



# Interim report

January 1 – March 31, 2018

## The first quarter in figures

- Net sales amounted to TSEK 1,939 (1,755).
- The loss after tax amounted to TSEK 9,656 (11,615).
- The loss per share amounted to SEK 0.58 (1.40).
- The cash flow from current operations was negative in the amount of TSEK 9,682 (11,981).
- The gross margin was 46.4% (26.5%).
- Electrode sales in volume increased by 1% and reached 4,134 (4,096) units. Repeat sales of electrodes increased by 24%.

## Important events during the quarter

- The primary market Germany showed a recovery in the quarter with sales in value up by 14% and electrode sales volume up by 9%.
- Market and reimbursement activities now up and running in the New York area.

## Important events after the end of the period

- The notice to attend the AGM 2018 was published.
- The annual report 2017 was published.
- The first Nevisense article by US researchers was published by Svoboda, Rigel et al. in SKIN, The journal of cutaneous medicine.

## Financial overview

THE GROUP	Apr 1 2016 -			
	Jan 1 - Mar 31 2018	2017	Mar 31 2017 Rolling-12	Jan 1 - Dec 31 2017
Net sales, SEK ths	1 939	1 755	7 043	6 859
Gross margin, %	46,4%	26,5%	40,6%	35,4%
Equity/Asset ratio, %	91,9%	90,7%	91,4%	90,5%
Net indebtness, multiple	0,09	0,10	0,09	0,11
Cash equivalents, SEK ths	95 542	72 627	95 542	110 015
Cashflow from operating activities, SEK ths	-9 682	-11 981	-41 880	-44 180
Earnings per share (before and after dilution), SEK	-0,58	-1,40	-3,83	-5,00
Shareholder's equity per share, SEK	6,38	9,79	8,84	13,63
Average number of shares, 000'	16 618	8 285	10 576	8 493
Number of shares at closing of period, 000'	16 618	8 285	16 618	16 618
Share price at end of period, SEK	7,45	19,08	7,45	7,80
Number of sold electrodes, pieces	4 134	4 096	16 742	16 704
Average number of employees	20	22	21	21

Definitions and a glossary are provided on page 14.

## Comment by CEO Simon Grant

“Improved gross margin and accelerated US activities”

### Q1 Highlights

- Our most successful congress ever in March
- Improved gross margin reaching 46.4% (26.5%).
- Operating expenses decreased in the quarter by 13% (excluding currency effects) resulting in a loss decreased by MSEK 2.0 for the quarter.
- The second commercial sale occurred in the US and reimbursement activities were accelerated
- After a relatively weak second half of 2017 in Germany, we saw an improved system sales trend. Electrode sales in Germany increased by 9% and especially pleasing was that the repeat sales increased by 24%.

The annual meeting "Dermatologische Praxis" in March in Frankenthal, South Germany has shown over the years to be a very successful conference to display the Nevisense products. This year was not an exception. We received the most signed orders ever at the booth and in addition a lot of new leads to follow up. A positive and very well visited seminar about Nevisense was held by Dr Stephan Lischner from Dermatologikum Kiel, demonstrating the optimal integration of the product in the German private practices. This year Nevisense was also displayed together with Dermoscan GmbH and we think it makes sense to continue to show our products together with dermoscopy products as they combine very nicely. The Frankenthal meeting is together with the bi-annual FOBI meeting (during the summer) our two most important meetings in Germany.

### USA

We have managed to get an early foothold in the US. During the quarter we installed Nevisense at an additional clinic in New York, Infinity Dermatology Clinic in Queens. Dr Jeffrey Weinberg, Associative Professor at Mount Sinai Hospital, is the responsible clinician and it is his staff that will be using the system. We have also during the quarter installed Nevisense at another key opinion leader, Dr Marghoob at Memorial Sloan Kettering Cancer Center in New York.

We have also signed agreements with two influential and New York based specialists with the aim to help SciBase accelerate the process of achieving US insurance based reimbursement. This is key in order to reach the larger patient population in the US. Professor Dan Siegel works at State University New York Downstate Medical Center in Brooklyn. Professor Mark Kaufmann is from the Icahn School of Medicine at Mount Sinai, on Manhattan. Both are experts within skin cancer who have deep experience of the US reimbursement process.

These experts will help us define the most efficient process to achieve reimbursement coverage, help in discussions with authorities and insurance companies and provide guidance on the clinical and health-economic data required for a positive outcome.

### Manufacturing

We have spent some time implementing and validating our semi-automated production robot for the production of electrodes. This has now almost fully been integrated into our production process with very good results. The robot "Emilia" delivers higher production capacity, higher yield and a better work environment for our operators. During the first quarter this, together with our team in Uppsala, led to a more stable production and an improved gross margin. The manufacturing process consists of many steps with high quality requirements. Continued automatization is therefore important if we are to reach our long-term goal of a gross margin around 70%. We are not there yet but we can now say that the initial steps have been successful.



*The Uppsala production team with the robot 'Emilia'*

### Germany

Germany is a good example of a market where the electrode sales are very important to our sales development and future profitability. It is therefore with pleasure we note that electrode sales grew by 9% during the first quarter 2018. Even more important is the repeat sales, i.e. sales to returning customers, which grew by 24% and is a strong indicator that our system is being used.

### Continued cost focus

Even though we through the in December performed new share issue have a relatively strong cash position, we continue to have a strong focus on investing in the right areas. We focus our activities in accordance with the strategy we presented in the fall of 2017. Our operating expenses, in spite of increased investments in the US, continue to decrease (13% compared to the first quarter 2017). Part of the decrease is related to the finalization of the US PMA process, but it is also thanks to a high cost awareness within the organization. We know it will take time to succeed on the US market and it is therefore important that we do the right things at the right time.

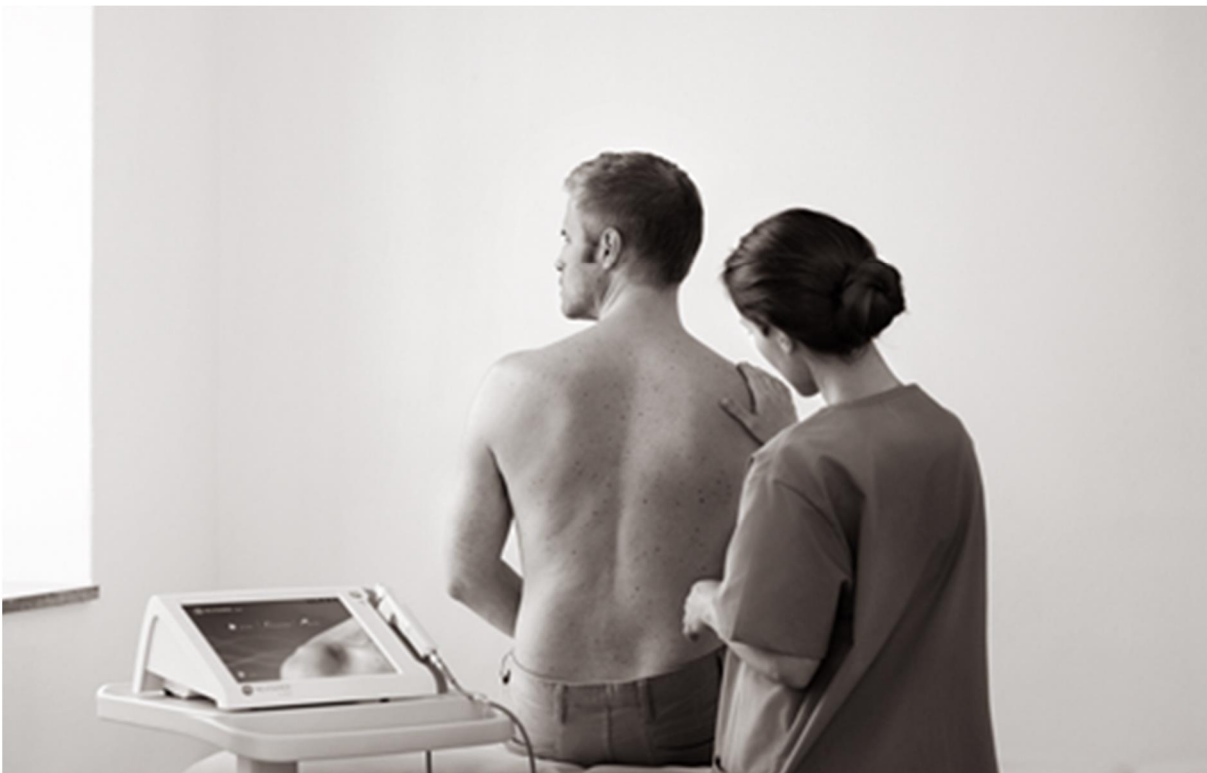
During the spring we have increased our focus on simplifying and speeding up our measurement method.



We have seen an improved sales trend in Germany and we have taken some important first steps on the US market. Electrode production is both more stable and is delivering improved margins. Overall we are making good progress and look forward to further positive steps in the second quarter and over the entire year.



Simon Grant, CEO  
Sundbyberg May 9, 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 product can detect malignant melanoma, the most dangerous form of skin cancer, directly on the skin without needing to cut away suspected moles. The product is based on comprehensive research on Electrical Impedance Spectroscopy (EIS), and SciBase has conducted the largest study to date on the detection of malignant melanoma, in which Nevisense achieved excellent results. The study was published in May 2014 in the prestigious British Journal of Dermatology. Nevisense is approved for sale in the United States (PMA), Europe (CE mark) and Australia.

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.

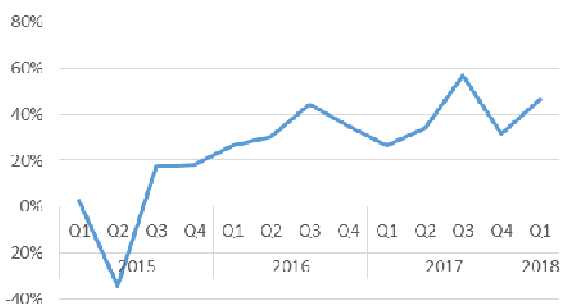
*' There is a melanoma epidemic in US. This is especially true in young women who use tanning beds or had sunburns before the age of 18. Every day we see young patients with atypical moles or even melanoma in our office. Nevisense will allow us to detect abnormal lesions early, potentially saving lives of our patients. For many, it will also decrease the need for unnecessary biopsies of less abnormal lesions, saving the patients from unneeded scarring. We look forward to using Nevisense in our practice and are excited to be the first practice in US to bring this potentially life-saving device to our patients,' Kristina Goldenberg, MD, USA*

### US facts

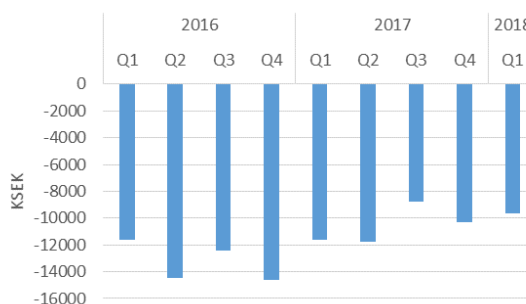
- There are expected be 91,000 cases of invasive melanoma and 87,000 cases of in situ melanoma in the US in 2018
- There are more cases of skin cancer than all other cancers combined – though only 3% of these cases are melanoma
- Melanoma is the fifth most common cancer among men and the sixth most common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



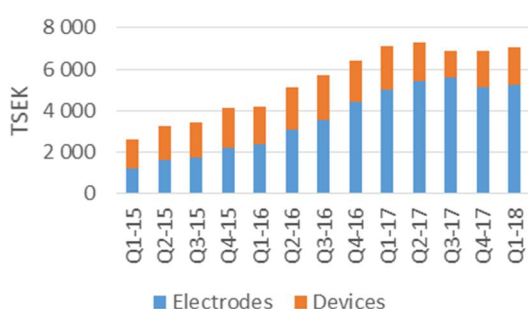
Gross margin (%) - development



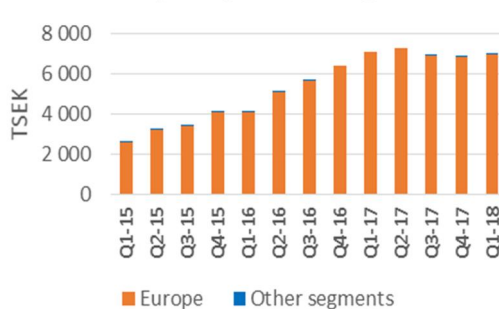
Income after tax



Sales, rolling-12



Sales per segment - rolling-12



## First quarter

### Net Sales

Net sales for the first quarter of 2018 amounted to TSEK 1,939 [1,755], an increase of 11%, cleared for currency effects the sales increased by 6%. Of this, sales of instruments accounted for TSEK 599 [531] and sales of electrodes for TSEK 1,341 [1,224]. The sales in Germany, where we have our primary focus, accounted for 97 [94]% of the sales in the period. Sales in Germany increased by 14% compared to the first quarter of 2017. Cleared for currency effects the sales in Germany grew by 9%.

The total sales of electrodes in the quarter reached 4,134 [4,096], an increase of 1%. In Germany the total sales of electrodes in volume increased by 9% while repeat sales increased by 24%.

### Operating profit/loss

The operating loss for the period January - March 2018 improved and amounted to TSEK 9,590 [11,611], a decreased loss of TSEK 2,021. The improved operating result is mainly due to decreased development expenses for the in the second quarter 2017 completed PMA process, reduced administration expenses and an improved gross margin. In spite of increased market investments and negative currency effects the operating expenses decreased by 13%, cleared for currency effects the decrease was 14%.

The gross margin in the period was 46.4 [26.5]%. The main reasons for the improved margin level were a stable production with an improved yield through the introduction of a semi-automated process, positive currency effects and that the margin in Q1 2017 was negatively affected by scrapping. The margin is very volume dependent.

Sales and marketing expenses increased by TSEK 448 and amounted to TSEK 5,949 [5,501] due to increased market investments in the US and currency effects.

Administration expenses for the period amounted to TSEK 2,143 [2,470], a decrease of TSEK 327. The decrease is mainly thanks to reduced consultancy costs.

Development expenses for the period amounted to TSEK 2,376 [4,067], a decrease of TSEK 1,691. The decreased expenses are primarily due to a MSEK 1.1 [0.1 vs 1.2] decrease in the period due to the in Q2 2017 completed PMA process.

### Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 110,015 and, at the end of the period, to TSEK 95,542.

Cash flow from current operations for the period was negative to the amount of TSEK 9,682 [11,981], of which changes in working capital amounted to a negative TSEK 336 [negative 558]. The negative operating cash flow improved mainly due to the reduced loss. Total cash flow for the period was negative to the amount of TSEK 14,456 [negative 12,326]. The total cash flow was negatively affected by during the quarter paid issue costs of MSEK 4.7 related to the in December 2017 closed new share issue.

Net investments in tangible assets for the period amounted to TSEK 105 [345] 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 206 [192].

## Other disclosures

### Shareholders

At the end of the period, SciBase Holding AB had approximately 1,204 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 March 29, 2018 were SEB Venture Capital (13%), SEB Pensionsstiftelse (13%) and Fouriertransform AB (12%).

At an extraordinary shareholders meeting held on April 28, 2015 it was resolved to implement an incentive program. The program comprises a maximum of 553,863 warrants of which 392,317 have been allotted so far. For a full description of the program please see the Company's website and the minutes from the EGM on April 28<sup>th</sup> 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 20 (22), of whom 40 (27)% 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 was 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 1,077 (1,077) 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 34-37 of SciBase's 2017 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 March 31, 2018, 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 1,077 (1,077). The loss for the period amounted to TSEK 12,399 (13,641). 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 11.4 (12.9).



### Significant events during the quarter

Market and reimbursement activities now up and running in the New York area. Our reimbursement team has been strengthened by key consultants.

### Significant events after the period

The notice to attend the AGM 2018 was published.

The annual report 2017 was published.

## Consolidated summary Income Statement

SEK 000'	Apr 1, 2018 -			
	Jan 1 - Mar 31 2018	2017	Mar 31, 2018 Rolling-12	Jan 1 - Dec 31 2017
Net sales	1 939	1 755	7 043	6 859
Cost of goods sold	-1 040	-1 290	-4 183	-4 433
Gross Profit/Loss	900	465	2 860	2 425
Sales and marketing expenses	-5 949	-5 501	-23 268	-22 820
Administration expenses	-2 143	-2 470	-8 773	-9 100
Development expenses	-2 376	-4 067	-11 170	-12 861
Other operating income	9	16	155	163
Other operating expenses	-31	-54	-217	-240
Operating Income	-9 590	-11 611	-40 412	-42 433
Financial income	1	5	25	29
Financial expenses	-67	-6	-121	-60
Profit/Loss before taxes	-9 656	-11 612	-40 508	-42 464
Income tax	0	0	0	0
Profit/Loss for the period	-9 656	-11 612	-40 508	-42 464
Net Profit/Loss attributable to:				
Parent company shareholders	-9 656	-11 612	-40 508	-42 464
Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share)				
Profit/loss per share (before and after dilution)*	-0,58	-1,40	-3,83	-5,00
Average number of shares outstanding	16 618	8 285	10 576	8 493

\*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'	Apr 1, 2018 -			
	Jan 1 - Mar 31 2018	2017	Mar 31, 2018 Rolling-12	Jan 1 - Dec 31 2017
Profit/loss for the period	-9 656	-11 612	-40 508	-42 464
Other comprehensive income for the period:				
Items that have or may be reclassified to profit or loss:				
Changes in fair value on financial assets that can be sold	-100	-2	-106	-8
Tax effect attributable to changes in fair value on financial assets that can be sold	1	0	3	2
Translation differences on foreign operations	-2	3	-275	-270
Sum other comprehensive income	-101	1	-378	-276
Total comprehensive income for the period	-9 757	-11 611	-40 886	-42 740
Total comprehensive income attributable to:				
Parent company shareholders	-9 757	-11 611	-40 886	-42 740



## Consolidated summary statement of financial position

SEK 000'	Dec 31		Dec 31
	2018	2017	2017
<b>ASSETS</b>			
<i>Fixed Assets</i>			
Tangible fixed assets	8 551	8 474	8 761
Financial fixed assets	1 068	1 174	1 168
Total Tangible Assets	9 619	9 648	9 929
<i>Current Assets</i>			
Inventory	4 790	3 252	4 514
Current tax receivable	697	697	548
Receivables	1 699	941	1 390
Other current receivables	2 956	2 219	1 516
Cash equivalents	95 542	72 627	110 015
Total Current Assets	105 683	79 736	117 983
Total Assets	115 302	89 384	127 912
<b>Shareholders' Equity and Liabilities</b>			
Shareholders' equity attributable to parent company shareholders	105 966	81 094	115 724
<i>Longterm Liabilities</i>			
Deferred tax liability	15	25	23
Total Longterm Liabilities	15	25	23
<i>Current Liabilities</i>			
Accounts payable	2 476	2 157	1 803
Other current liabilities	6 845	6 108	10 362
Total Current Liabilities	9 321	8 265	12 165
Total Liabilities	9 336	8 290	12 188
Total shareholders' equity and liabilities	115 302	89 384	127 912





## 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, 2017	30 654	428 468	156	-366 573	92 705
Profit/loss for the period				-11 612	-11 612
Other comprehensive income			1		1
Total comprehensive income	0	0	1	-11 612	-11 611
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance March 31, 2017	30 654	428 468	157	-378 185	81 094
Opening balance Jan 1, 2018	61 487	463 393	-120	-409 037	115 724
Profit/loss for the period				-9 656	-9 656
Other comprehensive income			-101		-101
Total comprehensive income	0	0	-101	-9 656	-9 757
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance March 31, 2018	61 487	463 393	-221	-418 693	105 966

## Consolidated summary statement of cash flows

SEK 000'	Jan 1 - Mar 31		Jan 1 - Dec 31
	2018	2017	2017
Net Income before taxes	-9 656	-11 612	-53 085
Adjustments for non-cashflow items	311	170	2 150
Cashflow from operating activities before change in working capital	-9 345	-11 423	-41 996
<i>Cashflows from changes in working capital</i>			
Change in Inventory	-276	786	-476
Change in Receivables	3 005	-232	171
Change in Liabilities	-3 066	-1 112	-1 879
<i>Total change in working capital</i>	<i>-336</i>	<i>-558</i>	<i>-2 183</i>
Cashflow from operating activities	-9 682	-11 981	-44 180
<i>Investment activities</i>			
Acquisitions of Fixed Assets	-105	-345	-1 240
Divestment of fixed assets	-	-	-
Cashflow from investment activities	-105	-345	-1 240
<i>Financing activities</i>			
New share issues	-	-	75 000
Expenses related to new share issues	-4 669	-	-4 573
Cashflow from financing activities	-4 669	0	70 427
Cashflow for the period	-14 456	-12 326	25 008
Cash equivalents at start of the year	110 015	84 955	84 955
Exchange rate differences in cash equivalents	-18	-2	52
Cash equivalents at end of the period	95 542	72 627	110 015



## Income statement, Parent Company

SEK 000'	Jan 1 - Mar 31		Apr 1 2017 - Mar 31, 2018	Jan 1 - Dec 31
	2018	2017	Rolling-12	2017
Net Sales	1 077	1 077	4 306	4 306
Gross profit	1 077	1 077	5 383	4 306
Administration expenses	-2 036	-1 805	-8 205	-7 974
Other expenses	0	-	-4	-4
Operating Profit/loss	-959	-728	-3 903	-3 672
<i>Earnings from financial items:</i>				
Profit/Loss from shares in group companies	-11 378	-12 913	-36 724	-38 259
Financial income	-	-	-	-
Financial expenses	-62	-	-103	-41
Profit/loss after financial items	-12 399	-13 641	-40 730	-41 972
Taxes	-	-	-	-
Profit/loss for the period	-12 399	-13 641	-40 730	-41 972

## Statement of other comprehensive income, Parent Company

SEK 000'	Jan 1 - Mar 31		Apr 1 2017 - Mar 31, 2018	Jan 1 - Dec 31
	2018	2017	Rolling-12	2017
Profit/loss for the period	-12 399	-13 641	-40 730	-41 972
<i>Other comprehensive income</i>	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income	-12 399	-13 641	-40 730	-41 972



## Summary Balance Sheet, Parent Company

SEK 000'	Dec 31		Dec 31
	2018	2017	2018
<b>ASSETS</b>			
<i>Fixed Assets</i>			
Shares in Group Companies	137 646	137 646	137 646
Total Fixed Assets	137 646	137 646	137 646
<i>Current Assets</i>			
Current receivables and prepaids	37 249	2 281	26 163
Cash equivalents	59 115	68 234	86 973
Total Current Assets	96 364	70 515	113 136
<b>TOTAL ASSETS</b>	<b>234 010</b>	<b>208 161</b>	<b>250 782</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<i>Shareholder's equity</i>			
Restricted equity			
Share capital	61 487	30 654	61 487
Non-restricted equity			
Other capital contributions	463 447	428 521	463 447
Retained earnings	-281 254	-239 282	-239 282
Profit/Loss for the period	-12 399	-13 645	-41 972
Shareholders equity	231 281	206 248	243 680
Current liabilities	2 729	1 913	7 102
Total liabilities	2 729	1 913	7 102
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>234 010</b>	<b>208 161</b>	<b>250 782</b>

## 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 47-53 of the consolidated annual report for 2017.

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 2018. The corresponding agreement was in-place in 2017, 2016, 2015 and 2014 as well.

### Note 4 Seasonal effects

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

### Note 5 Information regarding operating segments

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

#### First quarter

##### Europe/Rest of the World

Net sales during the period amounted to TSEK 1,892 (1,755) of which Germany accounted for 99 (94)%. 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. Gross profit amounted to a profit of TSEK 876 (465).

##### Other geographical areas

Net sales during the period amounted to TSEK 47 (0). The periods net sales are related to the second 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 24 (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.

SEK 000'	Jan 1 - Mar 31, 2018			Jan 1 - Mar 31, 2017		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	1 892	47	1 939	1 755	0	1 755
Sales between segments	-	-	-	-	-	-
Net sales from external customers	1 892	47	1 939	1 755	0	1 755
Cost of goods	-1 016	-24	-1 040	-1 290	-	-1 290
Gross Profit/Loss	876	24	900	465	0	465
Operating expenses			-10 490			-12 076
Operating profit/Loss			-9 590			-11 611
Financial Income			1			5
Financial Expenses			-67			-6
Group earnings - before tax			-9 656			-11 612

## Revenue per category and segment

Belopp i tkr	Jan 1 - Mar 31 2018		Jan 1 - Mar 31 2017		Rolling-12		Full Year 2017	
	Europe/ Rest of the World	Other segments	Europe/ Rest of the World	Other segments	Europe/ Rest of the World	Other segments	Europe/ Rest of the World	Other segments
Electrodes	1 339	2	1 224	0	5 229	5	5 114	3
Instruments	553	46	531	0	1 735	73	1 714	28
Total	1 892	47	1 755	0	6 965	78	6 828	31

## 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, May 9, 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 May 9, 2018.*

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

Contact person:  
Michael Colérus, CFO

## Quarterly overview

THE GROUP	2018		2017		2016				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, SEK ths	1 939	1 886	1 172	2 046	1 755	1 935	1 580	1 855	1 066
Gross margin, %	46,4%	31,5%	56,8%	34,2%	26,5%	35,0%	44,6%	30,1%	26,3%
Equity/Assets ratio, %	91,9%	90,5%	86,9%	87,2%	90,7%	90,8%	91,3%	92,7%	94,4%
Net indebtedness, multiple	0,09	0,11	0,15	0,15	0,10	0,10	0,09	0,08	0,06
Cash equivalents, SEK ths	95 542	110 015	50 948	60 974	72 627	84 955	98 272	108 786	122 241
Cashflow from operating activities, SEK ths	-9 682	-11 358	-9 796	-11 044	-11 981	-13 032	-10 459	-13 112	-11 247
Earnings per share (before and after dilution), SEK	-0,58	-1,13	-1,06	-1,42	-1,40	-1,77	-1,50	-1,75	-1,40
Shareholder's equity per share, SEK	6,38	12,69	7,31	8,38	9,79	11,19	12,96	14,45	16,19
Average number of shares, 000'	16 618	9 118	8 285	8 285	8 285	8 285	8 285	8 285	8 285
Number of shares at closing of period, 000'	16 618	16 618	8 285	8 285	8 285	8 285	8 285	8 285	8 285
Share price at end of period, SEK	7,45	7,80	18,09	23,13	19,08	19,00	24,91	17,00	23,23
Number of sold electrodes, pieces	4 134	3 936	3 440	5 232	4 096	5 600	3 168	4 016	2 416
Average number of employees	20	20	21	21	22	23	22	19	18

## 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



## Alternative performance measures (APM)

This section contains a reconciliation of certain alternate performance measures (APM) against the most reconcilable items in the financial statements. The reporting of APMs has limitations as analytical tools, and should not be viewed without context or as compensation for financial measures prepared in accordance with IFRS. APMs are reported to improve investors' evaluation of ongoing operating profit, as a means of predicting future periods, and to simplify a meaningful comparison of results between periods. Management uses these APMs to evaluate, among other things, ongoing operations compared with previous results, for internal planning and forecasting, as well as for calculation of certain performance-related compensation. The APMs reported in this interim report may differ from measures with similar terms used by other companies.

Gross Margin (%)			Definition:	Cause of use:
	Q1-2018	Q1-2017		
Gross Profit	900	465	Gross Profit / Loss divided with Net Sales.	The gross margin shows the difference between net sales and the cost of goods sold in % of net sales. The gross margin is affected by several factors such as productmix, price trends, exchange rate fluctuation, efficiency in manufacturing processes etc. This is an important measurement as it provides a better understanding of the Company's progress.
Net Sales	1 939	1 755		
Gross Margin (%)	46,4%	26,5%		
Shareholder Equity ratio (%)			Definition:	Cause of use:
	Q1-2018	Q1-2017		
Total Shareholders' Equity	105 966	81 094	Total Shareholders' Equity at the end of the period divided with Total Assets at the end of the year.	Shareholders equity ratio shows the Group's financial sustainability and the portion that is financed by equity.
Total Assets	115 302	89 384		
Shareholders' Equity ratio (%)	91,9%	90,7%		
Debt ratio (times)			Definition:	Cause of use:
	Q1-2018	Q1-2017		
Total Liabilities	9 336	8 290	Total debt in relation to Total Shareholders' Equity.	The debt ratio indicates how much debt the Company is using to finance its assets relative to the value of shareholders' equity. It is closely connected to the Shareholder's equity ratio.
Total Shareholders' Equity	105 966	81 094		
Debt ratio (times)	0,09	0,10		
Earnings per share, after dilution (sek)			Definition:	Cause of use:
	Q1-2018	Q1-2017		
Profit/Loss for the period	-9 656	-11 612	Is the portion of a company's profit allocated to each outstanding share of common stock after dilution. The result per share after the dilution is no different than before the dilution due to that potential common stock do not give rise to a dilution effect.	This shows the value per share.
Average number of shares (thousand)	16 618	8 285		
Earnings per share (sek)	-0,58	-1,40		
Shareholders' equity per share (sek)			Definition:	Cause of use:
	Q1-2018	Q1-2017		
Shareholders' Equity	105 966	81 094	Shareholders' equity divided with the average number of shares after dilution	The shareholders' equity per share provides a measure of the net worth per share and can be set in relation to the actual stock price
Average number of shares (thousand)	16 618	8 285		
Shareholders' equity per share	6,38	9,79		
Average number of shares (thousand)			Definition:	Cause of use:
	Q1-2018	Q1-2017		
Opening balance - Jan 1	16 618	8 285	The average number of issued shares.	The average number of shares gives a more accurate picture of the result and shareholders' equity due to the fact that the number of shares can change.
Closing balance - March 31	16 618	8 285		
Average number of shares (thousand)	16 618	8 285		



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### Future reporting dates

AGM 2018, May 16 2018

Interim report January – June, August 21 2018

Interim report, January – September, November 13 2018

Year-end report 2018, February 2019

