

Year-end report

January 1 – December 31, 2019

The fourth quarter in figures

- Net sales amounted to TSEK 2,800 [2,030].
- The loss after tax amounted to TSEK 10,207 [11,506].
- The loss per share amounted to SEK 0.61 [0.69].
- The cash flow from current operations was negative in the amount of TSEK 8,842 [9,990].
- The gross margin reached 58.0% [52.1%].
- Electrode sales volume increased by 85% and reached 7,180 [3,872] units. Repeat sales of electrodes to existing customers increased by 97%.

Full year 2019 in figures

- Net sales amounted to TSEK 9,276 [6,899].
- The loss after tax amounted to TSEK 39,594 [44,215].
- The loss per share amounted to SEK 2,38 [2.66].
- The cash flow from current operations was negative in the amount of TSEK 37,956 [37,482].
- The gross margin increased to 54.5% [52.0%].
- Electrode sales volume increased by 53% and reached 23,724 [15,478] units. Repeat sales of electrodes to existing customers increased by 64%.

Important events during the quarter

- Sales in the company's key market Germany continue to grow and increased by 24% in the quarter following a further improvement in electrode sales. Total sales increased by 38%
- SciBase received the first multi system (6) 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 received an order from the new dermatology clinic at the Mount Sinai hospital in New York, one of the most prestigious dermatology centers in the US.
- Thomas Eklund resigned from SciBase and other Board positions due to lack of time.

Important events after the end of the period

- No significant events have occurred since the end of the period.

Financial overview

THE GROUP	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2019	2018	2019	2018
Net sales, SEK ths	2 800	2 030	9 276	6 899
Gross margin, %	58,0%	52,1%	54,5%	52,0%
Equity/Asset ratio, %	69,4%	88,1%	69,4%	88,1%
Net indebtedness, multiple	0,44	0,13	0,44	0,13
Cash equivalents, SEK ths	26 456	67 514	26 456	67 514
Cashflow from operating activities, SEK ths	-8 842	-9 990	-37 956	-37 482
Earnings per share (before and after dilution), SEK	-0,61	-0,69	-2,38	-2,66
Shareholder's equity per share, SEK	1,93	4,30	1,93	4,30
Average number of shares, 000'	16 618	16 618	16 618	16 618
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618
Share price at end of period, SEK	4,36	3,10	4,36	3,10
Number of sold electrodes, pieces	7 180	3 872	23 724	15 478
Average number of employees	18	19	18	19

Definitions and a glossary are provided on page 17.



Comment by CEO Simon Grant

"Continued strong sales growth and an exciting pipeline"

Q4 Highlights

- Continued good sales growth with sales in the quarter reaching MSEK 2.8, up 38% from Q4-18.
- Sales of electrodes grew by 85% and reached 7,180 (3,872) electrodes sold.
- Sales of electrodes to repeat customers increased by 97% quarter over quarter.
- Sale to Advanced Dermatology P.C. group in New York of six Nevisense systems.
- Mount Sinai hospital's new dermatology clinic in New York purchased two Nevisense systems
- Further sales to researchers and interest from industry players in the new skin barrier application.

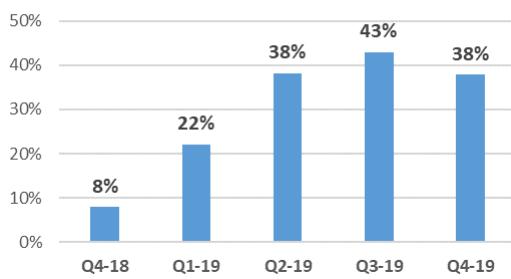
Fifth consecutive quarter with year on year growth

Following the release of Nevisense 3.0 in Germany in Q3 2018, we have seen five consecutive quarters of growth (compared to the corresponding quarter in the previous year). Customers are using Nevisense on more and more patients and electrode sales volumes grew by 85% in Q4 compared to 2018 (7,180 vs 3,872). The main driver for the electrode sales growth was a 97% increase at existing (repeat) customers in Germany.

In the quarter we also saw the first sales and delivery to a major dermatology practice group in the US consisting of six Nevisense systems and electrodes. Sales of Nevisense units in Germany were lower than in Q4-18, which was directly after the launch of Nevisense 3.0. We see however, a substantially increased electrode usage from the Nevisense customer base, confirming that Nevisense 3.0 has significantly improved user friendliness and our ability to fit into clinics' workflow. Germany and the US remain our focus geographies, but we also look to expand the markets we are present in an opportunistic way.

In the quarter we also sold units and electrodes for the new skin barrier application both in Sweden and Germany. The interest remains high and is very encouraging.

%-growth compared the corresponding Q previous period



Following the launch of Nevisense 3.0 in Q3 2018 we have seen good quarterly growth (compared to the previous year).

Continued growth in Germany and on the road to local profitability

Sales in the fourth quarter in Germany continued to show a positive development with a 73% increase in the number of electrodes sold. Given the good sales growth since the launch of Nevisense 3.0 in Germany and the increased usage of the installed base, we believe that Germany will be a locally profitable market for SciBase before the end of H1 2020. We see this as very positive. The key factors driving sales growth in the German market are:

- Significantly improved integration into clinical workflow, with reduced time and less variability per measurement (Nevisense 3.0)
- Reimbursement for privately insured patients.
- The publication of clinical guidelines for Nevisense by Onkoderm, the German dermatology society for skin cancer prevention and therapy.

USA traction

Our US focus is initially on building a US customer base in the northeast tri-state area and on establishing reimbursement coverage. Initial progress has been slow, but in Q4 we saw a significant increase in traction both with sales to new customers and with positive signals regarding reimbursement. Our US customers continue to have good success with a manual insurance claims process from a number of the larger payers. The clinical studies needed to support the reimbursement process are proceeding and we expect to communicate the results from these studies in coming quarters.

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 therefore 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 modest initial order size, this is an important recognition of Nevisense's potential as we work to penetrate the US market.

In addition, we received an order in November for two Nevisense systems for the Mount Sinai Hospital Dermatology department's new clinic in New York. Mount Sinai is one of the most respected dermatology centers in the US, so it is an important reference center for SciBase.

Positive dialogue with FDA regarding Nevisense 3.0

Our application for FDA approval of Nevisense 3.0 is progressing. A meeting between SciBase and the FDA in January addressed the outstanding questions, and we don't see any major remaining issues. Given this, we estimate receiving Nevisense 3.0 approval for the US market during Q2 2020.

Large potential for SciBase new applications

We have three focus areas in our strategy 1) continued growth in Germany 2) gaining traction in the US and 3) leveraging our core technology for other clinical applications within Dermatology.

Nevisense uses Electrical Impedance Spectroscopy or 'EIS' for melanoma detection but EIS can also be used to help detect and manage non melanoma skin cancer (NMSC) and as a tool for the assessment of skin 'barrier' function. Both application areas utilise the same hardware platform, EIS methodology and electrode-based business model, but they apply different AI-based software algorithms.

Non-melanoma skin cancer is very common, with patients numbering ten times that of melanoma but with a considerably lower mortality rate. The customers for this application are the same as those we target today for melanoma, but the NMSC application would mean a potentially much larger patient base to perform Nevisense measurements on, which could lead to a broader uptake of Nevisense. There has been a clear customer demand for this application, and we expect to launch it in the second half of 2020.

Skin barrier assessment is a new application with enormous potential. There are several common diseases such as eczema that are skin barrier-related, and the ability to assess the skin barrier in a normal clinical setting or the home has generated significant interest from (among others) dermatologists and allergy specialists. We have already sold systems and electrodes to researchers in Asia, the US and Europe and see a growing level of interest from industry.

Our customers have several studies in progress that use EIS to assess the skin barrier. All studies are what we call investigator-initiated i.e. driven by the researcher, and they represent a wide array of applications and potential clinical uses. Our immediate aim is to grow sales into this research segment and to develop the first useful clinical indications as quickly as possible.

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, which we expect in the coming months. Preliminary data, presented at various congresses, has shown very positive and promising results.

Our vision is to make clinically useful EIS applications broadly accessible. To facilitate this, we are developing a simpler, smaller and lower cost "pen" device called **Nevisense Go**. Nevisense Go will enable us to also address non-specialists, retail and eventually even patients directly. We hope to release the first version of this product before summer. We look forward to updating you as we come closer to the launch.

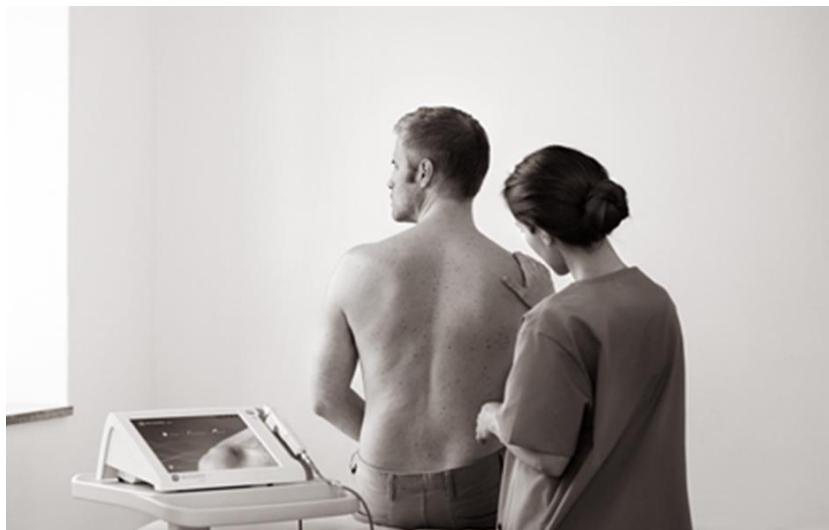
Successful 2019, exciting 2020

Five consecutive quarters of growth have established a positive trend. Germany continues to show a positive sales development and we expect to be locally profitable during H1 2020. Leveraging our German experience and the expected Nevisense 3.0 approval in Q2, we will increase sales activities with a focus on the large dermatology practice groups and expect that 2020 can be a break-through year for SciBase in the US. The new clinical applications are being driven forward by customer and researcher interest and we expect this year to also be a pivotal year for these applications.

There are for sure many challenges remaining, but we end 2019 with momentum and start 2020 with optimism for even more success!



Simon Grant, CEO
Sundbyberg February 21st, 2020





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 to 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. SciBase plans to start commercialization of the first new applications, non-melanoma skin cancer and skin barrier function, as soon as possible.

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 Nasdaq First North Growth market since June 2, 2015.

Business model

The company's business model is based on customers initially purchasing a Nevisense instrument then buying consumables (electrodes) on an on-going basis. Each electrode can only be used on one patient but can test multiple moles or skin areas.

'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

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.
- 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.
- 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.

Certified Advisor (CA)

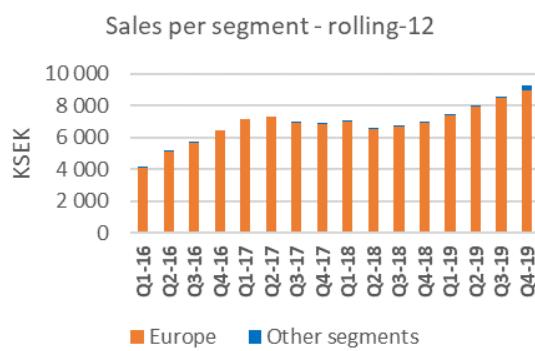
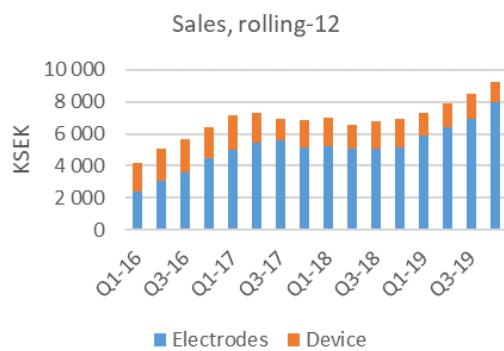
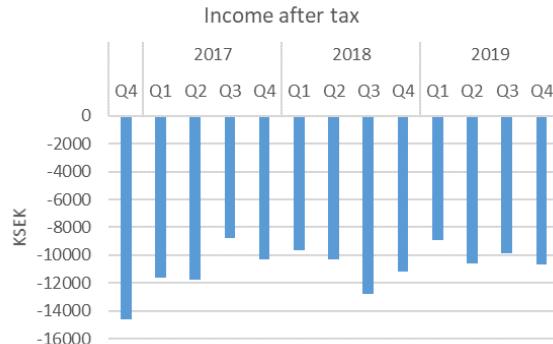
Avanza

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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



Fourth quarter

Net Sales

Net sales for the fourth quarter of 2019 amounted to TSEK 2,800 [2,030], an increase of 38%. Cleared for currency effects the sales increased by 33%. Of this, sales of instruments accounted for TSEK 471 [737] and sales of electrodes for TSEK 2,329 [1,293]. 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 US sales also gained momentum during the quarter with the first delivery of systems and electrodes to a larger group of clinics. Sales within the new application skin barrier function continued as well with sales in both Sweden and Germany. Sales in Germany, where we have our primary focus, accounted for 88 [97] % of the sales in the period. Sales in Germany increased by 24% compared to the fourth quarter of 2018. Cleared for currency effects the sales in Germany increased by 21%.

The total sales of electrodes in the quarter reached 7,180 [3,872], an increase of 85%. In Germany the total sales of electrodes in volume increased by 73% and repeat sales to recurring customers increased by 97%.

Operating profit/loss

The operating loss for the period October - December 2019 amounted to TSEK 10,702 [11,476], a decreased loss of TSEK 774. The loss for the period includes the scrapping of a previously made investment in production tools of about SEK 1.1 million where this tool, due to a changed manufacturing process, will not be possible to implement. When cleared for this the operating expenses have decreased in spite of increased regulatory and reim-

bursement activities in the US and negative currency effects of approximately MSEK 0.3. In total, negative currency effects affected the operating loss for the period by approximately MSEK 0.2.

The gross margin in the period was 58.0 [52.1] % and continues to be stable at a level above 50%. When cleared for currency effects the gross margin would have been around 56%. The overall margin remains very dependent on electrode production and sales volumes and will vary between quarters.

Sales and marketing expenses decreased by TSEK 804 and amounted to TSEK 6,028 [6,832]. The expenses decreased in spite of negative currency effects and continued increased market investments in the which has been balanced by decreased headcount and marketing expenses outside the US.

Administration expenses for the period amounted to TSEK 1,908 [2,354], a decrease of TSEK 446.

Development expenses for the period amounted to TSEK 2,773 [2,886], a decrease of TSEK 113.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 35,917 and, at the end of the period, to TSEK 26,456.

Cash flow from current operations for the period was negative to the amount of TSEK 8,842 [9,990], of which changes in working capital amounted to a negative TSEK 595 [positive 752]. The negative operating cash flow mainly improved by the decreased loss which also included a number of non-cashflow items. Total cash flow for the period was negative to the amount of TSEK 9,483 [negative 10,036].



Net investments in tangible assets for the period amounted to TSEK 189 [46] and mainly involved investments in production tools and demo instruments. Investments in intangible assets for the period amounted to TSEK 0 [0].

Full year

Net Sales

Net sales for the full year 2019 amounted to TSEK 9,276 [6,899], an increase of 34%, cleared for currency effects the sales increased by 30%. Of this, sales of instruments accounted for TSEK 1,285 [1,755] and sales of electrodes for TSEK 7,991 [5,144]. 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 during 2019. In addition, both sales in the US as well as for the new application the skin barrier function have, primarily in the fourth quarter, contributed to the good sales development. The sales in Germany, where we have our primary focus, accounted for 95 [98] % of the sales in the period. Sales in Germany increased by 30% compared to the first 9-months of 2018. Cleared for currency effects the sales in Germany increased by 26%.

The total sales of electrodes in the period reached 23,724 [15,478], an increase of 53 %. In Germany the total sales of electrodes in volume increased by 47% and repeat sales to recurring customers increased by 64%.

Operating profit/loss

The operating loss for the full year 2019 amounted to TSEK 39,405 [44,019], a decreased loss of TSEK 4,614. The improved operating income compared to 2018 is apart from increased sales with a improved gross margin that the third quarter of 2018 included scrapping of MSEK 4.3 while Q4 2019 included a corresponding scrapping of MSEK 1.1. Currency effects negatively affected the operating loss by approximately MSEK 0.5.

The gross margin for the full year was 54.5 [52.0] % and continues to be stable above 50 %. The main reasons for this are the process improvements implemented during 2018 and positive currency effects. When cleared for currency effects the gross margin would have been around 53 %. The margin remains very volume dependent and will vary between quarters.

Depreciation of tangible assets was charged against earnings for the period to the value of TSEK 746 [221] of which TSEK 453 are due to leased assets.

Sales and marketing expenses for the year decreased by TSEK 734 and amounted to TSEK 23,268 [24,002]. The expenses decreased in-spite of 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 year amounted to TSEK 8,264 [8,849], a decrease of TSEK 585.

Development expenses for the year amounted to TSEK 11,288 [10,395], an increase of TSEK 893. The increase was primarily due to regulatory activities in the US.

Cash flow, investments and financial position

At the beginning of the year, cash and cash equivalents amounted to TSEK 67,514 and, at the end of the year, to TSEK 26,456.

Cash flow from current operations for the year was negative to the amount of TSEK 37,956 [37,482], of which changes in working capital amounted to a negative TSEK 2,259 (positive 1,110). 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 year was negative to the amount of TSEK 41,006 (negative 42,449). The total cash flow for 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 increased investments in production tools.

Net investments in tangible assets for the period amounted to TSEK 1,347 [298] 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 2,852 [841] of which TSEK 1,781 are due to leased assets.



Other disclosures

Shareholders

At the end of the year, 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 December 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.

Non-melanoma skin cancer (NMSC) is in general less dangerous than melanoma but it is much more common and still requires detection and treatment. The number of patients affected by NMSC is more than ten times the number affected by melanoma. As an example in Sweden there are fewer than 4,000 melanoma cases per year and more than 47,000 bases of Basal Cell Carcinoma (BCC) per year. In the US there more than 87,000 cases of melanoma and approximately 2.8 million of cases of BCC every year.

An exciting new application area is skin barrier assessment. The skin barrier stops irritants and allergens entering and water from leaving the body. An impaired skin barrier at birth can for instance be a predictor of the development of Atopic Dermatitis (AD) or eczema.

The development of AD often precedes the development of other atopic diseases such as food allergies, allergic rhinitis and asthma. The ability to easily detect an impaired skin barrier can help detect, manage and treat atopic diseases before the development of AD. There is a high interest from the research community and this group will be the short-term sales target within the barrier area.

Employees

At the end of the period, the number of employees amounted to 19 (21), of whom 32 (38)% 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.

As of December 31, 2019, the Group's cash and cash equivalents amounted to SEK 26.5 million. Based on the positive sales trend in Germany, the positive signals from the US market and the promising new application areas, the Board believes that the Company is on the right track. However, on the basis of the current budget, forecast and strategic plan, it is the Board of Directors understanding that the current cash is not sufficient to implement the Company's strategic plan. The Board of Directors is with confidence evaluating various financing options for the Company.

Transactions with related parties

During the period, the parent Company SciBase Holding AB has invoiced TSEK 4,306 (4,306) 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 con-

duct 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 December 31, 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 4,306 (4,306). The loss for the period amounted to TSEK 36,564 (46,748). 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 32,3 (42,9).

Significant events during the quarter

SciBase received 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 tested Nevisense in a pilot and six systems have now been sold and installed. 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.

Thomas Eklund, at his own request, resigned as member of the Board of SciBase Holding AB. Thomas has chosen to resign from SciBase and other Companies Boards due to lack of time.

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

Significant events after the period

No significant events have occurred since the end of the period.



Consolidated summary Income Statement

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2019	2018	2019	2018
Net sales	2 800	2 030	9 276	6 899
Cost of goods sold	-1 177	-972	-4 216	-3 313
Gross Profit/Loss	1 623	1 057	5 060	3 586
Sales and marketing expenses	-6 028	-6 832	-23 268	-24 002
Administration expenses	-1 908	-2 354	-8 264	-8 849
Development expenses	-2 773	-2 886	-11 288	-10 395
Other operating income	0	60	-20	183
Other operating expenses	-1 048	-520	-1 625	-4 542
Operating Income	-10 133	-11 476	-39 405	-44 019
Financial income	-3	0	95	2
Financial expenses	-71	-31	-285	-199
Profit/Loss before taxes	-10 207	-11 506	-39 594	-44 215
Income tax	-	-	0	0
Profit/Loss for the period	-10 207	-11 506	-39 594	-44 215
Net Profit/Loss attributable to:				
Parent company shareholders	-10 207	-11 506	-39 594	-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)*	-0,61	-0,69	-2,38	-2,66
Average number of shares outstanding	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'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2019	2018	2019	2018
Profit/loss for the period	-10 207	-11 506	-39 594	-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	-4	0	-4	43
Tax effect attributable to changes in fair value on financial assets that can be sold	1	1	4	4
Translation differences on foreign operations	189	-416	131	-78
Sum other comprehensive income	186	-415	130	-31
Total comprehensive income for the period	-10 021	-11 921	-39 464	-44 246
Total comprehensive income attributable to:				
Parent company shareholders	-10 021	-11 921	-39 464	-44 246

Consolidated summary statement of financial position

SEK 000'	Dec 31	
	2019	2018
ASSETS		
<i>Fixed Assets</i>		
Tangible fixed assets	8 791	3 881
Financial fixed assets	1 207	1 211
Total Tangible Assets	9 998	5 092
<i>Current Assets</i>		
Inventory	5 003	3 878
Current tax receivable	548	548
Receivables	2 153	1 575
Other current receivables	2 004	2 506
Cash equivalents	26 456	67 514
Total Current Assets	36 163	76 021
Total Assets	46 161	81 113
Shareholders' Equity and Liabilities		
Shareholders' equity attributable to parent company shareholders		32 014
<i>Longterm Liabilities</i>		71 478
Deferred tax liability	20	21
Other longterm liabilities	3 501	-
Total Longterm Liabilities	3 521	21
<i>Current Liabilities</i>		
Accounts payable	2 760	1 445
Other current liabilities	7 866	8 169
Total Current Liabilities	10 626	9 614
Total Liabilities	14 147	9 635
Total shareholders' equity and liabilities	46 161	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				-44 215	-44 215
Other comprehensive income			-31		-31
Total comprehensive income	0	0	-31	-44 215	-44 245
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Dec 31, 2018	61 487	463 393	-151	-453 251	71 478
Opening balance Jan 1, 2019	61 487	463 393	-151	-453 251	71 478
Profit/loss for the period				-39 594	-39 594
Other comprehensive income			130		130
Total comprehensive income	0	0	130	-39 594	-39 464
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Dec 31, 2019	61 487	463 393	-20	-492 845	32 014

Consolidated summary statement of cash flows

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2019	2018	2019	2018
Cashflow from operating activities before change in working capital	-8 248	-10 743	-35 697	-38 592
<i>Cashflows from changes in working capital</i>				
Change in Inventory	631	153	-1 125	636
Change in Receivables	-612	997	-76	-1 175
Change in Liabilities	-614	-398	-1 057	1 648
<i>Total change in working capital</i>	-595	752	-2 259	1 110
Cashflow from operating activities	-8 842	-9 990	-37 956	-37 482
<i>Investment activities</i>				
Acquisitions of Fixed Assets	-189	-46	-1 347	-298
Divestment of fixed assets	0	0	78	-
Cashflow from investment activities	-189	-46	-1 269	-298
<i>Financing activities</i>				
Expenses related to new share issues	-	-	-	-4 669
Amortization leasing contracts	-452	-	-1 781	
Cashflow from financing activities	-452	0	-1 781	-4 669
Cashflow for the period	-9 483	-10 036	-41 006	-42 449
Cash equivalents at start of the year	35 917	77 552	67 514	110 015
Exchange rate differences in cash equivalents	22	-2	-52	-52
Cash equivalents at end of the period	26 456	67 514	26 456	67 514



Income statement, Parent Company

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2019	2018	2019	2018
Net Sales	1 077	1 077	4 306	4 306
Gross profit	1 077	1076,623	4 306	4306,4957
Administration expenses	-1 615	-1 996	-8 604	-7 947
Other expenses	-	-	0	-
Operating Profit/loss	-538	-919	-4 297	-3 640
<i>Earnings from financial items:</i>				
Profit/Loss from shares in group companies	-8 293	-10 418	-32 256	-42 923
Financial income	0	-	0	-
Financial expenses	0	-24	-11	-185
Profit/loss after financial items	-8 831	-11 360	-36 564	-46 748
Taxes	-	-	-	-
Profit/loss for the period	-8 831	-11 360	-36 564	-46 748

Statement of other comprehensive income, Parent Company

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2019	2018	2019	2018
Profit/loss for the period	-8 831	-11 360	-36 564	-46 748
<i>Other comprehensive income</i>	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income	-8 831	-11 360	-36 564	-46 748



Summary Balance Sheet, Parent Company

SEK 000'	Dec 31	
	2019	2018
ASSETS		
<i>Fixed Assets</i>		
Shares in Group Companies	137 647	137 646
Total Fixed Assets	137 647	137 646
<i>Current Assets</i>		
Current receivables and prepaids	22 342	24 842
Cash equivalents	2 615	37 874
Total Current Assets	24 956	62 716
TOTAL ASSETS	162 603	200 362
SHAREHOLDERS' EQUITY AND LIABILITIES		
<i>Shareholder's equity</i>		
Restricted equity		
Share capital	61 487	61 487
Non-restricted equity		
Other capital contributions	463 446	463 446
Retained earnings	-328 003	-281 254
Profit/Loss for the period	-36 564	-46 748
Shareholders equity	160 366	196 930
<i>Current Liabilities</i>		
Current liabilities	2 237	3 432
Total liabilities	2 237	3 432
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	162 603	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.

KSEK	
Tangible Assets per December 31, 2018	5 092
IFRS 16 adjustment	7 397
Tangible Assets per January 1, 2019	12 489
 KSEK	
Long-term Liabilities December 31, 2018	21
IFRS 16 adjustment	5 282
Long-term Liabilities January 1, 2019	5 303
 KSEK	
Short-term Liabilities December 31, 2018	2 016
IFRS 16 adjustment	2 069
Short-term Liabilities January 1, 2019	4 086
 KSEK	
Depreciation leasing contracts	-1 811
Rental expenses	2 069
Operating Income	258
Financial expenses	-288
Effect on the result for the period	-31

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.

Fourth quarter

Europe/Rest of the World

Net sales during the period amounted to TSEK 2,532 (2,030) of which Germany accounted for 97 (97)%. 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 1,617 (1,057).

Other geographical areas

Net sales during the period amounted to TSEK 268 (0). Gross profit amounted to TSEK 7 (0). The sale was the first delivery of products to a larger chain of dermatology clinics including initial discounts.

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.

Full year

Europe/Rest of the World

Net sales during the period amounted to TSEK 8,971 (6,852) 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 5,042 [3,563].

Other geographical areas

Net sales during the period amounted to TSEK 305 [47]. Gross profit amounted to TSEK 18 [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'	Oct 1 - Dec 31, 2019			Oct 1 - Dec 31, 2018		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	2 532	268	2 800	2 030	0	2 030
Sales between segments	-	-	-	-	-	-
Net sales from external customers	2 532	268	2 800	2 030	0	2 030
Cost of goods	-916	-261	-1 177	-972	0	-972
Gross Profit/Loss	1 616	7	1 623	1 057	0	1 057
Operating expenses			-11 757			-12 533
Operating profit/Loss			-10 133			-11 475
Financial Income			-3			0
Financial Expenses			-71			-31
Group earnings - before tax			-10 207			-11 506

SEK 000'	Jan 1 - Dec 31, 2019			Jan 1 - Dec 31, 2018		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	8 971	305	9 276	6 852	47	6 899
Sales between segments	-	-	-	-	-	-
Net sales from external customers	8 971	305	9 276	6 852	47	6 899
Cost of goods	-3 930	-286	-4 216	-3 289	-24	-3 313
Gross Profit/Loss	5 041	18	5 060	3 563	23	3 586
Operating expenses			-44 464			-47 605
Operating profit/Loss			-39 405			-44 019
Financial Income			95			2
Financial Expenses			-285			-199
Group earnings - before tax			-39 594			-44 215

Net sales per category and segment

Amounts in KSEK	Oct 1 - Dec 31 2019		Oct 1 - Dec 31 2018		Jan 1 - Dec 31 2019		Jan 1 - Dec 31 2018	
	Europe/ Rest of the World	Other Segments						
Electrodes	2 242	87	1 293	0	7 866	124	5 143	2
Instruments	290	181	737	0	1 104	181	1 710	46
Total	2 532	268	2 030	0	8 971	305	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, February 21, 2020

Tord Lendau
Chairman of the Board

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 February 21, 2020.

This year-end 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	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q4
Net sales, SEK ths	2 800	1 940	2 168	2 368	2 030	1 359	1 571	1 939	1 886	
Gross margin, %	58,0%	53,4%	53,3%	52,6%	52,1%	52,6%	58,2%	46,4%	31,5%	
Equity/Asset ratio, %	69,4%	73,4%	74,5%	79,0%	88,1%	89,2%	92,0%	91,9%	90,5%	
Net indebtedness, multiple	0,44	0,36	0,34	0,27	0,13	0,12	0,09	0,09	0,11	
Cash equivalents, SEK ths	26 456	35 917	46 772	58 057	67 514	77 551	85 231	95 542	110 015	
Cashflow from operating activities, SEK ths	-8 842	-10 264	-9 900	-8 950	-9 990	-7 692	-10 119	-9 682	-11 358	
Earnings per share (before and after dilution), SEK	-0,61	-0,59	-0,64	-0,54	-0,69	-0,77	-0,62	-0,58	-1,13	
Shareholder's equity per share, SEK	1,93	2,53	3,10	3,78	4,30	4,97	5,76	6,38	12,69	
Average number of shares, 000'	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	9 118	
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	
Share price at end of period, SEK	4,36	5,25	4,34	4,14	3,10	4,52	6,45	7,45	7,80	
Number of sold electrodes, pieces	7 180	4 752	5 712	6 080	3 872	3 088	4 304	4 214	3 936	
Average number of employees	18	18	18	19	19	19	20	20	20	

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 full year

Gross Margin (%)

	2019	2018
Gross Profit	5 060	3 586
Net Sales	9 276	6 899
Gross Margin (%)	54,5%	52,0%

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 productmix, 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	32 014	71 478
Total Assets	46 161	81 113
Shareholders' Equity ratio (%)	69,4%	88,1%

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	14 147	9 635
Total Shareholders' Equity	32 014	71 478
Debt ratio (times)	0,44	0,13

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	-39 594	-44 215
Average number of shares (thousand)	16 618	16 618
Earnings per share (sek)	-2,38	-2,66

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 does 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	32 014	71 478
Average number of shares (thousand)	16 618	16 618
Shareholders' equity per share	1,93	4,30

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 - Sep 30	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 Q1, May 12, 2020
Annual General Meeting, May 14 2020
Interim report Q2, August 20 2020
Interim report Q3, November 12 2020

