Year-end report

January 1 – December 31, 2018

The fourth quarter in figures

- Net sales amounted to TSEK 2,030 (1,886).
- The loss after tax amounted to TSEK 11,506 (10,295).
- The loss per share amounted to SEK 0.69 (1.13).
- The cash flow from current operations was negative in the amount of TSEK 9,990 (11,358).
- The gross margin increased to 52.1% (31,5%).
- Electrode sales in volume decreased by 2% and reached 3,872 (3,936) units. Repeat sales of electrodes to existing customers increased by 6%.

The full year in figures

- Net sales amounted to TSEK 6,899 (6,859).
- The loss after tax amounted to TSEK 44,215 (42,464).
- The loss per share amounted to SEK 2.66 (5.00).
- The cash flow from current operations was negative in the amount of TSEK 37,482 (44,180).
- The gross margin increased to 52.0% (35.4%).
- Electrode sales in volume decreased by 7% and reached 15,478 (16,704) units. Repeat sales of electrodes were at the same level as 2017.

Important events during the quarter

- Sales on the company's key market Germany increased by 41% in the quarter driven by system sales to new customers.
- A new German clinical guideline supported by Onkoderm was published. The guidelines support the use of Nevisense in the evaluation of lesions with suspicion of melanoma and also include a recommendation for reimbursement.
- SciBase and the Swiss Institute of Allergy and Asthma Research, Davos Switzerland (SIAF-SFI) announced the signing of a formal collaboration agreement within the area of barrier function testing using Electrical Impedance Spectroscopy (EIS). In addition the partners have jointly filed a patent application covering the use of electrical impedance testing for the evaluation of epithelial barrier function, potentially a unique tool to help address some of the most common disorders such as eczema, food allergy, allergic rhinitis and asthma.
- A new US study was published online in the Journal of the American Academy of Dermatology (JAAD) that showed good potential for Nevisense to improve clinical decision-making.
- The Company participated in the Fall Clinical meeting in Las Vegas.
- A nominating committee was appointed

Important events after the end of the period

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

Financial overview

	Oct 1 - Dec 31		Jan 1 - Dec 31	
THE GROUP	2018	2017	2018	2017
Net sales, SEK ths	2 030	1 886	6 899	6 859
Gross margin, %	52,1%	31,5%	52,0%	35,4%
Equity/Asset ratio, %	88,1%	90,5%	88,1%	90,5%
Net indebtness, multiple	0,13	0,11	0,13	0,11
Cash equivalents, SEK ths	67 514	110 015	67 514	110 015
Cashflow from operating activities, SEK ths	-9 990	-11 358	-37 482	-44 180
Earnings per share (before and after dilution), SEK	-0,69	-1,13	-2,66	-5,00
Shareholder's equity per share, SEK	4,30	12,69	4,30	13,63
Average number of shares, 000'	16 618	9 118	16 618	8 493
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618
Share price at end of period, SEK	3,10	7,80	3,10	7,80
Number of sold electrodes, pieces	3 872	3 936	15 478	16 704
Average number of employees	19	20	19	21

Definitions and a glossary are provided on page 17.

Comment by CEO Simon Grant

" Good sales growth in Germany and significantly improved gross margin"

Q4 Highlights

- Sales in Germany up 41% from Q4 2017 driven by Nevisense 3.0 and guidelines.
- Gross margin exceeded 50% for the third consecutive quarter, reaching 52.1% (31.5%).
- Publication of German (Onkoderm) guidelines supporting Nevisense and recommending reimbursement.
- Barrier function testing research collaboration agreement signed.
- First US reimbursement claims submitted.
- New US study published on-line in JAAD showing the effect of Nevisense on patient management.

Sales and Nevisense 3.0

After the release of Nevisense 3.0 in late Q3, we saw a significant increase in both interest and new system sales in Germany, our core market. This trend was strengthened by the publication of the German Onkoderm guidelines for Nevisense use in November. Sales in the fourth quarter grew by 41% in Germany while overall sales grew by 1% as the fourth quarter of 2017 included an order to the Italian distributor (0.5 MSEK). Most of the sales growth in Germany came from sales of devices to new customers. It is very encouraging to see increased sales to new customers and we are working to keep the momentum going in 2019. During Q4 we upgraded two-thirds of our installed base in Germany to Nevisense 3.0 and all indications are that the new algorithm and simplified method is seen as a significant improvement. Again, early signs indicate that this is translating to increased test usage within our existing customer base. Although sales outside Germany continue to be challenging, we see a renewed interest after the release of Nevisense 3.0 and hope to see other markets start contributing to our 2019 sales.

German guidelines

The publication of the German Onkoderm guidelines was one of the key factors behind our good sales growth in Germany in the fourth quarter. The guideline supporting the use of Nevisense in the evaluation of lesions with suspicion of melanoma was published in the German magazine "Der Deutsche Dermatologe". The guideline is written by Prof Welzel, and Prof Reinhold, and has the backing and support of Onkoderm, a German dermatology society for skin cancer prevention and therapy. The article is titled "EIS: Atypien von Hautveränderungen präzise messen" or in English "EIS: Precise measurement of atypia of skin lesions". It outlines a recommended protocol for the use of Nevisense in the evaluation of lesions where there is suspicion of malignant melanoma and the recommended action based on the result of the Nevisense measurement. The article also includes a reimbursement recommendation from Onkoderm. Guidelines are an essential step along the way towards creating a standard of care. The combination of Nevisense 3.0 and the publication of new guidelines were essential drivers for our Q4 sales growth in Germany.

Barrier function testing – exciting new opportunity

Part of our strategy is to develop further clinical applications based on our core technology, EIS (Electric Impedance Spectroscopy). The signing of a formal collaboration agreement with the Swiss Institute of Allergy and Asthma Research, Davos Switzerland (SIAF-SFI), within the area of barrier function testing was an important step towards us becoming not just a melanoma detection Company but a skin diagnostics Company.

Why do we think this is important with a possible large future sales potential? It is well known that an impaired skin barrier is a critical factor in the development of atopic dermatitis (AD) or eczema. An impaired skin barrier function at birth is predictive of the development of AD and often precedes food allergy because reduced skin barrier function allows environmental food allergens to penetrate the skin leading to systemic allergen sensitization. Children who develop AD are more likely to develop further atopic diseases such as food allergy, allergic rhinitis and asthma. This is called the atopic or allergic 'march'. Enhancing the skin barrier has also been shown to help avoid the development of AD in children.

The current gold standard for the measurement of barrier function is a method called 'Transepidermal water loss' or TEWL which measures the rate of evaporation of water through the skin. This is an accepted research method but has never been considered clinical due to several practical measurement difficulties. Several studies published by our founder Stig Ollmar and others in the late 90's and early 00s showed that impedance and TEWL measurements were inversely correlated in humans.

The ability to easily detect an impaired skin barrier has significant potential to help detect, manage and treat atopic diseases before the development of AD or sensitization. EIS has great potential here, is clinically practical (unlike TEWL), and potentially offers more useful diagnostic information. We have together with SIAF filed a joint patent application within this area and we are now waiting for the first clinical data to be published. We see a high interest from the research community and believe this group will be our short-term sales target within the barrier area.

USA

We have recently participated in three meetings, first the Fall Clinical meeting in October in Las Vegas, the Mt Sinai Winter clinical in New York in December and then the Winter Clinical meeting in Hawaii in January. All meetings had presentations of Nevisense included in the scientific program.

Winter Clinical in January

A major milestone in the US is to achieve reimbursement, which is a process that takes time. Broad sales uptake is dependent on this and until then our focus continues to be on so called self-pay clinics and on the reimbursement process. It is pleasing that we now have the first claims submitted to insurance companies. This is an important step towards starting a dialogue around reimbursement.

In January we received news from FDA that our first supplement to our original PMA was approved. This means that we now have the same hardware version approved in the US as in Europe. The work to also have the new software improvements i.e. Nevisense 3.0, approved continues, but the timeline to receive this approval in the US is not yet finalised.

Gross Margin improvements

We have improved our gross margin and it now exceeds 50% for the third consecutive quarter. This is the result of continuous process improvements from our production team. For the quarter it reached 52.1 (31.5)% and for the full year 52.0 (35.4)%. Our medium-term goal for gross margin is around 70% and though the quarterly margin will fluctuate, we believe we are making good progress towards this target. To take the next steps in further margin improvements additional investments are necessary during 2019. These will be implemented during the year and we believe that they will contribute to an improved margin towards the end of the year.

Continued cost focus and improved cash flow

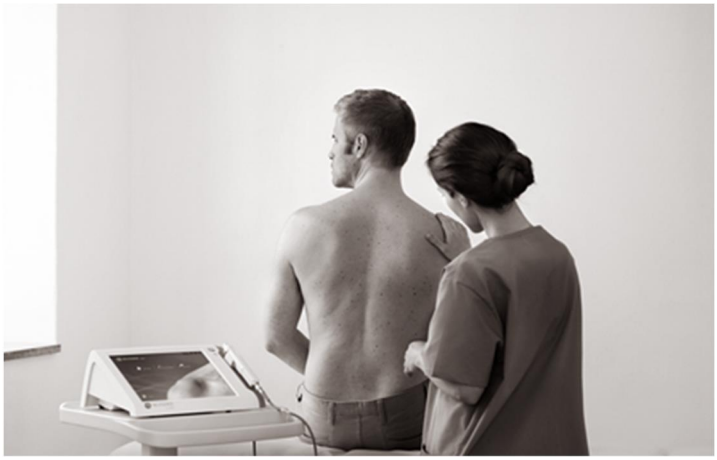
We continue to have a major focus on cost control and our cash flow. Our increased sales and marketing investments in the US have been balanced by a reduced cost-base and footprint in Stockholm, mainly by utilising internal resources for our product development.

Our accumulated operating cash flow improved by MSEK 6.7 compared to 2017 as a result of this.

The release of Nevisense 3.0 is the most significant update to our product so far. It not only improves accuracy, but it makes it much easier to integrate Nevisense into the clinic workflow. We have seen an immediate reaction in increased system sales in Germany and hopefully it will continue and drive usage as well.

With the high interest that we see within the barrier function area we will now also focus on sales to researchers and companies, while developing a more clinical software module for this area. We believe that the interest we see within the barrier function represents a significant opportunity and so combined with Nevisense 3.0, we expect that 2019 can be a breakthrough year for SciBase.

Simon Grant, CEO
Sundbyberg February 20, 2019



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 (TGA).

In addition to detecting malignant melanoma, SciBase is working to add further 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. Currently SciBase is conducting clinical trials with leading academic and clinical centers. The plan is to start commercialization of the first application barrier function, as soon as possible with a focus on researchers.

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

Business model

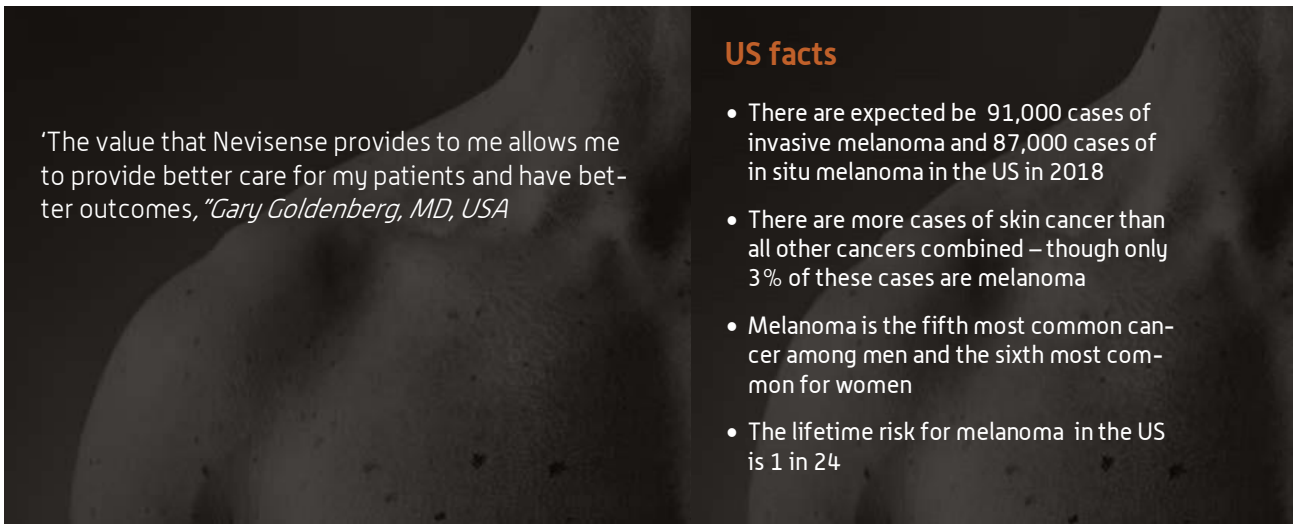
The company's business model is based on customers initially purchasing a Nevisense instrument then buying disposables (electrodes) on an on-going basis. Each electrode can only be used on one patient but then on multiple moles or skin areas.

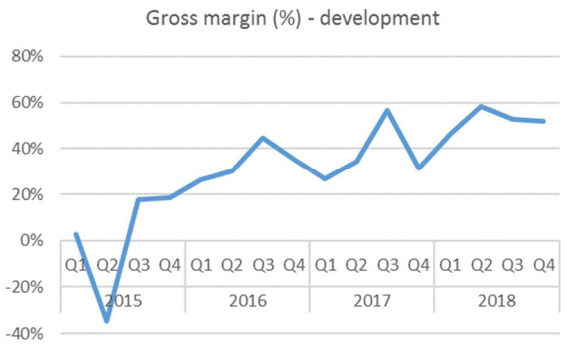
Short facts

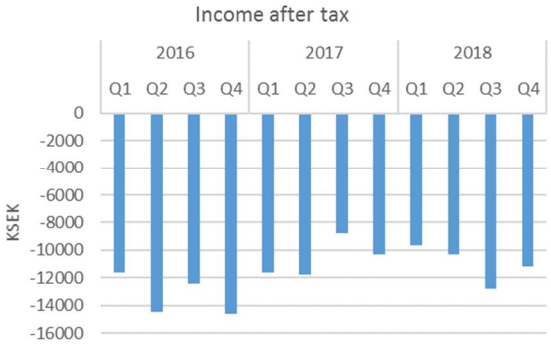
- Skin cancer is the most common and fastest-growing form of cancer in the world.
- Malignant melanoma is the most dangerous form of skin cancer with a high mortality rate if not detected early.
- In the United States, expenditure for the treatment of malignant melanoma is approximately USD 3.3 billion annually, equivalent to 41% of expenditure for skin cancer. In a recent 5 year period, melanoma expenditure 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 over two 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.

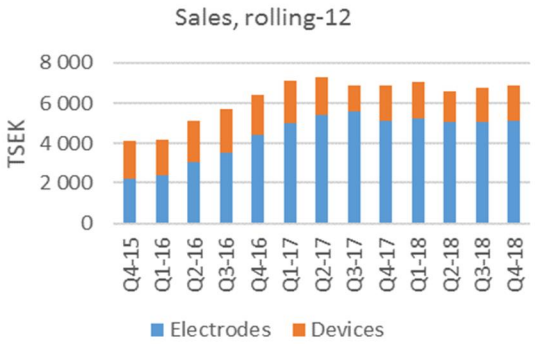
Certified Advisor (CA)

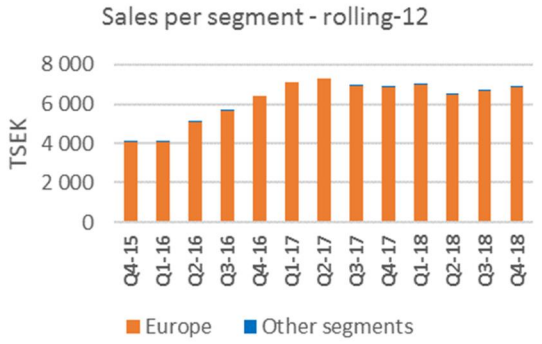
Avanza
Email: corp@avanza.se
Tel: +46 8 409 421 20











Fourth quarter

Net Sales

Net sales for the fourth quarter of 2018 amounted to TSEK 2,030 (1,886), an increase of 8%, cleared for currency effects the sales increased by 0,5%. Of this, sales of instruments accounted for TSEK 737 (672) and sales of electrodes for TSEK 1,293 (1,214). The fourth quarter 2017 included sales to the new Italian distributor of just below MSEK 0.5. Cleared for this one-time sale, sales in the quarter increased by almost 42%. The launch of Nevisense 3.0 for sales in Germany and the publication of the German Onkoderm guidelines were the main factors behind the positive sales development in the quarter. The sales in Germany, where we have our primary focus, accounted for 97 (74)% of the sales in the period. Sales in Germany increased by 41% compared to the fourth quarter of 2017. Cleared for currency effects the sales in Germany increased by 35%.

The total sales of electrodes in the quarter reached 3,872 (3,936), a decrease of 2%. In Germany the total sales of electrodes in volume increased by 14% and repeat sales to recurring customers increased by 6%.

Operating profit/loss

The operating loss for the period October- December 2018 amounted to TSEK 11,476 (10,295), an increased loss of TSEK 1,181. The slight decline in operating income is to a large extent due increased market investments and regulatory activities in the US. Currency effects negatively affected the operating loss by approximately MSEK 0.3.

The gross margin in the period was 52.1 (31.5)%. The gross margin continues to be stable over 50% and the main reasons for this are a stable production environment with an improved yield through the introduction of a semi-automated manufacturing process, and positive currency effects. When cleared for currency effects the gross margin would have been around 49%. The margin remains very volume dependent.

Sales and marketing expenses increased by TSEK 631 and amounted to TSEK 6,832 (6,201). The expenses has in the period been affected by continued increased market investments in the US and negative currency effects balanced in-part by decreased headcount and marketing expenses outside Germany and the US.

Administration expenses for the period amounted to TSEK 2,354 (2,287), an increase of TSEK 67.

Development expenses for the period amounted to TSEK 2,886 (2,402), an increase of TSEK 484. The increase was primarily due to regulatory activities in the US.

After the received approval in January 2019 of Nevisense 2.0 in the US it was decided to write off the old US specific systems still in inventory in 2018 which affected the quarters loss negatively by MSEK 0,3.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 77,552 and, at the end of the period, to TSEK 67,514.

Cash flow from current operations for the period was negative to the amount of TSEK 9,990 (11,358), of which changes in working capital amounted to a positive TSEK 752 (negative 913). The negative operating cash flow improved mainly due to changes in working capital. Total cash flow for the period was negative to the amount of TSEK 10,036 (positive 59,011). The total cash flow in the fourth quarter 2017 was positively affected by the rights offer, which, after issue costs, raised approximately MSEK 66 net.

Net investments in tangible assets for the period amounted to TSEK 46 (58) 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 221 (192).

Full Year

Net Sales

Net sales for the full year 2018 amounted to TSEK 6,899 (6,859), an increase of 1%, cleared for currency effects the sales decreased by 5,5%. Of this, sales of instruments accounted for TSEK 1,755 (1,741) and sales of electrodes for TSEK 5,144 (5,117). The sales in Germany, where we have our primary focus, accounted for 98 (89)% of the sales in the period. Sales in Germany increased in value by 11% compared to 2017. Cleared for currency effects the sales in Germany increased by 5%. After the launch of Nevisense 3.0 and the publication of the Onkoderm guidelines we see a trend break in the sales development on the German market.

The total sales of electrodes for 2018 reached 15,478 (16,704), a decrease of 7%. In Germany a good fourth quarter meant that sales of electrodes in volume and sales to recurring customers reached the same levels as 2017.

Operating profit/loss

The operating loss for the full year 2018 amounted to TSEK 44,019 (42,433), an increased loss of TSEK 1,586. The decline in operating income is mainly due to the scrapping of equipment related to previous investments for a fully automated electrode manufacturing process to the amount of MSEK 4.3. The decision was based on the fact that the previous development of a fully automated process over the last two years has gradually been replaced by a more cost-effective implementation and plan for the electrode manufacturing process. Cleared for the scrapping costs the operating loss improved by MSEK 2.8. The adjusted improved operating result is mainly due to decreased development expenses for the in the second quarter 2017 completed PMA process and decreased external consultants, reduced administration expenses and an improved gross margin. In spite of increased market investments and negative currency effects the operating expenses, adjusted for scrapping costs, decreased by 4%, cleared for currency effects the decrease was 8%. The net currency effect impacted the year's earnings negatively by approximately MSEK 1.2.

The gross margin for the year was 52.0 (35.4)%. The main reasons for the improved margin level are a stable production with an improved yield through the introduction of a semi-automated manufacturing process, positive currency effects and that the margin in Q1 2017 was negatively affected by scrapping. Cleared for currency effects the gross margin would have been 49%. The margin remain very volume dependent.

Sales and marketing expenses increased by TSEK 1,182 and amounted to TSEK 24,002 (22,820). The expenses increased mainly due to increased market investments in the US and negative currency effects in-part balanced by reduced headcount and activities outside Germany and the US.

Administration expenses for the year amounted to TSEK 8,849 (9,100), a decrease of TSEK 251. The decrease is mainly thanks to reduced consultancy costs and lower rent for the offices. The administration expenses in 2017 included relocation expenses of the Company's head offices.

Development expenses for the year amounted to TSEK 10,395 (12,861), a decrease of TSEK 2,466. The decreased expenses are primarily due to a MSEK 0.6 (1.2 vs 1.8) decrease in the period due to the in Q2 2017 completed PMA process and reduced external consultants.

Cash flow, investments and financial position

At the beginning of the year, cash and cash equivalents amounted to TSEK 110,015 and, at the end of the year, to TSEK 67,514.

Cash flow from current operations for the year was negative to the amount of TSEK 37,482 (44,180), of which changes in working capital amounted to a positive TSEK 1 110 (negative 2,183). The negative operating cash flow improved mainly due to the reduced loss as the above-mentioned scrapping is a non-cash item and by changes in working capital. Total cash flow for 2018 was negative to the amount of TSEK 42,449 (positive 25,007). The total cash flow 2018 was negatively affected by during the first quarter paid issue costs of MSEK 4.7 related to the share issue closed in December 2017 while the cash flow for 2017 was positively affected by the rights offer raising net MSEK 66.

Net investments in tangible assets for the year amounted to TSEK 298 (1,240) and mainly involved investments in demo instruments. Investments in intangible assets for the year amounted to TSEK 0 (0).

Depreciation of tangible assets was charged against earnings for the year to the value of TSEK 841 (722).

Other disclosures

Shareholders

At the end of the year, SciBase Holding AB had approximately 1,092 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 31, 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 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 period, the number of employees amounted to 21 (21), of whom 38 (38)% 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

During the year, 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 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 December 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 year reached TSEK 4,306 (4,306). The loss for the period amounted to TSEK 46,748 (41,972). 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 42.9 (38.3).

Significant events during the quarter

A new clinical guideline supporting the use of Nevisense in the evaluation of lesions with suspicion of melanoma was published in the German magazine "Der Deutsche Dermatologe". The guideline was written by Prof Julia Welzel, Augsburg and Prof Uwe Reinhold, Bonn and has the backing and support of Onkoderm, a German dermatology society for skin cancer prevention and therapy. The article is titled "EIS: Atypien von Hautveränderungen präzise messen" or in English "EIS: Precise measurement of atypia of skin lesions". It outlines a recommended protocol for the use of Nevisense in the evaluation of lesions where there is suspicion of malignant melanoma and the recommended action based on the result of the Nevisense measurement. The article also includes a reimbursement recommendation from Onkoderm.

SciBase and the Swiss Institute of Allergy and Asthma Research, Davos Switzerland (SIAF-SFI) announced the signing of a formal collaboration agreement within the area of barrier function testing using Electrical Impedance Spectroscopy (EIS). In addition the partners have jointly filed a patent application covering the use of electrical impedance testing for the evaluation of epithelial barrier function, potentially a unique tool to help address some of the most common disorders such as eczema, food allergy, allergic rhinitis and asthma. The agreement formalises a research co-operation project that has been ongoing over a period of nearly three years. The co-operation has also resulted in the submission of an animal study research paper to a leading scientific journal which outlines the use and potential of EIS in skin barrier evaluation.

At the Fall Clinical meeting in Las Vegas, Dr. Rigel presented the results from a new study. The study, titled "Assessment of Clinician Accuracy for Diagnosing Melanoma Based on Electrical Impedance Spectroscopy Score Plus Morphology Versus Lesion Morphology Alone" by Dr Ryan M. Svoboda and others was published online in the Journal of the American Academy of Dermatology (JAAD). The study was performed as a Reader study in the US, with 164 US physicians reviewing and evaluating clinical images of lesions. The aim of the study was to assess the impact of Nevisense results on the clinician's diagnostic accuracy and biopsy decisions. Overall 7,380 clinical decisions were made, first based on a lesion's visual characteristics alone, and secondly based on visual characteristics combined with the Nevisense test result. The addition of Nevisense resulted in 402 fewer missed melanomas and a net decrease of 376 benign biopsies.

A nominating committee consisting of members from the three largest owners and the chairman of the Board has been appointed; Andreas Pennervall, Chairman (SEB Venture Capital), Filip Petersson (SEB pensionsstiftelse), Christer Jönsson (Fouriertransform) and Tord Lendau (chairman of the Board).

Significant events after the period

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

Consolidated summary Income Statement

	Oct 1 - Dec 31		Jan 1 - Dec 31	
SEK 000'	2018	2017	2018	2017
Net sales	2 030	1 886	6 899	6 859
Cost of goods sold	-972	-1 291	-3 313	-4 433
Gross Profit/Loss	1 057	595	3 586	2 425
Sales and marketing expenses	-6 832	-6 201	-24 002	-22 820
Administration expenses	-2 354	-2 287	-8 849	-9 100
Development expenses	-2 886	-2 402	-10 395	-12 861
Other operating income	60	67	183	163
Other operating expenses	-520	-70	-4 542	-240
Operating Income	-11 476	-10 298	-44 019	-42 433
Financial income	0	14	2	29
Financial expenses	-31	-11	-199	-60
Profit/Loss before taxes	-11 506	-10 295	-44 215	-42 464
Income tax	-	-	0	0
Profit/Loss for the period	-11 506	-10 295	-44 215	-42 464
Net Profit/Loss attributable to:				
Parent company shareholders	-11 506	-10 295	-44 215	-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)*	-0,69	-1,13	-2,66	-5,00
Average number of shares outstanding	16 618	9 118	16 618	8 493

Consolidated summary statement of comprehensive income

	Oct 1 - Dec 31		Jan 1 - Dec 31	
SEK 000'	2018	2017	2018	2017
Profit/loss for the period	-11 506	-10 295	-44 215	-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	0	-2	43	-8
Tax effect attributable to changes in fair value on financial assets that can be sold	1	0	4	2
Translation differences on foreign operations	-416	-35	-78	-270
Sum other comprehensive income	-415	-37	-31	-276
Total comprehensive income for the period	-11 921	-10 332	-44 246	-42 740
Total comprehensive income attributable to:				
Parent company shareholders	-11 921	-10 332	-44 246	-42 740

Consolidated summary statement of financial position

	Dec 31	
SEK 000'	2018	2017
ASSETS		
Fixed Assets		
Tangible fixed assets	3 881	8 761
Financial fixed assets	1 211	1 168
Total Tangible Assets	5 092	9 929
Current Assets		
Inventory	3 878	4 514
Current tax receivable	548	548
Receivables	1 575	1 390
Other current receivables	2 506	1 516
Cash equivalents	67 514	110 015
Total Current Assets	76 021	117 983
Total Assets	81 113	127 912
Shareholders' Equity and Liabilities		
Shareholders' equity attributable to parent company shareholders	71 478	115 724
Longterm Liabilities		
Deferred tax liability	21	23
Total Longterm Liabilities	21	23
Current Liabilities		
Accounts payable	1 445	1 803
Other current liabilities	8 169	10 362
Total Current Liabilities	9 614	12 165
Total Liabilites	9 635	12 188
Total shareolders' equity and liabilities	81 113	127 912

Consolidated change in shareholders' equity

SEK 000'	Share Capital	Other Capital Contributions	Reserves	Accumulated Loss	Total shareholders' Equity attributable to parent company shahodlers
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
Transactions with shareholders:					
New share issue	30 833	44 167			75 000
Issue expenses		-9 242			-9 242
Total transactions with shareholders	30 833	34 925	0	0	65 758
Closing balance Dec 31, 2017	61 487	463 393	-120	-409 037	115 724
Opening balance Jan 1, 2018	61 487	463 393	-120	-409 037	115 724
Profit/loss for the period				-44 215	-44 215
Other comprehensive income			-31		-31
Total comprehensive income	0	0	-31	-44 215	-44 245
Transactions with shareholders:					
Total transactions with shareholders	0	0	0	0	0
Closing balance Dec 31, 2018	61 487	463 393	-151	-453 251	71 478

Consolidated summary statement of cash flows

	Oct 1 - Dec 31		Jan 1 - Dec 31	
SEK 000'	2018	2017	2018	2017
Cashflow from operating activities before change in working capital	-10 743	-10 445	-38 592	-41 996
Cashflows from changes in working capital				
Change in Inventory	153	-5	636	-476
Change in Receivables	997	707	-1 175	171
Change in Liabilities	-398	-1 615	1 648	-1 879
Total change in working capital	*752*	*-913*	*1 110*	*-2 183*
Cashflow from operating activities	-9 990	-11 358	-37 482	-44 180
Investment activities				
Acquisitions of Fixed Assets	-46	-58	-298	-1 240
Cashflow from investment activities	-46	-58	-298	-1 240
Financing activities				
New share issues	-	75 000	-	75 000
Expenses related to new share issues	0	-4 573	-4 669	-4 573
Cashflow from financing activities	0	70 427	-4 669	70 427
Cashflow for the period	-10 036	59 011	-42 449	25 007
Cash equivalents at start of the year	77 552	50 948	110 015	84 955
Exchange rate differences in cash equivalents	-2	56	-52	52
Cash equivalents at end of the period	67 514	110 015	67 514	110 015

Income statement, Parent Company

	Oct 1 - Dec 31		Jan 1 - Dec 31	
SEK 000'	2018	2017	2018	2017
Net Sales	1 077	1 076	4 306	4 306
Gross profit	1 077	1076	4 306	4306
Administration expenses	-1 996	-2 304	-7 947	-7 974
Other expenses	-	-	0	-
Operating Profit/loss	-919	-1 228	-3 640	-3 668
Earnings from financial items:				
Profit/Loss from shares in group	-10 418	-6 638	-42 923	-38 259
Financial income	-	-	-	-
Financial expenses	-24	-9	-185	-41
Profit/loss after financial it	-11 360	-7 866	-46 748	-41 968
Taxes	-	-	-	-
Profit/loss for the period	-11 360	-7 866	-46 748	-41 968

Statement of other comprehensive income, Parent Company

	Oct 1 - Dec 31		Jan 1 - Dec 31	
SEK 000'	2018	2017	2018	2017
Profit/loss for the period	-11 360	-7 866	-46 748	-41 968
Other comprehensive income	-	-	-	-
Total other comprehensive	-	-	-	-
Total comprehensive incom	-11 360	-7 866	-46 748	-41 968

Summary Balance Sheet, Parent Company

	Dec 31	
SEK 000'	2018	2017
ASSETS		
Fixed Assets		
Shares in Group Companies	137 646	137 646
Total Fixed Assets	137 646	137 646
Current Assets		
Current receivables and prepaids	24 842	26 163
Cash equivalents	37 874	86 973
Total Current Assets	62 716	113 136
TOTAL ASSETS	200 362	250 782
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholder's equity		
Restricted equity		
Share capital	61 487	61 487
Non-restricted equity		
Other capital contributions	463 445	463 447
Retained earnings	-281 254	-239 282
Profit/Loss for the period	-46 749	-41 972
Shareholders equity	196 929	243 680
Current Liabilities		
Current liabilities	3 432	7 102
Total liabilities	3 432	7 102
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	200 362	250 782

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. On January 1, 2018, IFRS 15 Revenue from agreements with customers and IFRS 9 Financial Instruments came into force. IFRS 15 regulates how accounting for income is to be done and IFRS 9 deals with the classification, valuation and accounting of financial instruments. In 2017, the Group completed an analysis of the effects of implementation of these two standards. There are no significant effects from the implementation that affect earnings or the financial position.

IFRS 16 - Leases is effective as of 1 January 2019. For leases, the standard eliminates the classification of leases as either operating or finance, as required by IAS 17, and instead introduces a single lease accounting model. Applying that model, a lessee is required to recognize, (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of leased assets separately from interest on lease liabilities in the income statement.

SciBase has applied the modified retrospective method when transitioned to IFRS 16 on 1 January 2019 meaning that SciBase will not recalculate the financial statements for 2018. The lease liability is the sum of the present value of all future payments until lease end date. The practical expedient to set the right of use asset (before adjustments for any prepayments) equal to the lease liability has been applied for the transition. The rate for discounting the lease payments is the Group's incremental borrowing rate with consideration to the maturity of the lease contracts. The practical expedient for definition of a lease has been applied, which means that all components within a lease has been considered as a lease component. The short-term lease exception and the asset of low value exception has also been applied.

The estimated opening balance of the lease liability and the Right-of-use assets is around 7.4 MSEK for current lease contracts. The largest asset class of leases is office space.

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.

Fourth quarter

Europe/Rest of the World

Net sales during the period amounted to TSEK 2,030 (1,858) of which Germany accounted for 97 (75)%. In the period the focus for the sales and marketing effort has continued to be Germany with the Company's own sales organization. Gross profit amounted to a profit of TSEK 1,057 (597).

Other geographical areas

Net sales during the period amounted to TSEK 0 (28). Gross profit amounted to TSEK 0 (2).

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.

Full Year

Europe/Rest of the World

Net sales during the year amounted to TSEK 6,852 (6,828) of which Germany accounted for 99 (89)%. In 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. Gross profit amounted to a profit of TSEK 3,563 (2,423).

Other geographical areas

Net sales during the year amounted to TSEK 47 (31). The net sales in the year 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 (3).

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.

	Oct 1 - Dec 31, 2018			Oct 1 - Dec 31, 2017		
SEK 000'	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	2 030	0	2 030	1 858	28	1 886
Sales between segments	-	-	-	-	-	-
Net sales from external customers	2 030	0	2 030	1 858	28	1 886
Cost of goods	-972	0	-972	-1 265	-26	-1 291
Gross Profit/Loss	1 057	0	1 057	593	2	595
Operating expenses			-12 533			-10 893
Operating profit/Loss			-11 475			-10 298
Financial Income			0			14
Financial Expenses			-31			-11
Group earnings - before tax			-11 506			-10 295

	Jan 1 - Dec 31, 2018			Jan 1 - Dec 31, 2017		
SEK 000'	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Segment - Net sales	6 852	47	6 899	6 828	31	6 859
Sales between segments	-	-	-	-	-	-
Net sales from external customers	6 852	47	6 899	6 828	31	6 859
Cost of goods	-3 289	-24	-3 313	-4 405	-28	-4 433
Gross Profit/Loss	3 563	23	3 586	2 423	3	2 426
Operating expenses			-47 605			-44 858
Operating profit/Loss			-44 019			-42 433
Financial Income			2			29
Financial Expenses			-199			-60
Group earnings - before tax			-44 215			-42 464

	Oct 1 -Dec 31 2018		Oct 1 - Dec 31 2017		Jan 1 - Dec 31 2018		Jan 1 - Dec 31 2017	
Belopp i tkr	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	1 293	0	1 214	0	5 143	2	5 114	3
Instruments	737	0	644	28	1 710	46	1 714	28
Total	2 030	0	1 858	28	6 852	47	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, February 20, 2019

Tord Lendau Chairman of the Board	Per Aniansson Board member	Thomas Eklund Board member
Diana Ferro 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. The information was submitted for publication, through the agency of the contact person set out below, at 12.15 CET on February 20, 2019.

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

Contact person:
Michael Colérus, CFO, +46 70 341 34 72

Quarterly overview

	2018				2017				2016
THE GROUP	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales, SEK ths	2 030	1 359	1 571	1 939	1 886	1 172	2 046	1 755	1 935
Gross margin, %	52,1%	52,6%	58,2%	46,4%	31,5%	56,8%	34,2%	26,5%	35,0%
Equity/Asset ratio, %	88,1%	89,2%	92,0%	91,9%	90,5%	86,9%	87,2%	90,7%	90,8%
Net indebtness, multiple	0,13	0,12	0,09	0,09	0,11	0,15	0,15	0,10	0,10
Cash equivalents, SEK ths	67 514	77 551	85 231	95 542	110 015	50 948	60 974	72 627	84 955
Cashflow from operating activities, SEK ths	-9 990	-7 692	-10 119	-9 682	-11 358	-9 796	-11 044	-11 981	-13 032
Earnings per share (before and after dilution), SEK	-0,69	-0,77	-0,62	-0,58	-1,13	-1,06	-1,42	-1,40	-1,77
Shaeholder's equity per share, SEK	4,30	4,97	5,76	6,38	12,69	7,31	8,38	9,79	11,19
Average number of shares, 000'	16 618	16 618	16 618	16 618	9 118	8 285	8 285	8 285	8 285
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618	16 618	8 285	8 285	8 285	8 285
Share price at end of period, SEK	3,10	4,52	6,45	7,45	7,80	18,09	23,13	19,08	19,00
Number of sold electrodes, pieces	3 872	3 088	4 304	4 134	3 936	3 440	5 232	4 096	5 600
Average number of employees	19	19	20	20	20	21	21	22	23

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.

APM for the period January – September.

Gross Margin (%)

	2018	2017
Gross Profit	3 586	2 425
Net Sales	6 899	6 859
Gross Margin (%)	52,0%	35,4%

Definition:
Gross Profit / Loss divided with Net Sales.

Cause of use::
The gross margin shows the difference betweend 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 manufactruing processess etc. This is an important measurement as it provides a better understanding of the Company's progress.

Shareholder Equity ratio (%)

	2018	2017
Total Shareholders' Equity	71 478	115 724
Total Assets	81 113	127 912
Shareholders' Equity ratio (%)	88,1%	90,5%

Definition:
Total Shareholders' Equity at the end of the period divided with Total Assets at the end of the year.

Cause of use:
Shareholders equity ratio shows the Group's financial sustainability and the portion that is financed by equity.

Debt ratio (times)

	2018	2017
Total Liabilities	9 635	12 188
Total Sharholders´Equity	71 478	115 724
Debt ratio (times)	0,13	0,11

Definition:
Total debt in relation to Total Shareholders' Equity.

Cause of use:
The debt ratio indicates how much debt the Company is using to finance its assets relative to the value of of shareholders' equity. It is closely connected to the Shareholder's equity ratio.

Earnings per share, after dilution (sek)

	2018	2017
Profit/Loss for the period	-44 215	-42 464
Average nu,ber of shares (thousand)	16 618	8 493
Earnings per share (sek)	-2,66	-5,00

Definition:
Is the portion of a company's profit allocated 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.

Cause of use:
This shows the value per share.

Shareholders' equity per share (sek)

	2018	2017
Shareholders' Equity	71 478	115 724
Average nu,ber of shares (thousand)	16 618	8 493
Shareholders' equity per share	4,30	13,63

Definition:
Shareholders' equity divided with the average number of shares after dilution

Cause of use:
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)

	2018	2017
Opening balance - Jan 1	16 618	8 285
Closing balance - Dec 31	16 618	16 618
Avergae number of shares (thousand)	16 618	8 493

Definition:
The aveage number of issued shares.

Cause of use:
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.

Simon Grant
CEO
+46 72 887 43 99
simon.grant@scibase.com

Michael Colérus
CFO
+46 70 341 34 72
michael.colerus@scibase.com

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

Future reporting dates

Interim report Q1-2019, May 10 2019

AGM 2019, May 16 2019

Interim report Q2-2019, August 22 2019

Interim report Q3-2019, November 13 2019