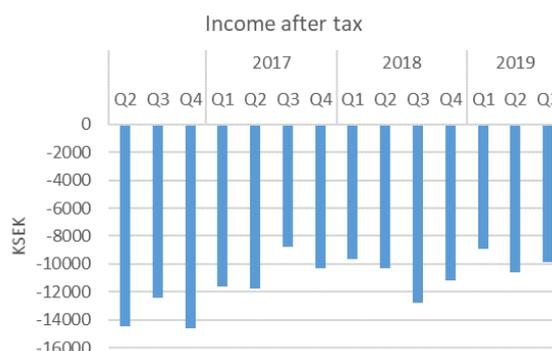
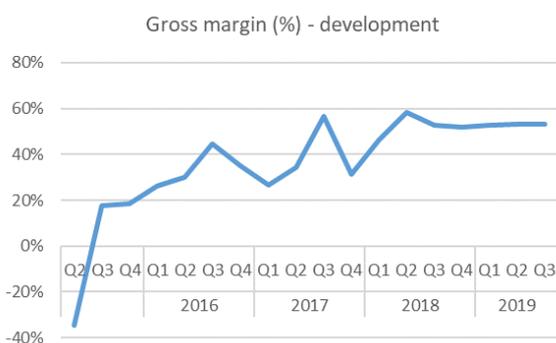
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'We are looking forward to integrating Nevisense into our practice group and providing our patients with innovative FDA approved technology for the earliest detection possible of melanoma,' Dr. Fox, founder and director of Advanced Dermatology, P.C., the Center for Laser and Cosmetic Surgery, USA

US facts

- There are expected to 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



Third quarter

Net Sales

Net sales for the third quarter of 2019 amounted to TSEK 1,940 [1,359], an increase of 43%. Cleared for currency effects the sales increased by 37%. Of this, sales of instruments accounted for TSEK 321 [312] and sales of electrodes for TSEK 1,620 [1,047]. 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. In addition to the increased usage, the first sale of electrodes for use within the new application area the skin barrier function was also made to Japan in the quarter. Sales in Germany, where we have our primary focus, accounted for 94 [99]% of the sales in the period. Sales in Germany increased by 36% compared to the third quarter of 2018. Cleared for currency effects the sales in Germany increased by 33%.

The total sales of electrodes in the quarter reached 4,752 [3,088], an increase of 54%. In Germany the total sales of electrodes in volume increased by 48% and repeat sales to recurring customers increased by 63%.

Operating profit/loss

The operating loss for the period July – September 2019 amounted to TSEK 9,801 [12,714], a decreased loss of TSEK 2,913. The improved result compared to the third quarter 2018 is mainly due to in the third quarter 2018 scrapping of around MSEK 4.3. When cleared for this the operating expenses have increased somewhat through increased regulatory and reimbursement activities in the US. Currency effects negatively affected the operating loss by approximately MSEK 0.1. The result for the period was negatively affected by the write down of obsolete goods with TSEK 187.

The gross margin in the period was 53.4 [52.6]% and continues to be stable at a level over 50%. When cleared for currency effects the gross margin would have been around 50%. The overall margin remains very dependent on electrode production and sales volumes.

Sales and marketing expenses increased by TSEK 192 and amounted to TSEK 5,648 [5,456]. The increase is mainly due to currency effects but the expenses in the period have also been affected by continued increased market investments in the US. 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 1,912 [1,849], an increase of TSEK 63.

Development expenses for the period amounted to TSEK 3,010 [2,230], an increase of TSEK 780. 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 46,772 and, at the end of the period, to TSEK 35,917.

Cash flow from current operations for the period was negative to the amount of TSEK 10,264 [7,692], of which changes in working capital amounted to a negative TSEK 1,471 [positive 677]. The negative operating cash flow was mainly adversely affected by the changes in working capital but positively affected by adjustments due to IFRS 16. Total cash flow for the period was negative to the amount of TSEK 10,753 [negative 7,692].

Net investments in tangible assets for the period amounted to TSEK 42 [0] and mainly involved invest-

ments in production tools and demo instruments. Investments in intangible assets for the period amounted to TSEK 0 (0).

First 9-months

Net Sales

Net sales for January - September 2019 amounted to TSEK 6,476 (4,869), an increase of 33%, cleared for currency effects the sales increased by 28%. Of this, sales of instruments accounted for TSEK 814 (1,018) and sales of electrodes for TSEK 5,662 (3,851). 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 Onkoderm guidelines during Q4 2018 are the main factors driving the positive sales development seen in the first 9 months. The sales in Germany, where we have our primary focus, accounted for 98 (98)% of the sales in the period. Sales in Germany increased by 32% compared to the first 9-months of 2018. Cleared for currency effects the sales in Germany increased by 28%.

The total sales of electrodes in the period reached 16,544 (11,606), an increase of 43%. In Germany the total sales of electrodes in volume increased by 39% and repeat sales to recurring customers increased by 53%.

Operating profit/loss

The operating loss for the period January - September 2019 amounted to TSEK 29,272 (32,543), a decreased loss of TSEK 3,271. The improved operating income compared to the corresponding period 2018 is apart from increased sales with a slightly improved gross margin that the third quarter of 2018 included scrapping of MSEK 4.3. Currency effects negatively affected the operating loss by approximately MSEK 0.4.

The gross margin in the period was 53,1 (51.9)% 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 around 50%. The margin remains very volume dependent.

Sales and marketing expenses increased by TSEK 70 and amounted to TSEK 17,240 (17,170). The expenses in

Depreciation of tangible assets was charged against earnings for the period to the value of TSEK 721 (206) 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 6,356 (6,494), a decrease of TSEK 138.

Development expenses for the period amounted to TSEK 8,515 (7,509), an increase of TSEK 1,006. 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 35,917.

Cash flow from current operations for the period was negative to the amount of TSEK 29,114 (27,492), of which changes in working capital amounted to a negative TSEK 1,664 (positive 357). The negative operating cash flow has mainly been affected by the changes in working capital but positively affected by adjustments due to IFRS 16. Total cash flow for the period was negative to the amount of TSEK 31,523 (negative 32,413). 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. Apart from this the cashflow in 2019 has been affected by investments in production tools.

Net investments in tangible assets for the period amounted to TSEK 1,158 (252) 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 2,106 (620) of which TSEK 1,359 are due to leased assets.

Other disclosures

Shareholders

At the end of the period, SciBase Holding AB had approximately 1,137 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 September 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 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 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 September 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 3,230 (3,230). The loss for the period amounted to TSEK 27,733 (35,388). 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 24,0 (32.5).



Significant events during the quarter

In the period the first sale and shipment of SciBase products for the evaluation of the skin barrier function was made. The first shipment is to a prestigious hospital in Japan for research into skin barrier function in infants.

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.

Significant events after the period

SciBase receives the first multi system order from a large dermatology practice group in the US. Advanced Dermatology, P.C. is a group of over 40 dermatology practices in the New York tri-state area and has the potential to become a key customer for SciBase. The initial order consists of six Nevisense systems and electrodes. Part of SciBase US strategy focuses on large groups of dermatology practices and this is the first multiple site order from such a group. They have tested Nevisense in a pilot and have now placed an initial order. Though a relatively moderate order size, this is an important recognition of the potential of Nevisense in the work to penetrate the large US market.

SciBase announced that The Kimberly and Eric J. Waldman Department of Dermatology at Mount Sinai has become the first Health System in the United States to order multiple Nevisense systems in their new melanoma center. The Mount Sinai health system encompasses eight hospitals, a leading medical school, and a vast network of ambulatory practices throughout the greater New York region making it the largest system in the region.

A nominating committee consisting of members from the three largest owners and the chairman of the Board has been appointed; Frederick Johansson (SEB Venture Capital), Filip Petersson (SEB pensionsstiftelse), Christer Jönsson (Fouriertransform) and Tord Lendau (chairman of the Board).

Consolidated summary Income Statement

SEK 000'	July 1 – Sep 30		Jan 1 – Sep 30		Oct 1, 2018 – Sep 30, 2019	
	2019	2018	2019	2018	Rolling-12	Jan 1 – Dec 31 2018
Net sales	1 940	1 359	6 476	4 869	8 506	6 899
Cost of goods sold	-904	-644	-3 040	-2 340	-4 012	-3 313
Gross Profit/Loss	1 036	715	3 437	2 529	4 494	3 586
Sales and marketing expenses	-5 648	-5 456	-17 240	-17 170	-24 072	-24 002
Administration expenses	-1 912	-1 849	-6 356	-6 494	-8 710	-8 849
Development expenses	-3 010	-2 230	-8 515	-7 509	-11 401	-10 395
Other operating income	0	21	-20	123	40	183
Other operating expenses	-267	-3 916	-577	-4 022	-1 098	-4 542
Operating Income	-9 801	-12 714	-29 272	-32 543	-40 747	-44 019
Financial income	0	0	98	2	98	2
Financial expenses	-66	-40	-214	-168	-244	-199
Profit/Loss before taxes	-9 868	-12 754	-29 387	-32 709	-40 893	-44 215
Income tax	-	-	0	0	0	0
Profit/Loss for the period	-9 868	-12 754	-29 387	-32 709	-40 893	-44 215
Net Profit/Loss attributable to:						
Parent company shareholders	-9 868	-12 754	-29 387	-32 709	-40 893	-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)*	-0,59	-0,77	-1,77	-1,97	-2,46	-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'	July 1 – Sep 30		Jan 1 – Sep 30		Oct 1, 2018 – Sep 30, 2019	
	2019	2018	2019	2018	Rolling-12	Jan 1 – Dec 31 2018
Profit/loss for the period	-9 868	-12 754	-29 387	-32 709	-40 893	-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	0	0	0	47	-4	43
Tax effect attributable to changes in fair value on financial assets that can be sold	1	1	3	3	4	4
Translation differences on foreign operations	321	-416	-59	-544	408	-78
Sum other comprehensive income	322	-415	-56	-494	408	-31
Total comprehensive income for the period	-9 546	-13 169	-29 443	-33 203	-40 486	-44 246
Total comprehensive income attributable to:						
Parent company shareholders	-9 546	-13 169	-29 443	-33 203	-40 486	-44 246



Consolidated summary statement of financial position

SEK 000'	Sep 30		Dec 31
	2019	2018	2018
ASSETS			
<i>Fixed Assets</i>			
Tangible fixed assets	10 393	4 117	3 881
Financial fixed assets	1 211	1 215	1 211
Total Tangible Assets	11 604	5 332	5 092
<i>Current Assets</i>			
Inventory	5 634	4 031	3 878
Current tax receivable	996	996	548
Receivables	1 605	1 589	1 575
Other current receivables	1 492	3 041	2 506
Cash equivalents	35 917	77 551	67 514
Total Current Assets	45 643	87 208	76 021
Total Assets	57 247	92 540	81 113
Shareholders' Equity and Liabilities			
Shareholders' equity attributable to parent company shareholders	42 035	82 521	71 478
<i>Longterm Liabilities</i>			
Deferred tax liability	20	6	21
Total Longterm Liabilities	3 973	6	21
<i>Current Liabilities</i>			
Accounts payable	1 403	2 329	1 445
Other current liabilities	9 836	7 684	8 169
Total Current Liabilities	11 239	10 013	9 614
Total Liabilities	15 212	10 019	9 635
Total shareholders' equity and liabilities	57 247	92 540	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				-32 709	-32 709
Other comprehensive income			-494		-494
Total comprehensive income	0	0	-494	-32 709	-33 203
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Sep 30, 2018	61 487	463 393	-614	-441 745	82 521
Opening balance Jan 1, 2019	61 487	463 393	-151	-453 251	71 478
Profit/loss for the period				-29 387	-29 387
Other comprehensive income			-56		-56
Total comprehensive income	0	0	-56	-29 387	-29 443
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Sep 30, 2019	61 487	463 393	-206	-482 639	42 035

Consolidated summary statement of cash flows

SEK 000'	July 1 – Sep 30		Jan 1 – Sep 30		Oct 1, 2018 –	
	2019	2018	2019	2018	Sep 30, 2019 Rolling-12	Jan 1 – Dec 31 2018
Cashflow from operating activities before change in working capital	-8 792	-8 369	-27 450	-27 849	-38 193	-38 592
<i>Cashflows from changes in working capital</i>						
Change in Inventory	-165	334	-1 756	483	-1 602	636
Change in Receivables	648	-453	535	-2 172	1 532	-1 175
Change in Liabilities	-1 955	796	-444	2 046	-842	1 648
<i>Total change in working capital</i>	<i>-1 471</i>	<i>677</i>	<i>-1 664</i>	<i>357</i>	<i>-911</i>	<i>1 110</i>
Cashflow from operating activities	-10 264	-7 692	-29 114	-27 492	-39 104	-37 482
<i>Investment activities</i>						
Acquisitions of Fixed Assets	-42	0	-1 158	-252	-1 204	-298
Divestment of fixed assets	0	0	78	-	78	-
Cashflow from investment activities	-42	0	-1 080	-252	-1 126	-298
<i>Financing activities</i>						
Expenses related to new share issues	0	0	0	-4 669	0	-4 669
Amortization leasing contracts	-447	-	-1 329	-	-1 329	-
Cashflow from financing activities	-447	0	-1 329	-4 669	-1 329	-4 669
Cashflow for the period	-10 753	-7 692	-31 523	-32 413	-41 560	-42 449
Cash equivalents at start of the year	46 772	85 231	67 514	110 015	77 552	110 015
Exchange rate differences in cash equivalents	-103	13	-74	-51	-75	-52
Cash equivalents at end of the period	35 917	77 552	35 917	77 552	35 917	67 514



Income statement, Parent Company

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2018 -	
	2019	2018	2019	2018	Sep 30, 2019 Rolling-12	Jan 1 - Dec 31 2018
Net Sales	1 077	1 077	3 230	3 230	4 306	4 306
Gross profit	1 077	1076,623	3 230	3229,871	4 306	4 306
Administration expenses	-2 057	-1 710	-6 989	-5 951	-8 984	-7 947
Other expenses	-	-	0	-	0	0
Operating Profit/loss	-981	-633	-3 759	-2 721	-4 678	-3 640
<i>Earnings from financial items:</i>						
Profit/Loss from shares in group companies	-8 492	-12 113	-23 963	-32 505	-34 380	-42 923
Financial income	0	-	0	-	-	-
Financial expenses	0	-40	-11	-162	-35	-185
Profit/loss after financial items	-9 473	-12 786	-27 733	-35 388	-39 093	-46 748
Taxes	-	-	-	-	-	-
Profit/loss for the period	-9 473	-12 786	-27 733	-35 388	-39 093	-46 748

Statement of other comprehensive income, Parent Company

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2018 -	
	2019	2018	2019	2018	Sep 30, 2019 Rolling-12	Jan 1 - Dec 31 2018
Profit/loss for the period	-9 473	-12 786	-27 733	-35 388	-39 093	-46 748
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-9 473	-12 786	-27 733	-35 388	-39 093	-46 748



Summary Balance Sheet, Parent Company

SEK 000'	Sep 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	26 503	33 896	24 842
Cash equivalents	7 715	40 092	37 874
Total Current Assets	34 218	73 988	62 716
TOTAL ASSETS	171 864	211 634	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	463 446	463 446
Retained earnings	-328 003	-281 254	-281 254
Profit/Loss for the period	-27 733	-35 388	-46 748
Shareholders equity	169 197	208 290	196 930
<i>Current Liabilities</i>			
Current liabilities	2 667	3 344	3 432
Total liabilities	2 667	3 344	3 432
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	171 864	211 634	200 362

0



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>	
Jan - Sep	
Depreciation leasing contracts	-1 359
Rental expenses	1 552
Operating Income	193
Financial expenses	-223
Effect on the result for the period	-30

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 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.

Third quarter

Europe/Rest of the World

Net sales during the period amounted to TSEK 1,915 (1,359) of which Germany accounted for 96 (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 1,028 (715).

Other geographical areas

Net sales during the period amounted to TSEK 26 (0). Gross profit amounted to TSEK 8 (0). The sale was the first delivery of products for the new skin barrier application to Japan.

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 9-months

Europe/Rest of the World

Net sales during the period amounted to TSEK 6,440 (4,822) of which Germany accounted for 98 (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 3,426 (2,505).

Other geographical areas

Net sales during the period amounted to TSEK 37 (47).
Gross profit amounted to TSEK 11 (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'	July 1 - Sep 30, 2019			July 1 - Sep 30, 2018		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	1 914	26	1 940	1 359	0	1 359
Sales between segments	-	-	-	-	-	-
Net sales from external customers	1 914	26	1 940	1 359	0	1 359
Cost of goods	-886	-18	-904	-644	0	-644
Gross Profit/Loss	1 028	8	1 036	715	0	715
Operating expenses			-10 837			-13 429
Operating profit/Loss			-9 801			-12 714
Financial Income			0			0
Financial Expenses			-67			-40
Group earnings - before tax			-9 868			-12 754

SEK 000'	Jan 1 - Sep 30, 2019			Jan 1 - Sep 30, 2018		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	6 440	37	6 476	4 822	47	4 869
Sales between segments	-	-	-	-	-	-
Net sales from external customers	6 440	37	6 476	4 822	47	4 869
Cost of goods	-3 014	-26	-3 040	-2 317	-24	-2 340
Gross Profit/Loss	3 426	11	3 437	2 505	24	2 529
Operating expenses			-32 708			-35 072
Operating profit/Loss			-29 271			-32 543
Financial Income			98			2
Financial Expenses			-214			-168
Group earnings - before tax			-29 387			-32 709

Net sales per category and segment

Amounts in KSEK	July 1 - Sep 30 2019		July 1 - Sep 30 2018		Jan 1 - Sep 30 2019		Jan 1 - Sep 30 2018		Rolling-12		Full Year 2018	
	Europe/ Rest of the World	Other segments										
Electrodes	1 593	26	1 047	0	5 625	37	3 849	2	6 919	37	5 143	2
Instruments	321	0	312	0	814	0	972	46	1 552	0	1 710	46
Total	1 914	26	1 359	0	6 440	37	4 821	47	8 471	37	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, November 13, 2019

Tord Lendau
Chairman of the Board

Thomas Eklund
Board member

Diana Ferro
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 November 13, 2019.

Review report

SciBase Holding AB, 556773-4768

Introduction

We have reviewed the condensed interim report for SciBase Holding AB as at September 30, 2019 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.

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.

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

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 13, 2019
PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

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

Quarterly overview

THE GROUP	2019				2018			2017	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales, SEK ths	1 940	2 168	2 368	2 030	1 359	1 571	1 939	1 886	1 172
Gross margin, %	53,4%	53,3%	52,6%	52,1%	52,6%	58,2%	46,4%	31,5%	56,8%
Equity/Asset ratio, %	73,4%	74,5%	79,0%	88,1%	89,2%	92,0%	91,9%	90,5%	86,9%
Net indebttness, multiple	0,36	0,34	0,27	0,13	0,12	0,09	0,09	0,11	0,15
Cash equivalents, SEK ths	35 917	46 772	58 057	67 514	77 551	85 231	95 542	110 015	50 948
Cashflow from operating activities, SEK ths	-10 264	-9 900	-8 950	-9 990	-7 692	-10 119	-9 682	-11 358	-9 796
Earnings per share (before and after dilution), SEK	-0,59	-0,64	-0,54	-0,69	-0,77	-0,62	-0,58	-1,13	-1,06
Shareholder's equity per share, SEK	2,53	3,10	3,78	4,30	4,97	5,76	6,38	12,69	7,31
Average number of shares, 000'	16 618	16 618	16 618	16 618	16 618	16 618	16 618	9 118	8 285
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	8 285
Share price at end of period, SEK	5,25	4,34	4,14	3,10	4,52	6,45	7,45	7,80	18,09
Number of sold electrodes, pieces	4 752	5 712	6 080	3 872	3 088	4 304	4 214	3 936	3 440
Average number of employees	18	18	19	19	19	20	20	20	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

Bruttomarginal (%)

	2019	2018	Definition:	Orsak till användning:
Bruttoresultat	3 437	2 529	Bruttoresultat dividerat med nettoomsättning.	Bruttomarginalen visar skillnaden mellan nettoomsättning och kostnad för sålda varor i % av omsättningen. Bruttomarginalen påverkas av flera faktorer såsom produktmix, prisutveckling, valutakursförändringar, effektivitet i tillverkningsprocesser etc. Det är ett viktigt mått då det visar och ger läsaren en bättre förståelse av utvecklingen av koncernens verksamhet.
Nettoomsättning	6 476	4 869		
Bruttomarginal (%)	53,1%	51,9%		

Soliditet (%)

	2019	2018	Definition:	Orsak till användning:
Totalt eget kapital	42 035	82 521	Periodens utgående eget kapital dividerat med periodens utgående balansomsättning.	Visar på Koncernens finansiella uthållighet och hur stor andel som är finansierad av eget kapital.
Totala tillgångar	57 247	92 540		
Soliditet (%)	73,4%	89,2%		

Skuldsättningsgrad (ggr)

	2019	2018	Definition:	Orsak till användning:
Summa skulder	15 212	10 019	Totala skulder (2019 justerat för IFRS 16) i förhållande till eget kapital.	Visar på hur stor andel av Koncernens som är finansierad med "lånat" kapital. Är nära kopplat till Koncernens soliditet.
Eget kapital	42 035	82 521		
Skuldsättningsgrad (ggr)	0,36	0,12		

Resultat per aktie, efter utspädning (sek)

	2019	2018	Definition:	Orsak till användning:
Periodens resultat	-29 387	-32 709	Periodens resultat dividerat med genomsnittligt antal aktier efter utspädning. Resultat per aktie efter utspädning är detsamma som före utspädning beroende på att potentiella stamaktier inte ger upphov till utspädnings-effekt.	Visar på det underliggande värdet per aktie av Koncernens verksamhet.
Genomsnittligt antal aktier (tusental)	16 618	16 618		
Resultat per aktie (sek)	-1,77	-1,97		

Eget kapital per aktie (sek)

	2019	2018	Definition:	Orsak till användning:
Eget kapital	42 035	82 521	Eget kapital dividerat med genomsnittligt antal aktier efter utspädning.	Ger ett mått på Koncernens substansvärde per aktie och kan ställas i relation till faktisk börskurs.
Genomsnittligt antal aktier (tusental)	16 618	16 618		
Eget kapital per aktie (sek)	2,53	4,97		

Genomsnittligt antal aktier (tusental)

	2019	2018	Definition:	Orsak till användning:
IB antal aktier - 1 januari	16 618	16 618	Genomsnittligt antal utgivna aktier.	Genomsnittligt antal aktier ger en mer rättvisande bild av resultat och eget kapital per aktie då antal aktier kan förändras under ett år.
UB antal aktier - 30 september	16 618	16 618		
Genomsnittligt antal aktier (tusental)	16 618	16 618		



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Read more about the company and its operations at our website >> www.scibase.com



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Future reporting dates

Year-end report 2019, February 21, 2020

Interim report Q1, May 12, 2020

Annual General Meeting, May 14 2020