

**SciBase increases the information flow to shareholders with a regular letter from the CEO**

To keep shareholders and other interested parties updated about SciBase progress we have we have decided to start sending out regular short newsletters regarding company activities and market information. In these letters we will explain important events in the Company's development in a little more detail and touch upon current events within our industry or in the field of skin cancer. Please sign up for this newsletter [here](#).

In this first letter we thought we'd outline our view on one of this autumn's hot topics - teledermoscopy, and discuss how this method relates to our instrument.

**Teledermoscopy – good for increased awareness and access but is it good enough as a diagnostic method?**

Cancer is a disease that affects us all. It is estimated that a third of all Swedes will at some time in their lives receive a cancer diagnosis. One of the fastest growing cancers is skin cancer, of which malignant melanoma is the most dangerous type. Our instrument Nevisense, complements a traditional visual examination with a direct physical measurement of a lesion's structure via its impedance. This helps physicians objectively assess suspicious lesions directly on the skin, i.e. without having to surgically excise the lesion of concern. With the help of Nevisense a physician can potentially detect melanoma at an earlier stage in its development, while decreasing the number of unnecessary surgeries to excise suspicious lesions. The earlier that cancer can be detected the higher the survival rate will be.

In recent times much has been written about teledermoscopy, a method to evaluate suspected skin cancer based on the remote evaluation of lesion images. Teledermoscopy means taking a picture of a suspicious lesion then sending the image and patient's clinical data to a specialist for interpretation. The patient later receives advice on how to proceed, usually whether or not the patient needs to visit a physician for a 'physical' examination.

There are different variants of teledermoscopy. On the consumer (public) market there are apps that can be installed on your smartphone. Through the app you take a picture of a lesion and then send it for interpretation by (usually) a Dermatologist. The assessment usually costs from a few hundred crowns, and you usually receive a response within 24 hours to two weeks.

The healthcare sector has generally also embraced the method, which means that many primary care centers and General Practitioners have the possibility to send a picture to a specialist for assessment. This is something that takes place for example, in Stockholms Läns Landsting. Study results indicate that teledermoscopy results in shorter waiting times compared to the normal wait to see a Dermatologist.

Teledermoscopy improves patient access to an examination and can result in the patient receiving care earlier, which is good. The earlier we detect malignant melanoma the better the chance to treat it successfully. When it comes to teledermoscopy for consumers there is however a risk with patients themselves selecting which lesion or lesions are to be assessed. The risk is that they choose benign lesion(s) for evaluation while missing the lesion that is a melanoma or other type of skin cancer. In

addition a recent review published in JAMA Dermatology <sup>1</sup> showed that in general assessment by a Dermatologist during a face to face consultation results in a more accurate assessment than one done by teledermoscopy. It is therefore advantageous for patients to utilise face to face assessment by a physician who performs a full examination.

The products that cater to the consumer do however contribute with an important factor, to increase awareness which can lead to an increased patient flow into the health care system. To be able to handle the increased number of patients with lesions of concern, the health care system needs to be improved and streamlined. This is where SciBase comes in. As greater numbers of suspicious lesions are being evaluated, diagnosis needs to be as efficient and effective as possible. Diagnosis often involves excision of a suspected lesion, yet we know that 93-97 percent of all excisions are unnecessary as the excised tissue is not cancerous. Utilising Nevisense can reduce the number of unnecessary excisions by up to 40 percent. In addition to saving money for the healthcare system by performing fewer operations and pathology evaluations, we reduce patient anxiety and discomfort. Whereas Nevisense provides an immediate answer, excisions and biopsies must be analysed by a pathologist to determine if they are malignant or not. In the worst case it can take up to eight weeks to get an answer, a wait that can be hard on the patient.

Nevisense is therefore a good complement to the diagnostic process both in situations with or without teledermoscopy. The challenge for Scibase is to demonstrate that Nevisense can help streamline the diagnostic process, save money and provide better care to patients. We are well on the way with a number of studies. A recent Australian study shows that Nevisense can halve the number of patients that need to undergo sequential monitoring i.e. that need to have a follow-up visit with digital dermoscopy. This is just one example of how Nevisense can lead to substantial cost-savings.

#### **Launch of Nevisense View**

Finally, in response to our customers demand, we are expanding the functionality of Nevisense and launching an additional product – Nevisense View. With Nevisense View we have integrated clinical and dermoscopic images with our patented impedance technology. This new product was developed for clinicians that want to combine both methods and improve the management of patients. The first shipments to customers start now in December 2016. In the next CEO letter we will discuss Nevisense View and its application in more detail.

Merry Christmas and a Happy New Year!

**For further information please visit [www.scibase.com](http://www.scibase.com) or contact:**

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#### **About Skin Cancer**

*Skin cancer is one of the world's most common cancers, accounting for nearly half of all cancers. It has been estimated that nearly half of all Americans who live to the age of 65 will develop skin cancer at least once. Malignant melanoma is the most fatal form of skin cancer causing the majority (75%) of deaths related to skin cancer. Worldwide, doctors diagnose about 230,000 new cases of melanoma yearly.*

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<sup>1</sup> Finnane A Soyer P et al. Teledermatology for the Diagnosis and Management of Skin Cancer. A Systematic Review. JAMA Dermatology. Dec. 2016

**About SciBase and Nevisense**

*SciBase AB is a Swedish medical technology company, headquartered in Stockholm that has developed a unique point-of-care device for the accurate detection of malignant melanoma. Its product, Nevisense, helps doctors to detect malignant melanoma, the most dangerous type of skin cancer. SciBase was founded by Stig Ollmar, Associate Professor at The Karolinska Institute in Stockholm, Sweden. Nevisense is based on substantial research and has achieved excellent results in the largest clinical study ever conducted on the detection of malignant melanoma. Nevisense is CE marked in Europe, has TGA approval in Australia, and is awaiting FDA clearance in the United States. Nevisense is based on a method called Electrical Impedance Spectroscopy (EIS), which uses the varying electrical properties of human tissue to categorize cellular structures and thereby detect malignancies. SciBase is listed on Nasdaq First North ("SCIB"). Avanza is the certified advisor. Further information is available on [www.scibase.com](http://www.scibase.com).*