

Interim Report

January 1 – September 30, 2016

The third quarter in figures

- Total net sales amounted to TSEK 1,580 (995).
- The loss after tax amounted to TSEK 12,395 (10,260).
- The loss per share amounted to SEK 1.50 (1.24).
- The cash flow from current operations was negative in the amount of TSEK 10,459 (9,669).
- Significant margin improvement with gross margin increasing to 44.6% in Q3 (17.6%).

The first nine months in figures

- Total net sales amounted to TSEK 4,501 (2,970).
- The loss after tax amounted to TSEK 38,463 (30,378).
- The loss per share amounted to SEK 4.64 (4.71).
- The cash flow from current operations was negative in the amount of TSEK 34,818 (32,724).
- Significant margin improvement with gross margin increasing to 34.3% (-3.8%).

Important events during the quarter

- A milestone was passed on the German market as the 100th customer bought and installed a Nevisense device. Our primary market Germany continues to show good growth with total sales up by 67% and electrode sales volume up by 118% in the quarter.

- In the period SciBase introduced its new product – Nevisense View – combining SciBase’s patented electrical impedance spectroscopy (EIS) for early detection of malignant melanoma with visual information from digital dermoscopy, creating a complete instrument that improves and simplifies the diagnostic process.
- In the period a new Australian study was presented, which showed that by using Nevisense, it is possible to reduce the number of cases that require digital dermoscopy follow-up by almost half. In addition Nevisense detected most melanoma three months earlier than traditional methods. The study consisted of 118 patients with 160 lesions, and the results were presented for the first time at the World Congress on Cancers of the Skin in Vienna on September 1.
- Significant resources allocated during the quarter on the PMA-process, with continued progress. Ongoing work to provide replies to feedback from the FDA within several areas. We have passed the inspection phase and no additional clinical data have been requested so far.

Important events after the end of the period

- A nominating committee has been appointed for the AGM 2017.

Financial overview

THE GROUP	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2015 -	
	2016	2015	2016	2015	Sep 30 2016	Jan 1 - Dec 31
Net sales, SEK ths	1580	995	4 501	2 970	5682	4 151
Gross margin, %	44,6%	17,6%	34,3%	-3,8%	31,0%	2,5%
Equity/Asset ratio, %	91,3%	94,2%	91,3%	94,2%	91,3%	95,1%
Net indebtness, multiple	0,09	0,06	0,09	0,06	0,09	0,05
Cash equivalents, SEK ths	98 272	147 661	98 272	147 661	98 272	133 736
Cashflow from operating activities, SEK ths	-10 459	-9 669	-34 818	-32 724	-48 682	-46 588
Earnings per share (before and after dilution), SEK*	-1,50	-1,24	-4,64	-4,71	-5,99	-6,01
Shareholder's equity per share, SEK*	12,96	18,93	12,96	24,31	12,96	21,09
Average number of shares, 000**	8 285	8 285	8 285	6 451	8 285	6 910
Number of shares at closing of period, 000**	8 285	8 285	8 285	8 285	8 285	8 285
Share price at end of period, SEK	25,20	30,80	25,20	30,80	25,20	31,00
Average number of employees	22	15	21	14	18	14

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

Definitions and a glossary are provided on page 16.



Comment by CEO Simon Grant

“Continued strong sales growth and introduction of new complementary product, Nevisense View”

Highlights

- Sales in the quarter increased by 59% while the volume of sold electrodes increased by 108%.
- Significantly improved gross margin in the quarter increasing to 44.6 (17.6)%.
- German sales increased in value by 67% and electrode sales in volume by 118%.
- Presentation of Nevisense View – a new product combining both EIS and digital dermoscopy
- New clinical trial results presented showing that for difficult-to-diagnose lesions, Nevisense can detect most melanomas earlier and reduce the need for follow-up by half.
- Continued progress in the PMA-process. Heavy workload and resources allocated during the quarter to finalise replies to questions from the FDA, as is normal for the process. We have passed the inspection phase and no additional clinical data has been requested so far.

Despite it being the vacation period in Germany and the rest of Europe, SciBase was able to show a good continued sales growth during the third quarter. Sales, which amounted to MSEK 1.6, increased by 59% compared to the corresponding period in 2015. The accumulated sales for the year reached MSEK 4.5. In Germany, the market which we primarily focus on, the sales in SEK increased by 67% and in volume of sold electrodes by 118%. At the beginning of October we reached a milestone with 10,000 sold electrodes during 2016. This increase in electrode sales is important, as it validates SciBase’s business model which is based on electrode sales – and also illustrates the potential for further electrode sales growth. We are also pleased to see an increasing trend amongst our customers to purchase additional Nevisense devices. We now have more than ten clinics in Germany utilising two or more devices, which is a sign of the demand and also the value that Nevisense adds for our customers and their patients.

Nevisense View simplifies the detection process

The single most important event during the previous quarter was the announcement of our new product, Nevisense View, which is a direct response to the feedback we have received from healthcare staff since the introduction of Nevisense.

What differentiates Nevisense View from our current Nevisense is that we have introduced the possibility for digital photography of lesions. This means that we now combine our patented impedance measurement for early detection of malignant melanoma with visual information from digital dermoscopy. The result is a comprehensive tool that improves the detection of melanoma, provides complete documentation and simplifies the workflow for follow-up skin-checks.

We have already received the first orders and the first deliveries to customers will be made during November.

New clinical trial shows Nevisense can detect many melanomas earlier

At the beginning of September an important study from two prominent clinics in Sydney, Australia was presented. The study focused on difficult-to-diagnose lesions normally investigated using sequential digital dermoscopy over a three-month period. The results of the study speak for themselves and show two of the key benefits that Nevisense offers in the detection of melanoma.

According to the study, which was presented at the World Congress on Cancers of the Skin in Vienna on September 1, Nevisense could detect melanoma immediately in most cases. This means detection occurred three months earlier than the traditional methods. The Study also showed that Nevisense halved the need for follow-ups on in melanoma detection.

Apart from simplifying the detection process, the use of Nevisense could also result in significant cost-savings – as well as shortening the time a patient has to wait for a diagnosis.

The PMA process and the Electrode Projects move forward

Our US approval process (PMA) continues to move forward and we have come through the inspection phase with very good results, and we have a good and continuous dialogue with FDA. As expected a variety of different questions have been discussed and so far we have not encountered any major obstacles. FDA has however hardened their interpretation of certain requirements somewhat - which has required us to spend more time on a complementary processes and additional data. No new clinical data has however been requested. We are still confident of an approval but under a slightly modified time-table. We now estimate to receive an FDA-clearance during the first half of 2017.

The integration of the electrode production facility into our operation proceeds and we are now finalising the validation of the semi-automated process. The integration of electrode production will in time lead to improved margins.

As we now enter the last quarter of the year we continue our key focus on sales while of course doing everything we can to support and finalise the FDA-process. We also look forward to launch Nevisense View which we believe will have a positive effect on our sales. Work also continues on our longer term development projects and we aim to present more on this the autumn and spring.



Simon Grant, CEO
Stockholm November 14, 2016





SciBase in brief

About SciBase

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

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

Business model

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

Short facts

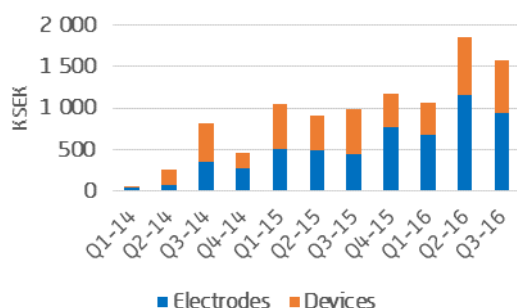
- Skin cancer is the most common and fastest-growing form of cancer in the world.
- Malignant melanoma is the most dangerous form of skin cancer with a high mortality rate if not detected early.
- In the United States, expenditure for the treatment of malignant melanoma is approximately USD 3.3 billion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

" Nevisense can be very helpful for the decision whether to excise a pigmented lesion or not. It can provide additional information that goes beyond the optical criteria obtained by dermoscopy." Dr. Ulrich Kühne

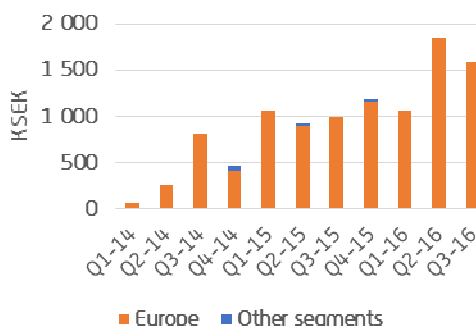
Excisions of nevi in Sweden

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

Sales per quarter



Sales per segment



Third quarter

Net Sales

Net sales for the third quarter of 2016 amounted to TSEK 1,580 [995], an increase of 59%. Of this, sales of instruments accounted for TSEK 640 [555] and sales of tests for TSEK 940 [441]. Germany, where we have our primary focus, generated all net sales in the quarter, 100 [95]%. The German market continues to develop positively, as a result of increased market investments and an increased presence in the form of our own sales organization, and increased by 67% in the quarter compared to the third quarter 2015. We therefore see it as strategically important and correct to focus on the German market given the strong position we are building there.

In the quarter 3,168 [1,520] electrodes were sold, an increase of 108%. Electrode sales in Germany increased in the quarter by 118%.

Operating profit/loss

The operating loss for the period July – September 2016 amounted to TSEK 12,407 [10,287], an increased loss of TSEK 2,120. The main reasons for this are, increased investments in sales and marketing activities related to the build-up of our own organization in Germany (the subsidiary was formed in Q1 2015), expenses related to the ongoing PMA process, product development and expenses related to the improvement of the electrode production process.

The gross margin improved significantly and was 44.6 [17.6]% for the period. The main reasons for this were that all of the sales in the quarter were in the Company's direct market Germany and a reduced cost of goods for the electrode.

Sales and marketing expenses rose by TSEK 1,093 and amounted to TSEK 6,461 [5,368] for the period. The increase is primarily attributable to expenses for the commercialization of Nevisense® and the increase of resources for sales and marketing in both Sweden and Germany.

Administration expenses for the period amounted to TSEK 1,648 [2,333], a decrease of TSEK 685 primarily thanks to last year's IPO process and that during 2016 a function has been transferred to Development (TSEK 481 included in the expenses for 2015).

Development expenses for the period amounted to TSEK 4,966 [2,806], an increase of TSEK 2,160, of which TSEK 481 are attributable to the transferred function from administration in 2016. Otherwise, expenses increased primarily due to the ongoing PMA process, which burdened earnings for the period with about MSEK 1.4, new product development projects, the ongoing project to automate the production of electrodes and increased resources connected to these activities.

Cash flow, investments and financial position

At the start of the quarter, cash and cash equivalents amounted to TSEK 108,786 and, at the end of the period, to TSEK 98,272.

Cash flow from current operations for the period was negative to the amount of TSEK 10,459 [9,669], of which changes in working capital amounted to a positive TSEK 1,816 [616]. The negative operating cash flow, excluding changes in working capital, decreased mainly due to the above-described cost increases related to increased market investments. Total cash flow for the period was negative to the amount of TSEK 10,513 [17,926]. Last year's cash flow was negatively affected by costs related to the in the second quarter performed new share issue of about MSEK 8.7.

Net investments in tangible assets for the period amounted to TSEK 9 [39] and mainly involved investments in demo instruments and IT infrastructure. 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 74 [46].



First nine months

Net Sales

Net sales for the first nine months of 2016 amounted to TSEK 4,501 (2,970), an increase of 52%. Of this, sales of instruments accounted for TSEK 1,721 (1,530) and sales of tests for TSEK 2,780 (1,440). Germany, where we have our primary focus, generated the majority of the sales in the period 94 (82)% . The German market continues to develop positively as a result of increased market acceptance, driven by market investments and an increased presence in the form of our own sales organization. Sales in Germany increased by 72 % in the period compared to the corresponding period 2015. We therefore see it as strategically important and right to focus on the German market given the strong position we are building there.

In the period 9,600 (5,424) electrodes were sold, an overall volume increase of 77%. Electrode sales in Germany increased by 125% by volume.

Operating profit/loss

The operating loss for the period January - September 2016 amounted to TSEK 38,480 (30,824), an increased loss of TSEK 7,656. The main reasons for this are, increased investments in sales and marketing activities related to the commercialization of the Company's product, the build-up of our own organization in Germany (the subsidiary was formed in Q1 2015), expenses related to the ongoing PMA process, product development and expenses related to the improvement of the production process for the electrodes.

The gross margin improved significantly and was 34.3 (negative 3.8)% for the period. The main reasons for this were that the bulk of the sales have been in the Company's direct market Germany and a reduced cost of goods for the electrode.

Sales and marketing expenses rose by TSEK 4,719 and amounted to TSEK 19,495 (14,776) for the period. The increase is primarily attributable to expenses for the commercialization of Nevisense® and the increase of resources for sales and marketing in both Sweden and Germany.

Administration expenses for the period amounted to TSEK 6,168 (8,190), a decrease of TSEK 2,022 thanks to the IPO process during 2015, lower expenses for patents in the period and the fact that during 2016 a function has been transferred to Development (in 2015 TSEK 1,366 included).

Development expenses for the period amounted to TSEK 14,187 (7,784), an increase of TSEK 6,403 (of which TSEK 1,366 is attributable to the transferred function). Otherwise expenses increased primarily due to the ongoing PMA process, which so far has burdened earnings for the period with about MSEK 4.0, new product development projects, the ongoing project to automate the production of electrodes and increased resources connected to these activities.

Cash flow, investments and financial position

At the start of the year, cash and cash equivalents amounted to TSEK 133,736 and, at the end of the period, to TSEK 98,272.

Cash flow from current operations for the period was negative to the amount of TSEK 34,818 (32,724), of which changes in working capital amounted to a positive TSEK 3,325 (negative 1,958). The negative operating cash flow, excluding changes in working capital, decreased mainly due to the above-described cost increases related to increased market investments. Total cash flow for the period was negative to the amount of TSEK 35,463 (positive 120,103). The previous year's cash flow was positively affected by the in the second quarter 2015 performed new share issue raising around MSEK 154.2 (net).

Net investments in tangible assets for the period amounted to TSEK 645 (793) and mainly involved investments in a new company car, demonstration instruments and office equipment. 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 205 (120).

Other disclosures

Shareholders

At the end of the period, SciBase Holding AB had approximately 1,216 shareholders, of whom the four largest represented approximately 60.1% of the capital and votes. The total number of shares amounts to 8,284,768. The largest shareholders as of September 30, 2016 were SEB Venture Capital (23%), SEB Pensionsstiftelse (16%), Fouriertransform AB (15%) and Omega Fund IV LP. (7%).

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

Market overview

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

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

Employees

At the end of the period, the number of employees amounted to 22 (16), of whom 32 (38)% were women.

Financing

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

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

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

Transactions with related parties

In the period, the parent Company SciBase Holding AB has invoiced TSEK 3,230 (2,153) to the fully owned subsidiary SciBase AB, which corresponds to a 100% of the parent Company's turnover in the period. In the period there were no other transactions with related parties that had any material impact on the Group or Parent Company's position and earnings during the reporting period.

Risks and uncertainty

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

Parent Company

SciBase Holding AB (publ), corporate identity number 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, 2016, the Parent Company had three employees, the CEO and the Groups finance department and the operations consists of consulting activities for the rest of the Group. The company's main task is of a financial nature – to fund the Group's operational activities.

Net sales for the period reached TSEK 3,230 (2,153). The loss for the period amounted to TSEK 2,383 (2,314). The Company's net sales consist of invoiced consultancy fees to the fully owned subsidiary SciBase AB.

The financial tangible assets have increased due to shareholders' contributions to the fully owned subsidiary SciBase AB.



Significant events during the third quarter

In the period SciBase introduced its new product – Nevisense View – combining SciBase’s patented electrical impedance spectroscopy (EIS) for early detection of malignant melanoma with visual information from digital dermatoscopy, creating a comprehensive instrument that can both improve and simplify the diagnostic process. By integrating the two methods in one product it simplifies the process for performing skin examinations since all information from the exam is saved in the same instrument. The ability to track the changes of a suspicious lesion, both using EIS values and images, helps prevent both the unnecessary removal of benign tissue and helps avoid malignant melanoma going undetected during an examination. Nevisense View will be available in Sweden and in SciBase’s other markets in November.

In the period a new Australian study was presented, which by using Nevisense, showed it is possible to reduce the number of cases that require digital dermatoscopy follow-up by almost half. In addition Nevisense detected most melanoma three months earlier than traditional methods. Nevisense thereby constitutes a valuable complement to a visual exam with a dermatoscope. The study consisted of 118 patients with 160 lesions, and the results were presented for the first time at the World Congress on Cancers of the Skin in Vienna on September 1. In the study, conducted by Dr Lilian Rocha, Associate Prof. Pascale Guitera, Prof. Scott W. Menzies et. al. at the Melanoma Institute of Australia and Royal Prince Alfred Hospital in Sydney, SDDI was combined with Nevisense’s electrical impedance spectroscopy (EIS) measurement with the following results:

- 19% of all examined lesions showed a Nevisense EIS value of seven or more and were surgically removed immediately. 83.1% of the malignant melanoma in the study was discovered by Nevisense three months earlier than what SDDI would have allowed.
- 28% showed a Nevisense EIS value of three or less, which would have made the need for a patient follow-up visit unnecessary.
- The combination of SDDI and Nevisense detected 100% of all malignant melanoma in the study.

In total, the use of Nevisense showed the potential to reduce the number of cases that needed to undergo SDDI by 47%. This could simplify diagnostics and lead to significant cost savings for health care while shortening patients’ waiting time for a diagnosis.

In June SciBase took over production of single-use electrodes from Ginolis, which is why the company has chosen to strengthen its management team with Marko Päivärinne. Päivärinne is the company’s production and logistics manager and has worked at SciBase since August 2015.

Significant events after the period

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

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

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

Consolidated Income Statement

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1, 2015 -	
	2016	2015	2016	2015	Sep 30, 2016 Rolling-12	Jan 1 - Dec 31 2015
Net sales	1 580	995	4 501	2 970	5 682	4 151
Cost of goods sold	-876	-820	-2 959	-3 084	-3 923	-4 048
Gross Profit/Loss	704	175	1 542	-114	1 759	103
Sales and marketing expenses	-6 461	-5 368	-19 495	-14 776	-25 311	-20 592
Administration expenses	-1 648	-2 333	-6 168	-8 190	-8 953	-10 975
Development expenses	-4 966	-2 806	-14 187	-7 784	-16 963	-10 560
Other operating income	-	55	18	73	91	146
Other operating expenses	-36	-10	-190	-33	-255	-98
Operating Income	-12 407	-10 287	-38 480	-30 824	-49 632	-41 976
Financial income	13	27	22	465	22	465
Financial expenses	-1	-	-4	-19	-6	-21
Profit/Loss before taxes	-12 395	-10 260	-38 462	-30 378	-49 616	-41 532
Income tax	-	-	-1	-	-1	-
Profit/Loss for the period	-12 395	-10 260	-38 463	-30 378	-49 617	-41 532
Net Profit/Loss attributable to:						
Parent company shareholders	-12 395	-10 260	-38 463	-30 378	-49 617	-41 532
Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share)						
Profit/loss per share (before and after dilution)*	-1,50	-1,24	-4,64	-4,71	-5,99	-6,01
Average number of shares outstanding	8 284,77	8 284,77	8 284,77	6 451,43	8 284,77	6 909,77

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

Consolidated statement of comprehensive income

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1, 2015 -	
	2016	2015	2016	2015	Sep 30, 2016 Rolling-12	Jan 1 - Dec 31 2015
Profit/loss for the period	-12 395	-10 260	-38 463	-30 378	-49 617	-41 532
<i>Other comprehensive income for the period:</i>						
<i>Items that have or may be reclassified to profit or loss:</i>						
Changes in fair value on financial assets that can be sold	-2	0	-4	0	-7	-3
Tax effect attributable to changes in fair value on financial assets that can be sold	1	0	1	0	2	1
Translation differences on foreign operations	17	-9	137	15	104	-18
Sum other comprehensive income	16	-9	134	15	99	-20
Total comprehensive income for the period	-12 379	-10 269	-38 329	-30 363	-49 518	-41 552
Total comprehensive income attributable to:						
Parent company shareholders	-12 379	-10 269	-38 329	-30 363	-49 518	-41 552



Consolidated summary statement of financial position

SEK 000'	Sep 30		Dec 31
	2016	2015	2015
ASSETS			
<i>Fixed Assets</i>			
Tangible fixed assets	9 907	9 434	9 446
Financial fixed assets	1 178	1 184	1 182
Total Tangible Assets	11 085	10 618	10 628
<i>Current Assets</i>			
Inventory	4 489	4 487	5 367
Current tax receivable	996	791	540
Receivables	816	818	734
Other current receivables	1 902	2 213	2 246
Cash equivalents	98 272	147 661	133 736
Total Current Assets	106 475	155 970	142 623
Total Assets	117 560	166 588	153 251
Shareholders' Equity and Liabilities			
Shareholders' equity attributable to parent company shareholders	107 380	156 864	145 709
<i>Longterm Liabilities</i>			
Deferred tax liability	25	27	26
Total Longterm Liabilities	25	27	26
<i>Current Liabilities</i>			
Accounts payable	2 468	3 086	3 224
Other current liabilities	7 687	6 611	4 292
Total Current Liabilities	10 155	9 697	7 516
Total Liabilities	10 180	9 724	7 542
Total shareholders' equity and liabilities	117 560	166 588	153 251



Consolidated change in shareholders' equity

SEK 000'	Share Capital	Other Capital Contributions	Reserves	Accumulated Loss	Total shareholders' Equity attributable to parent company shareholders
Opening balance Jan 1, 2015	22 032	282 474	94	-271 955	32 645
Profit/loss for the period				-30 378	-30 378
Other comprehensive income			15		15
Total comprehensive income	0	0	15	-30 378	-30 363
<i>Transactions with shareholders:</i>					
Reduction of share capital	-3 588	3 588			0
New share issue	12 210	152 790			165 000
Issue expenses		-10 831			-10 831
Warrants		413		0	413
Total transactions with shareholders	8 622	145 960	0	0	154 582
Closing balance Sep 30, 2015	30 654	428 434	109	-302 333	156 864
Opening balance Jan 1, 2016	30 654	428 468	74	-313 487	145 709
Profit/loss for the period				-38 463	-38 463
Other comprehensive income			134		134
Total comprehensive income	0	0	134	-38 463	-38 329
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Sep 30, 2016	30 654	428 468	208	-351 950	107 380

Consolidated summary statement of cash flows

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1, 2015 -	
	2016	2015	2016	2015	Sep 30, 2016 Rolling-12	Jan 1 - Dec 31 2015
Net Income before taxes	-12 395	-10 260	-38 462	-30 378	-49 616	-41 532
Adjustments for non-cashflow items	120	-25	320	-388	370	-338
Paid Income Tax	-	-	-1	-	-1	-
Cashflow from operating activities before change in working capital	-12 275	-10 285	-38 143	-30 766	-49 247	-41 870
<i>Cashflows from changes in working capital</i>						
Change in Inventory	474	-2 190	879	-3 542	-1	-4 422
Change in Receivables	630	104	-194	-702	106	-402
Change in Liabilities	712	2 702	2 640	2 286	460	106
Total change in working capital	1 816	616	3 325	-1 958	565	-4 718
Cashflow from operating activities	-10 459	-9 669	-34 818	-32 724	-48 682	-46 588
<i>Investment activities</i>						
Acquisitions of Fixed Assets	-54	-39	-645	-1 861	-689	-1 905
Divestment of fixed assets	-	108	-	108	0	108
Cashflow from investment activities	-54	69	-645	-1 753	-689	-1 797
<i>Financing activities</i>						
New share issues	-	-	-	165 000	0	165 000
Expenses related to new share issues	-	-8 670	-	-10 833	0	-10 833
Warrants	-	344	-	413	34	447
Cashflow from financing activities	0	-8 326	0	154 580	34	154 614
Cashflow for the period	-10 513	-17 926	-35 463	120 103	-49 337	106 229
Cash equivalents at start of the year	108 786	165 595	133 736	27 566	147 661	27 566
Exchange rate differences in cash equivalents	-1	-8	-1	-8	-52	-59
Cash equivalents at end of the period	98 272	147 661	98 272	147 661	98 272	133 736



Income statement, Parent Company

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2015 - Sep 30, 2016	Jan 1 - Dec 31
	2016	2015	2016	2015	Rolling-12	2015
Net Sales	1 077	1 076	3 230	2 153	4 307	3 230
Administration expenses	-1 661	-1 814	-5 613	-4 467	-7 406	-6 260
Operating Profit/loss	-584	-738	-2 383	-2 314	-3 099	-3 030
<i>Earnings from financial items:</i>						
Financial income	-	-	0	-	0	-
Financial expenses	-	-	0	-	0	-
Profit/loss after financial items	-584	-738	-2 383	-2 314	-3 099	-3 030
Taxes	-	-	-	-	-	-
Profit/loss for the period	-584	-738	-2 383	-2 314	-3 099	-3 030

Statement of other comprehensive income, Parent Company

SEK 000'	July 1 - Sep 30		Jan 1 - Sep 30		Oct 1 2015 - Sep 30, 2016	Jan 1 - Dec 31
	2016	2015	2016	2015	Rolling-12	2015
Profit/loss for the period	-584	-738	-2 383	-2 314	-3 099	-3 030
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-584	-738	-2 383	-2 314	-3 099	-3 030



Summary Balance Sheet, Parent Company

SEK 000'	Sep 30		Dec 31
	2016	2015	2015
ASSETS			
<i>Fixed Assets</i>			
Shares in Group Companies	175 782	126 163	137 647
Total Fixed Assets	175 782	126 163	137 647
<i>Current Assets</i>			
Current receivables and prepaids	2 538	6 562	6 119
Cash equivalents	93 989	142 451	130 472
Total Current Assets	96 527	149 013	136 591
TOTAL ASSETS	272 309	275 176	274 238
SHAREHOLDERS* EQUITY AND LIABILITIES			
<i>Shareholder's equity</i>			
Share Capital	30 654	30 654	30 654
Other capital contributions	428 521	428 521	428 521
Retained earnings	-186 221	-183 192	-183 191
Profit/Loss for the period	-2 383	-2 314	-3 030
Shareholders equity	270 571	273 669	272 954
Current liabilities	1 738	1 507	1 284
Total liabilities	1 738	1 507	1 284
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	272 309	275 176	274 238

Notes

Note 1 Accounting principles

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

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

Note 2 Fair value of financial instruments

Current receivables and liabilities

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

Financial fixed assets

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

Note 3 Pledged Assets

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

Note 4 Seasonal effects

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

Note 5 Information regarding operating segments

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

Third quarter

Segment Europe/Rest of the World

Net sales for the segment during the period amounted to TSEK 1,580 (995) of which Germany accounted for 100 (95)%. In the period the focus for the sales and marketing effort has continued to be Germany with the Company's own sales organization. However, a considerable effort has also been made to get the other markets to start generating sales. Gross profit in the segment amounted to a profit of TSEK 704 (175).

Other segments

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

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

First nine months

Segment Europe/Rest of the World

Net sales for the segment during the period amounted to TSEK 4,501 (2,947) of which Germany accounted for 94 (82)%. In the period the focus for the sales and marketing effort has continued to be Germany with the Company's own sales organization. However, a considerable effort has also been made to get the other markets to start generating sales. Gross profit in the segment amounted to a profit of TSEK 1,542 (loss of 86).

Other segments

Net sales for segment during the year amounted to TSEK 0 (23). In this segment, it is only in Australia that the company is present, via a distributor. Gross profit in the segment amounted to TSEK 0 (loss of 28).

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

SEK 000'	July 1 - Sep 30, 2016			July 1 - Sep 30, 2015		
	Europe/ Rest of the World	Other Segments	Total	Rest of the World	Other Segments	Total
Segment - Net sales	1 580	-	1 580	995	-	995
Sales between segments	-	-	-	-	-	-
Net sales from external customers	1 580	-	1 580	995	-	995
Cost of goods	-876	-	-876	-820	-	-820
Gross Profit/Loss	704	0	704	175	0	175
Operating expenses			-13 111			-10 462
Operating profit/Loss			-12 407			-10 287
Financial Income			13			27
Financial Expenses			-1			-
Group earnings - before tax			-12 395			-10 260

SEK 000'	Jan 1 - Sep 30, 2016			Jan 1 - Sep 30, 2015		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	4 501	-	4 501	2 947	23	2 970
Sales between segments	-	-	-	-	-	-
Net sales from external customers	4 501	-	4 501	2 947	23	2 970
Cost of goods	-2 959	-	-2 959	-3 033	-51	-3 084
Gross Profit/Loss	1 542	0	1 542	-86	-28	-114
Operating expenses			-40 022			-30 710
Operating profit/Loss			-38 480			-30 824
Financial Income			22			465
Financial Expenses			-4			-19
Group earnings - before tax			-38 462			-30 378

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 14, 2016

Tord Lendau
Chairman of the Board

Per Aniasson
Board member

Carsten Browall
Board member

Renee Lucander
Board member

Stig Ollmar
Board member

Andreas Pennervall
Board member

Simon Grant
President and CEO

This information is information that SciBase Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on November 14, 2016.

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

Review report

SciBase Holding AB, 556773-4768

Introduction

We have reviewed the condensed interim report for SciBase Holding AB as at September 30, 2016 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the general review

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

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

Conclusion

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

Stockholm, November 14, 2016
Ernst & Young AB

Björn Ohlsson
Authorized Public Accountant

Contactperson:
Michael Colérus, CFO

Quarterly overview

THE GROUP	2016				2015			2014	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales, SEK ths	1 580	1 855	1 066	1 181	995	918	1 057	460	818
Gross margin, %	44,6%	30,1%	26,3%	18,4%	17,6%	-34,5%	2,6%	-41,5%	-42,8%
Equity/Asset ratio, %	91,3%	92,7%	94,4%	95,1%	94,2%	91,4%	73,0%	78,5%	84,4%
Net indebtedness, multiple	0,09	0,08	0,06	0,05	0,06	0,09	0,37	0,27	0,19
Cash equivalents, SEK ths	98 272	108 786	122 241	133 736	147 661	165 595	17 313	27 566	37 176
Cashflow from operating activities, SEK ths	-10 459	-13 112	-11 247	-13 864	-9 669	-13 858	-9 197	-9 290	-9 578
Earnings per share (before and after dilution), SEK	-1,50	-1,75	-1,40	-1,35	-1,24	-1,80	-1,84	-2,06	-1,59
Shareholder's equity per share, SEK	12,96	14,45	16,19	17,59	18,93	27,41	4,71	6,55	8,61
Average number of shares, 000*	8 285	8 285	8 285	8 285	8 285	6 085	4 985	4 985	4 985
Number of shares at closing of period, 000*	8 285	8 285	8 285	8 285	8 285	8 285	4 985	4 985	4 985
Share price at end of period, SEK	25,20	17,20	23,50	31,00	30,80	43,00	-	-	-
Average number of employees	22	19	18	15	15	13	14	11	12

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

Definitions

Financial key ratios

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

Industry specific glossary

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



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Future reporting dates

Year-end report 2016, February 17 2017

Interim report January – March 2017, May 10 2017

AGM 2017, May 16 2017

Interim report January – June 2017, August 18 2017

Interim report January – September 2017, November 10 2017

