

Year-end Report

January 1 – December 31, 2017

The fourth quarter in figures

- Net sales amounted to TSEK 1,886 (1,935).
- The loss after tax amounted to TSEK 10,295 (14,623).
- The loss per share amounted to SEK 1.13 (1.77).
- The cash flow from current operations was negative in the amount of TSEK 11,358 (13,032).
- The gross margin was 31.5% (35.0%).
- Electrode sales in volume decreased by 30% and reached 3,936 (5,600) units. Repeat sales of electrodes decreased by 30%.

The full year in figures

- Net sales amounted to TSEK 6,859 (6,436).
- The loss after tax amounted to TSEK 42,464 (53,086).
- The loss per share amounted to SEK 5.00 (6.41).
- The cash flow from current operations was negative in the amount of TSEK 44,180 (47,850).
- The gross margin was 35.4% (34.5%).
- Electrode sales grew in total by 10% and reached 16,704 (15,200) units. Repeat sales of electrodes grew by 31%.

Important events during the quarter

- The Company finalised a preferential share issue which, after deduction of estimated issue costs, provided the Company with approximately MSEK 66.
- Nevisense was presented as one of the top ten most important news stories within skin cancer for dermatologists at the Fall Clinical Dermatology Conference in the US.

- The first Nevisense system in the US was installed with the well-known key opinion leader Darrel S. Rigel, MD and Clinical Professor of Dermatology at the New York University Medical Center.
- The first presentation of data in a scientific poster by a US center occurred as a poster at the Fall Clinical meeting by Dr Ryan Svoboda, a Clinical Research Fellow at the National Society for Cutaneous Medicine.
- SciBase signed a distribution contract with Skin Care Sweden AB to sell to non-specialist clinics and pharmacies in Italy. The agreement included an initial order of approx. MSEK 0.5, which was delivered during Q4, and potential for an additional MSEK 0.5 order in 2018.
- The first US commercial order for Nevisense was received from a private clinic focused on self-pay patients in New York.
- In the period SciBase received the first order from a customer as a result of the co-operation with the German medical technology company DermoScan
- A nominating committee was appointed.
- An extra general meeting was held on November 15th where a decision regarding a rights offering was made. The prospectus was published on November 20th.

Important events after the end of the period

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

Financial overview

THE GROUP	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2017	2016	2017	2016
Net sales, SEK ths	1 886	1 935	6 859	6 436
Gross margin, %	31,5%	35,0%	35,4%	34,5%
Equity/Asset ratio, %	90,5%	90,8%	90,5%	90,8%
Net indebttness, multiple	0,11	0,10	0,11	0,10
Cash equivalents, SEK ths	110 015	84 955	110 015	84 955
Cashflow from operating activities, SEK ths	-11 358	-13 032	-44 180	-47 850
Earnings per share (before and after dilution), SEK	-1,13	-1,77	-5,00	-6,41
Shareholder's equity per share, SEK	12,69	11,19	13,63	11,19
Average number of shares, 000'	9 118	8 285	8 493	8 285
Number of shares at closing of period, 000'	16 618	8 285	16 618	8 285
Share price at end of period, SEK	7,80	19,00	7,80	25,20
Number of sold electrodes, pieces	3 936	5 600	16 704	15 200
Average number of employees	20	23	21	21

Definitions and a glossary are provided on page 17.



Comment by CEO Simon Grant

“Rights offering completed and US market activities ‘up and running’”

Q4 Highlights

- SciBase completed a rights offering and secured capital to execute an updated strategy.
- The operating expenses decreased in the quarter by 29% (19% for the full year) and resulted in a loss decreased by MSEK 4.3 for the quarter.
- The first commercial sale occurred in the US – an early indication that our strategy is the right one.
- The DermoScan digital dermoscopy integration was released and resulted in a first order.
- A new pilot-project in Italy was initiated
- After a relatively weak third quarter in Germany, especially regarding sales of devices, we received positive signals towards the end of the fourth quarter and an improved order inflow.

I want to take the opportunity to thank our current and new shareholders who contributed MSEK 66 (after issue costs) in new capital through our rights issue, making it possible for us to deliver our updated strategy. The final quarter of 2017 was mostly taken up with this activity but we also experienced the first positive results of our updated strategy.

USA

Our first installation in the US, at Professor Darrel Rigel’s clinic in New York, is up and running and already has seen some interesting cases. Professor Rigel’s enthusiasm for our method in combination with his reputation in the US market is invaluable. He has held over 600 lectures in the US and over the world and is well-known for his expert commentaries on TV-channels such as CNN, CBS, ABC, Fox and NBC. Our ambition is to initially develop the private self-pay market in the North-East of the US, but eventually this will help us reach the nearly 13,000 practicing dermatologists in the US. So we are off to a flying start with the installation at Professor Rigel’s clinic, as well as through our first commercial sale to the Goldenberg Dermatology clinic, also in New York.

By the time this report is published, we will have participated at the AAD (American Academy of Dermatology) meeting in San Diego. We also have our first sales consultant in-place in New York who has started addressing our initial target group - clinics focusing on self-pay patients in the New York area. So far we have made sales to two clinics. We have also initiated our work within insurance reimbursement. Reimbursement is necessary for a broad penetration but is a complex process and will take some time.

Italy

In Italy we are working with an exciting opportunity after signing a distribution agreement at the end of last year. Our partner will focus on non-specialists and pharmacies, which we see as a possibility to broaden our target group. During January we have trained our distributor and they have introduced Nevisense to

their first pharmacy customer. Olga Piazza, the owner of the local pharmacy in the city of Rezzato in Lombardy, is the first customer in Italy and the first pharmacy to try Nevisense.



[image from pharmacy in Rezzato, Italy]

If a patient has a concern about a particular lesion the staff will perform a Nevisense measurement and provide the customer with risk feedback based on the score. The staff have had hands-on training and will start to see their first customers soon.

Germany

After a difficult third quarter, we saw improved device sales towards the end of the year. The transition from early adopters to the mainstream market in Germany has involved some challenges. The key is to integrate Nevisense into the existing workflow of clinics. This is very much about ease of use and the time taken to perform a measurement. Our recent software release improved the situation considerably, but there is still more work to be done. Our development team continues to focus on these issues and we believe this to be essential to be able to reach our long-term sales targets.

Integration with a clinic’s IT systems is also important. We recently released our integrated product and in December we installed our first customer system that integrated to an existing DermoScan digital dermoscopy system.

Cost focus

During 2017 we worked to lower the Company’s cost level and reduce our ‘burn-rate’. Compared to 2016 we reduced operating expenses by 19% year-on-year and by 29% in the fourth quarter. This is partly due to the finalisation of the PMA-process in the second quarter but also thanks to our cost focus. We are now entering a phase of careful expansion in the US but despite this we don’t anticipate an increase in our operating expenses during the coming year.



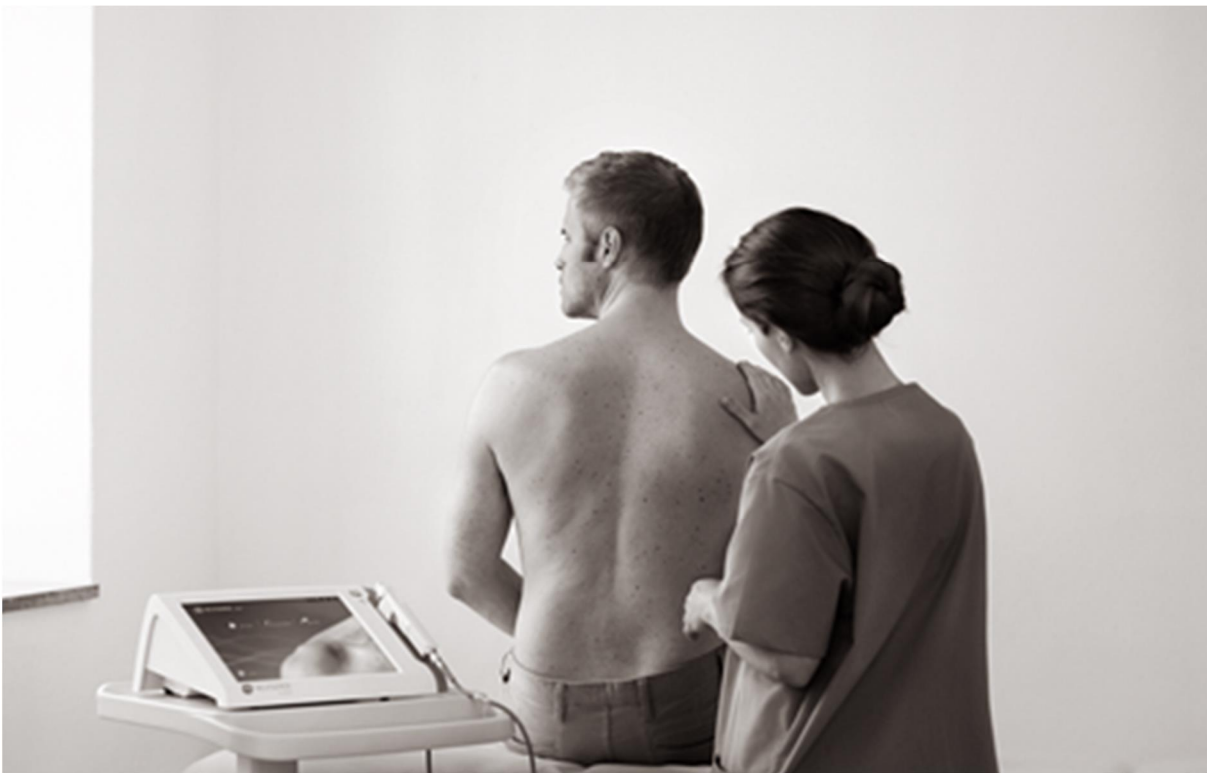
An exciting year ahead!

Though there are challenges ahead for us this year, there are also a number of exciting opportunities and the team are looking forward to the possibilities of 2018. We have set the foundation to exploit these opportunities during 2017 but we still have much work to do to execute our strategy. We have successfully started our introduction of Nevisense into the US, the world's largest market. We continue to develop the German market, building on our nearly 200 systems installed there. The research with New Applications continues. And finally the Italian partnership means that Nevisense may be used by other health professionals

in different environments and that presents a real opportunity for growth. Added to this should be our continued development of Nevisense and our method, to make it even quicker and easier to use. I'm personally looking forward to an exciting 2018.



Simon Grant, CEO
Sundbyberg February 20, 2018



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 products can detect malignant melanoma, the most dangerous form of skin cancer, directly on the skin without needing to cut away suspected moles. The products are 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 and Nevisense View are approved for sale in the United States (PMA), Europe (CE mark) and Australia.

In addition to detecting malignant melanoma, SciBase plans to increase the number of clinical applications for Nevisense. By using Nevisense as a platform, the Company may integrate functionality that uses the EIS method in assessing other skin diseases, such as non-melanoma skin cancer and atopic dermatitis. During 2017, SciBase launched a new type of electrode as well as new software and functionality for this purpose. Currently SciBase is conducting clinical trials with leading academic and clinical centers. The plan is to start commercialization of the first application in 2018.

SciBase was founded in 1998 by Stig Ollmar, a researcher at The Karolinska Institute, and has its headquarters in Stockholm. The company is listed on the Nasdaq First North exchange since June 2, 2015 and Avanza is the Company's certified advisor.

Business model

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

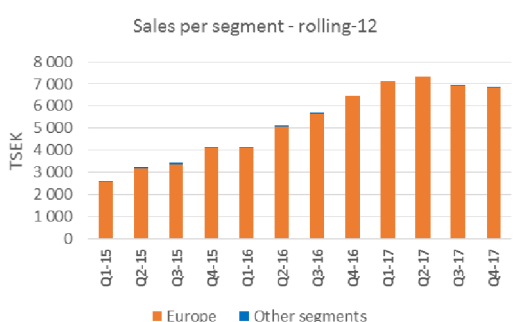
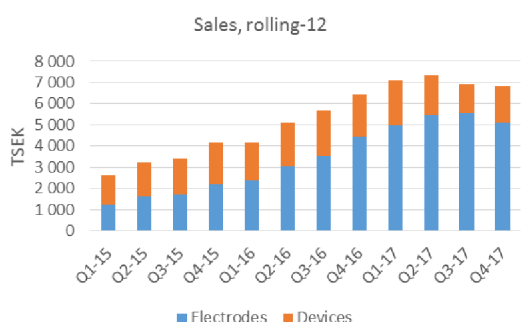
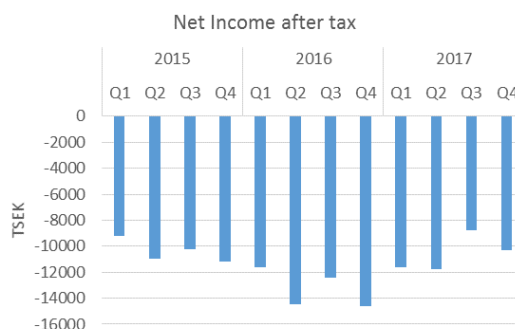
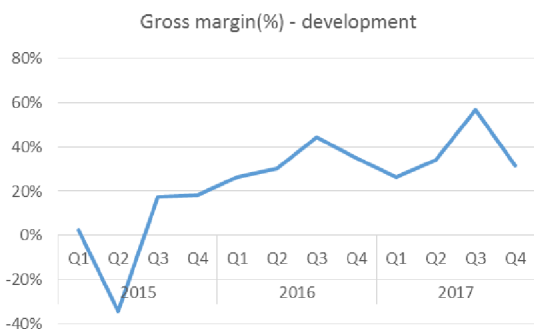
Short facts

- Skin cancer is the most common and fastest-growing form of cancer in the world.
- Malignant melanoma is the most dangerous form of skin cancer with a high mortality rate if not detected early.
- In the United States, expenditure for the treatment of malignant melanoma is approximately USD 3.3 billion annually, equivalent to 41% of expenditure for skin cancer. In 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 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 up to 2.4 million interventions annually and thus leading to significant cost savings.
- Nevisense® provides physicians with an objective instrument to support better diagnoses.
- Management of atopic dermatitis (eczema) represents the greatest burden globally of all skin diseases. As many as 20 percent of all children and between 1 and 10 percent of all adults are afflicted by atopic dermatitis.
- The number of patients affected by non-melanoma skin cancer (NMSC) is over ten times the number affected by melanoma. In the US there are approximately 2.8M cases of basal cell carcinoma (a common type of NMSC) each year.

'Melanoma is one of the deadliest cancers in the US. Prevention and early detection of melanoma should be a focus of every dermatology practice. We are excited to be the first practice in USA to offer Nevisense to our patients. This device will allow us to focus on lesions that are abnormal and detect these at the earliest stage, potentially saving lives of our patients. It will also allow us to carefully monitor less atypical lesions, decreasing unnecessary biopsies and scarring. We look forward to using Nevisense, along with careful physical examination, dermoscopy and photography, to offer the most comprehensive melanoma and dysplastic nevus detection approach available, Gary Goldenberg, MD, USA

US facts

- There are expected to be 91,000 cases of invasive melanoma and 87,000 cases of in situ melanoma in the US in 2018
- There are more cases of skin cancer than all other cancers combined – though only 3% of these cases are melanoma
- Melanoma is the fifth most common cancer among men and the sixth most common for women
- The lifetime risk for melanoma in the US is 1 in 24



Fourth quarter

Net Sales

Net sales for the fourth quarter of 2017 amounted to TSEK 1,886 (1,935), a decrease of 3%. Of this, sales of instruments accounted for TSEK 670 (269) and sales of electrodes for TSEK 1,213 (1,665). In the period the first order to the new Italian distributor was delivered, focusing on a customer group that is new for SciBase. The order had a total value of just below MSEK 0.5. In Germany, electrode sales fell by 28% including a decrease in sales of electrodes to repeat customers of 30% compared to 2016, but sales improved towards the end of the year and going in to 2018. The sales of Germany, where we have our primary focus, accounted for 74 (84)% of the sales in the period. Overall the sales in Germany decreased by 14% compared to the fourth quarter of 2016.

The total sales of electrodes in the quarter reached 3,936 (5,600), a decrease of 30%.

Operating profit/loss

The operating loss for the period October - December 2017 improved and amounted to TSEK 10,298 (14,614), a decreased loss of TSEK 4,316. The improved operating result is mainly due to decreased development expenses for the now complete PMA process and product development, as well as reduced sales and marketing activities outside Germany.

The gross margin in the period was 31.5 (35.0)%. The main reasons for the margin level were product mix and an unforeseen stop in the production due to a machinery breakdown lowering production volumes. The margin is very volume dependent.

Despite an increased activity level in the US, sales and marketing expenses decreased by TSEK 543 and

amounted to TSEK 6,201 (6,744) for the period. The decrease is primarily attributable to reduced cost of personnel outside Germany.

Administration expenses for the period amounted to TSEK 2,287 (2,327), a decrease of TSEK 40.

Development expenses for the period amounted to TSEK 2,402 (4,466), a decrease of TSEK 2,064. The decreased expenses are primarily due to a MSEK 0.3 (0.1 vs 0.4) decrease in the period due to the completion of the PMA process in Q2 and reduced product development costs.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 50,948 and, at the end of the period, to TSEK 110,015.

Cash flow from current operations for the period was negative to the amount of TSEK 11,358 (13,032), of which changes in working capital amounted to a negative TSEK 913 (negative 239). In the quarter the Company completed a rights offering raising, before issue costs, MSEK 75. The net contribution is estimated to be around MSEK 65.8. The estimated remaining issue costs to be paid at the beginning of 2018, are around MSEK 5, which are included in the net proceeds above. The negative operating cash flow improved mainly due to the reduced loss. Total cash flow for the period was positive to the amount of TSEK 59,011 (negative 13,341).

Net investments in tangible assets for the period amounted to TSEK 58 (309) and mainly involved investments in 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 192 (95).

Full year

Net Sales

Net sales for the full year 2017 amounted to TSEK 6,859 (6,436), an increase of 7%. Of this, sales of instruments accounted for TSEK 1,741 (1,989) and sales of electrodes for TSEK 5,116 (4,445). Germany, where we have our primary focus, accounted for 89 (91)% of the net sales in the period. In Germany the Company has now penetrated the so-called “early adopters” and have an installed base of approximately 157 customers with over 180 devices. The Company’s initial target group is around 800 clinics of the total 2,800 existing dermatology clinics. Customers outside the “early adopter” group have a slightly different focus where they (among other things) require a very easy to use product and a test that can be easily integrated into their practice’s patient flow. This has led to some product modifications and leads to a somewhat longer sales process than for the “early adopters”. The sales in Germany increased in value by 4% for the year compared to 2016.

Sales of electrodes reached for the year 16,704 (15,200) electrodes sold, an increase of 10%. In Germany the total (repeat and initial) sales of electrodes in volume increased by 13%. Repeat (sales to customers who return for additional purchases after their initial order) sales of electrodes increased by 31% compared to 2016.

Operating profit/loss

The operating loss for the full year 2017 amounted to TSEK 42,433 (53,094), a reduced loss of TSEK 10,661. The improved operating loss is mainly due to reduced expenses related to the recently completed PMA process and reduced sales and marketing activities outside Germany. The operating loss in 2016 included a write-down of assets of approximately MSEK 1.8.

The gross margin in the period was 35,4 (34.5)%. During the second quarter of 2016 the Company announced that the strategically important manufacturing of electrodes was to be insourced. This has led to a more stable production and allows for an improved margin in the longer term. However, the margin for the year was to some extent negatively (Q1) impacted by scrap related to electrode production development and an unforeseen stop in the electrode manufacturing process during the fourth quarter.

Sales and marketing expenses decreased by TSEK 3,419 and amounted to TSEK 22,820 (26,239) for the year. The decrease is primarily attributable to reduced cost of personnel in Sweden following our lower activity levels in Europe outside Germany.

Administration expenses for the year amounted to TSEK 9,100 (8,495), an increase of TSEK 605 primarily due to the head-office relocation and increased cost of personnel within QA/Regulatory. The function was previously an external resource.

Development expenses for the year amounted to TSEK 12,861 (18,653), a decrease of TSEK 5,792. The decreased expenses for the year are mainly attributable to the completion of the PMA process in Q2 resulting in a decrease of MSEK 2.6 (MSEK 1.8 vs 4.4), and also reduced product development costs.

Cash flow, investments and financial position

At the beginning of the year, cash and cash equivalents amounted to TSEK 84,955 and, at the end of the year, to TSEK 110,015.

Cash flow from current operations for the year was negative to the amount of TSEK 44,180 (47,850), of which changes in working capital amounted to a negative TSEK 2,183 (positive 3,086). The negative operating cash flow improved mainly thanks to the reduced operating loss which was balanced by mainly decreased liabilities.

During the fourth quarter the Company performed a preferential rights offering providing the Company with a total of MSEK 75 before issue costs. The estimated capital provided after issue costs is MSEK 65.8. Remaining issue costs to be paid at the beginning of 2018 are around MSEK 5 and are included in the net amount above. Total cash flow for the period was positive to the amount of TSEK 25,007 (negative 48,804).

Net investments in tangible assets for the year amounted to TSEK 1,240 (954) and mainly involved investments in production tools, demo instruments and investments in the new facilities. 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 722 (300).

Other disclosures

Shareholders

At the end of the year, SciBase Holding AB had approximately 1,220 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 29, 2017 were SEB Venture Capital (13%), SEB Pensionsstiftelse (13%) and Fouriertransform AB (12%).

During the fourth quarter 2017 a preferential rights offering was made which resulted in an additional 8,333,333 new shares being issued.

At an extraordinary shareholders meeting held on April 28, 2015 it was resolved to implement an incentive program. The program comprises a maximum of 553,863 warrants of which 392,317 have been allotted so far. For a full description of the program please see the Company's website and the minutes from the EGM on April 28th 2015.

Market overview

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

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

Employees

At the end of the year, the number of employees amounted to 21 (23), of whom 38 (30)% were women. This includes the production employees at our Uppsala electrode production facility and salespeople in Germany.

Financing

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

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

In December of 2017 the Company performed a rights issue that, before issue costs, provided the Company with SEK 75 million. The net contribution is approximately SEK 66 million. It is the Board's opinion that the current financial assets is sufficient to realize the Company's current business plan.

Transactions with related parties

In 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 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 28-30 of SciBase's 2016 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, 2017, 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 41,972 (53,061). 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 38.3 (49.6).



Significant events during the quarter

In December 2017 a preferential rights offering was performed resulting in the issuance of 8,333,333 new shares at the subscription price of SEK 9. The share issue, which after transaction costs, is estimated to contribute a net of MSEK 65.8 was subscribed by current and new shareholders, including guarantors. The total number of shares outstanding after the share issue is 16,618,101 shares.

SciBase received in the period the first order within the framework of the agreement with the German medtech company DermoScan. The order comes from a clinic in Munich, who already are users of DermoScans' digital dermoscopy system, and now has chosen to complement their diagnostic process with Nevisense.

SciBase participated in, exhibited and demonstrated Nevisense at the Fall Clinical Dermatology Conference in Las Vegas. The congress was held between 12th and 15 of October and is one of the largest and most important national congresses within dermatology. At the congress Darrel S. Rigel, MD and Clinical Professor of Dermatology at the New York University Medical Center presented Nevisense as one of the top ten most important news stories within skin cancer. Nevisense was also presented in a scientific poster by Dr Ryan Svoboda. The poster illustrated the clinical performance of Nevisense and the EIS-method. The first installation and clinical use of Nevisense with patients in the US was at Dr Rigel's clinic in New York.

During Q4 SciBase made the first US commercial sale and the first dermatologists in the US to be able to offer the Nevisense test for early detection of melanoma is Goldenberg Dermatology. The clinic, a premier New York City dermatology practice, is run by Dr. Gary Goldenberg and Dr. Kristina Goldenberg. This sale, as

well as the second sale completed in Q1-2018 to a similar customer, are of strategic importance as they can be seen as an early sign that the launch strategy, with the focus on private-pay clinics, is the right one. SciBase initial launch strategy is to focus on private-pay clinics in the New York Metropolitan area.

SciBase signed a distribution contract with Scan Skin Sweden AB (formerly International Fitness and Health Organisation AB) to sell to non-specialist clinics and pharmacies in Italy. The agreement included an initial order of approx. MSEK 0.5, which was delivered in Q4 2017, and a potential follow-on order of approximately MSEK 0.5 in 2018.

A nominating committee was appointed for the annual general meeting 2018 consisting of David Sonnek chairman (representing SEB Venture Capital, Andreas Pennervall (SEB Pensionsstiftelse), Åsa Knutsson (Fouriertransform) and Tord Lendau (Chairman of the Board).

An extra shareholders' meeting was held on Nov 15, 2017. The meeting decided to perform a rights offering as well as the terms related to the offering.

Significant events after the period

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



Consolidated summary Income Statement

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2017	2016	2017	2016
Net sales	1 886	1 935	6 859	6 436
Cost of goods sold	-1 291	-1 257	-4 433	-4 216
Gross Profit/Loss	595	678	2 425	2 220
Sales and marketing expenses	-6 201	-6 744	-22 820	-26 239
Administration expenses	-2 287	-2 327	-9 100	-8 495
Development expenses	-2 402	-4 466	-12 861	-18 653
Other operating income	67	282	163	300
Other operating expenses	-70	-2 037	-240	-2 227
Operating Income	-10 298	-14 614	-42 433	-53 094
Financial income	14	2	29	24
Financial expenses	-11	-11	-60	-15
Profit/Loss before taxes	-10 295	-14 623	-42 464	-53 085
Income tax	-	-	0	-1
Profit/Loss for the period	-10 295	-14 623	-42 464	-53 086
Net Profit/Loss attributable to:				
Parent company shareholders	-10 295	-14 623	-42 464	-53 086
Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share)				
Profit/loss per share (before and after dilution)*	-1,13	-1,77	-5,00	-6,41
Average number of shares outstanding	9 118	8 285	8 493	8 285

*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	
	2017	2016	2017	2016
Profit/loss for the period	-10 295	-14 623	-42 464	-53 086
<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	-3	-2	-8	-6
Tax effect attributable to changes in fair value on financial assets that can be sold	1	0	2	1
Translation differences on foreign operations	-292	-50	-270	87
Sum other comprehensive income	-294	-52	-276	82
Total comprehensive income for the period	-10 589	-14 675	-42 740	-53 004
Total comprehensive income attributable to:				
Parent company shareholders	-10 589	-14 675	-42 740	-53 004



Consolidated summary statement of financial position

SEK 000'	Dec 31	
	2017	2016
ASSETS		
<i>Fixed Assets</i>		
Tangible fixed assets	8 761	8 312
Financial fixed assets	1 168	1 176
Total Tangible Assets	9 929	9 488
<i>Current Assets</i>		
Inventory	4 514	4 038
Current tax receivable	548	548
Receivables	1 390	898
Other current receivables	1 516	2 179
Cash equivalents	110 015	84 955
Total Current Assets	117 983	92 618
Total Assets	127 912	102 106
Shareholders' Equity and Liabilities		
Shareholders' equity attributable to parent company shareholders	115 724	92 705
<i>Longterm Liabilities</i>		
Deferred tax liability	23	25
Total Longterm Liabilities	23	25
<i>Current Liabilities</i>		
Accounts payable	1 803	3 285
Other current liabilities	10 362	6 091
Total Current Liabilities	12 165	9 376
Total Liabilities	12 188	9 401
Total shareholders' equity and liabilities	127 912	102 106



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, 2016	30 654	428 468	74	-313 487	145 709
Profit/loss for the period				-53 086	-53 086
Other comprehensive income			82		82
Total comprehensive income	0	0	82	-53 086	-53 004
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance December 31, 2016	30 654	428 468	156	-366 573	92 705
Opening balance Jan 1, 2017	30 654	428 468	156	-366 573	92 705
Profit/loss for the period				-42 464	-42 464
Other comprehensive income			-276		-276
Total comprehensive income	0	0	-276	-42 464	-42 740
<i>Transactions with shareholders:</i>					
New share issue	30 833	44 167			75 000
Issue expenses		-9 242			-9 242
Warrants				0	0
Total transactions with shareholders	30 833	34 925	0	0	65 758
Closing balance December 31, 2017	61 487	463 393	-120	-409 037	115 724

Consolidated summary statement of cash flows

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2017	2016	2017	2016
Cashflow from operating activities before change in working capital	-10 445	-12 793	-41 996	-50 936
<i>Cashflows from changes in working capital</i>				
Change in Inventory	-5	450	-476	1 329
Change in Receivables	707	89	171	-105
Change in Liabilities	-1 615	-778	-1 879	1 862
<i>Total change in working capital</i>	<i>-913</i>	<i>-239</i>	<i>-2 183</i>	<i>3 086</i>
Cashflow from operating activities	-11 358	-13 032	-44 180	-47 850
<i>Investment activities</i>				
Acquisitions of Fixed Assets	-58	-309	-1 240	-954
Divestment of fixed assets	0	-	-	-
Cashflow from investment activities	-58	-309	-1 240	-954
<i>Financing activities</i>				
New share issues	75 000	-	75 000	-
Expenses related to new share issues	-4 573	-	-4 573	-
Cashflow from financing activities	70 427	0	70 427	0
Cashflow for the period	59 011	-13 341	25 007	-48 804
Cash equivalents at start of the year	50 948	98 272	84 955	133 736
Exchange rate differences in cash equivalents	56	24	52	23
Cash equivalents at end of the period	110 015	84 955	110 015	84 955



Income statement, Parent Company

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2017	2016	2017	2016
Net Sales	1 076	1 076	4 306	4 306
Administration expenses	-2 304	-2 144	-7 974	-7 757
Other expenses	-	-	-4	-
Operating Profit/loss	-1 228	-1 068	-3 672	-3 451
<i>Earnings from financial items:</i>				
Profit/Loss from shares in group companies	-6 638	-4 961	-38 259	-4 961
Financial income	-	1	-	1
Financial expenses	-9	-	-41	-
Profit/loss after financial items	-7 875	-50 678	-41 972	-53 061
Taxes	-	-	-	-
Profit/loss for the period	-7 875	-50 678	-41 972	-53 061

Statement of other comprehensive income, Parent Company

SEK 000'	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2017	2016	2017	2016
Profit/loss for the period	-7 875	-50 678	-41 972	-53 061
<i>Other comprehensive income</i>	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income	-7 875	-50 678	-41 972	-53 061



Summary Balance Sheet, Parent Company

SEK 000'	Dec 31	
	2017	2016
ASSETS		
<i>Fixed Assets</i>		
Shares in Group Companies	137 646	137 646
Total Fixed Assets	137 646	137 646
<i>Current Assets</i>		
Current receivables and prepaids	26 163	5 040
Cash equivalents	86 973	79 258
Total Current Assets	113 136	84 298
TOTAL ASSETS	250 782	221 944
SHAREHOLDERS' EQUITY AND LIABILITIES		
<i>Shareholder's equity</i>		
Restricted equity		
Share capital	61 487	30 654
Non-restricted equity		
Other capital contributions	463 447	428 521
Retained earnings	-239 282	-186 221
Profit/Loss for the period	-41 972	-53 061
Shareholders equity	243 680	219 893
Current liabilities	7 102	2 051
Total liabilities	7 102	2 051
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	250 782	221 944

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 39-45 of the consolidated annual report for 2016.

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. The Company has performed a review of IFRS 15 and its impact on the Groups revenue recognition. In the analysis, the Groups contractual- and performance obligations were reviewed. The analysis performed shows that IFRS 15 will not have a material effect on the Groups revenue recognition.

Note 2 Fair value of financial instruments

Current receivables and liabilities

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

Financial fixed assets

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

Note 3 Contingent Liabilities

The Parent Company issued a capital adequacy guarantee to its wholly owned subsidiary SciBase AB for a maximum of TSEK 55,000 that is valid until the end of 2017. The corresponding agreement was in-place in 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 1,858 (1,935) of which Germany accounted for 75 (84)%. 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 other markets to start generating sales. In the period the first pilot-order was delivered to the new distributor in Italy. Gross profit amounted to a profit of TSEK 593 (578).

Other geographical areas

Net sales during the period amounted to TSEK 28 (0). The periods net sales are related to the first commercial order in the US. Outside the US, it is only in Australia that the company is present, via a distributor. Gross profit amounted to TSEK 2 (0).

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.

Fyll Year

Europe/Rest of the World

Net sales during the year amounted to TSEK 6,828 (6,436) of which Germany accounted for 89 (91)%. During the year 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 other markets to start generating sales among them Italy. Gross profit amounted to a profit of TSEK 2,423 (2,220).

Other geographical areas

Net sales during the year amounted to TSEK 31 (0). In this area, it is only in the US, through a sales consultant and in Australia, via a distributor, that the company is present. Gross profit amounted to TSEK 3 (0).

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

SEK 000'	Oct 1 - Dec 31, 2017			Oct 1 - Dec 31, 2016		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	1 858	28	1 886	1 935	-	1 935
Sales between segments	-	-	-	-	-	-
Net sales from external customers	1 858	28	1 886	1 935	-	1 935
Cost of goods	-1265	-26	-1 291	-1257	-	-1 257
Gross Profit/Loss	593	2	595	678	0	678
Operating expenses			-10 893			-15 292
Operating profit/Loss			-10 298			-14 614
Financial Income			14			2
Financial Expenses			-11			-11
Group earnings - before tax			-10 295			-14 623

SEK 000'	Jan 1 - Dec 31, 2017			Jan 1 - Dec 31, 2016		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	6 828	31	6 859	6 436	-	6 436
Sales between segments	-	-	-	-	-	-
Net sales from external customers	6 828	31	6 859	6 436	-	6 436
Cost of goods	-4 405	-28	-4 433	-4 216	-	-4 216
Gross Profit/Loss	2 423	3	2 425	2 220	0	2 220
Operating expenses			-44 858			-55 314
Operating profit/Loss			-42 433			-53 094
Financial Income			29			24
Financial Expenses			-60			-15
Group earnings - before tax			-42 464			-53 085



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 20, 2018

Tord Lendau
Chairman of the Board

Per Aniansson
Board member

Thomas Eklund
Board member

Diana Ferro
Board member

Renee Lucander
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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on February 20, 2018.

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

Contact person:
Michael Colérus, CFO

Quarterly overview

THE GROUP	2017				2016			2015	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales, SEK ths	1 886	1 172	2 046	1 755	1 935	1 580	1 855	1 066	1 181
Gross margin, %	31,5%	56,8%	34,2%	26,5%	35,0%	44,6%	30,1%	26,3%	18,4%
Equity/Asset ratio, %	90,5%	86,9%	87,2%	90,7%	90,8%	91,3%	92,7%	94,4%	95,1%
Net indebttness, multiple	0,11	0,15	0,15	0,10	0,10	0,09	0,08	0,06	0,05
Cash equivalents, SEK ths	110 015	50 948	60 974	72 627	84 955	98 272	108 786	122 241	133 736
Cashflow from operating activities, SEK ths	-11 358	-9 796	-11 044	-11 981	-13 032	-10 459	-13 112	-11 247	-13 864
Earnings per share (before and after dilution), SEK	-1,13	-1,06	-1,42	-1,40	-1,77	-1,50	-1,75	-1,40	-1,35
Shareholder's equity per share, SEK	12,69	7,31	8,38	9,79	11,19	12,96	14,45	16,19	17,59
Average number of shares, 000*	9 118	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285
Number of shares at closing of period, 000*	16 618	8 285	8 285	8 285	8 285	8 285	8 285	8 285	8 285
Share price at end of period, SEK	7,80	18,30	23,40	19,30	19,00	25,20	17,20	23,50	31,00
Number of sold electrodes, pieces	3 936	3 440	5 232	4 096	5 600	3 168	4 016	2 416	2 720
Average number of employees	20	21	21	22	23	22	19	18	15

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



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Future reporting dates

Interim report January – March 2018, May 9 2018

AGM 2018, May 16 2018

Interim report January – June, 20 August 2018

