

SciBase Letter from the CEO no 3: Future trends and technologies

Following two recent industry events in March, one in the US and one on our main market Germany, it is always interesting to reflect on our industry, its trends and the areas that might be the focus in the future.

Of special interest is the annual meeting of the American Academy of Dermatology (AAD). Held in March, it is the largest and most influential meeting of the year in the US. The AAD has more than 19,000 members, which means that almost all US Dermatologists are members. Because Nevisense is not yet approved in the US, there are limitations on how actively we can market Nevisense at this meeting. Despite this, our presence helps us establish contacts and is a good opportunity to evaluate both new technologies and industry trends.

From these meetings I have chosen to highlight three topics that I believe may impact Dermatology and skin cancer diagnostics in one way or another in the future.

- Strong growth in specialised Electronic Medical Records
- The application of molecular diagnostics to melanoma
- The potential use of artificial intelligence within skin cancer diagnostics.

Specialised Electronic Medical Records systems

After promising so much for so long, it appears that the time is finally here for Electronic Medical Records to begin to fulfill a role in helping provide better clinical care. Whereas systems of the past have been mostly administrative and replacing existing paper-based systems, the newer systems are very specialty-driven and can really add clinical value.

It was very pleasing to see the number of EMR systems specialized for the needs of the dermatologist and a dermatology clinic. Having the right patient information and history, images and test results easily available helps clinicians make better decisions when diagnosing skin cancer and other skin-related diseases.

We see this as an important trend and earlier this year, SciBase announced its cooperation with the German manufacturer Dermoscan. The partnership means that we will integrate Nevisense with Dermoscan's system allowing EIS data to be available to German EMR systems.

Molecular diagnostics show potential, but not for point-of-care use

One area where there is activity in terms of new developments is the area of molecular diagnostics. At AAD, there were two types of gene expression tests commercially available. Most interest centered on tests that can help identify tumors that have a high risk of spreading through metastasis. This is a gene expression profile test that may be appropriate for some patients after the lesion has already been removed. In general the test is managed by the pathologist, and is performed in specialized laboratories.

The second test is a method based on the detection of the expression of two specific genes (LINC and/or PRAME). Depending on the level of expression, the test indicates the likelihood of a lesion being melanoma. To collect a sample, tape is repeatedly placed onto the suspicious lesion and then torn away thus collecting a skin sample that can be sent to a laboratory and its RNA analyzed. Though not as sensitive as Nevisense, the early results are interesting. The gene expression results are however not available directly at the 'point-of-care'. Doctors will still need to send the tape stripped sample to a laboratory for analysis, which takes time, and we believe that this, combined with the cost of the procedure, will limit its clinical utilization.

Artificial intelligence within skin cancer diagnosis

During AAD, a hot topic of discussion was the role of Artificial Intelligence or AI in Dermatology. In late January, several international media outlets such as The Guardian, CNN and Fortune reported the results of a new study using an AI based system to classify lesions and identify melanomas. The research system was developed at Stanford University and utilized 'deep neural networks' based on the analysis of 130,000 images.

The study illustrates once again the challenge for clinicians using visual methods for melanoma detection. Though still early, this was the most promising study of its kind to date and it will be interesting to see how AI might change the health care sector in the future. It is probably an understatement to say that there remain open regulatory questions regarding AI-based diagnostic tools, especially in the US. This type of technology might be very useful for channeling the right patients to Dermatologists. We believe however, that clinicians will continue to make the final diagnostic decisions - though more and more based on new tools such as Nevisense, digital dermoscopy and potentially AI.

There is no question that in the future healthcare will be more technology-intensive than it is today. SciBase follows with great interest all new efforts to detect melanoma especially when they, like our approach, involve a change in the way we work.

More exposure for EIS in Germany

In March, SciBase also exhibited at 'Dermatologische Praxis' in Frankenthal, a conference for private Dermatologists in Germany. Germany is SciBase's most important market and this event is the busiest of the year for the SciBase team in Germany.

The conference program included an interesting lecture about Nevisense and the EIS method, presented by a private Dermatologist and Nevisense user from Kiel. The focus of the lecture was how EIS can help detect melanoma at an early stage, and how the method can be incorporated into the routine workflow of a clinic. The lecture was very well attended and resulted in several immediate sales.

For SciBase these events are very important. They provide a unique opportunity for us to present our product and to establish contact with potential customers. Moreover, they are an important opportunity to evaluate new trends and follow interesting developments in our industry such as those discussed above.

Best regards, Simon

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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.