

Interim report

January 1 – March 31, 2020

The first quarter in figures

- Net sales amounted to TSEK 2,496 [2,368].
- The loss after tax amounted to TSEK 8,936 [8,906].
- The loss per share amounted to SEK 0.54 [0.54].
- The cash flow from current operations was negative in the amount of TSEK 7,893 [8,950].
- The gross margin reached 54.0% [52.6%].
- Electrode sales volume increased by 8% and reached 6,562 [6,080] units. Repeat sales of electrodes to existing customers increased by 6%.

Important events during the quarter

- During Q1 2020 the Covid-19 pandemic broke out and the consequences of the outbreak started to affect SciBase from mid-March. Sales in the company's key market Germany were affected and decreased by 10% in the quarter, though overall sales rose by 5%. There is a high risk that Covid-19 could lead to a significant financial impact on the Group. At this point, the effects are however very difficult to predict, and the situation is changing constantly.
- The Board of Directors is constantly monitoring and assessing the situation around the Covid-19 pandemic and its impact on the company's business and decided on a fully guaranteed rights issue of

units consisting of shares and warrants, to provide funds to increase US market penetration and develop new applications. The proposal was approved by an extraordinary general shareholders meeting on April 29th. The subscription price per unit is SEK 1.25 resulting in net proceeds of the raise of approximately MSEK 19.5 after issue costs.

- A summons to an extraordinary general shareholders' meeting was published on March 26th. The EGM was held on April 29th.

Important events after the end of the period

- At the EGM on April 29th the Board's proposal for a rights issue of units was approved.
- SciBase received FDA approval for Nevisense 3.0.
- SciBase entered into a partnership agreement with the Advanced Dermatology and Cosmetic Surgery group (ADCS), the single largest dermatology network in the US with over 150 practices.
- The annual report for 2019 was published on April 5th.

Financial overview

THE GROUP	Jan 1 - Mar 31		Apr 1 2019 -	
	2020	2019	Mar 31 2020	Jan 1 - Dec 31 2019
Net sales, SEK ths	2 496	2 368	9 404	9 276
Gross margin, %	54,0%	52,6%	54,9%	54,5%
Equity/Asset ratio, %	64,8%	79,0%	74,6%	69,4%
Net indebtedness, multiple	0,54	0,27	0,34	0,44
Cash equivalents, SEK ths	17 970	58 057	17 970	26 456
Cashflow from operating activities, SEK ths	-7 893	-8 950	-36 898	-37 956
Earnings per share (before and after dilution), SEK	-0,54	-0,54	-2,38	-2,38
Shareholder's equity per share, SEK	1,40	3,78	2,59	1,93
Average number of shares, 000'	16 618	16 618	16 618	16 618
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618
Share price at end of period, SEK	1,84	4,14	1,84	4,36
Number of sold electrodes, pieces	6 562	6 080	24 206	23 724
Average number of employees	16	19	18	18

Definitions and a glossary are provided on page 17.



Comment by CEO Simon Grant

“ Collaboration with US’ largest dermatology network signed, Nevisense 3.0 approved in the US and decision on fully underwritten rights issue”

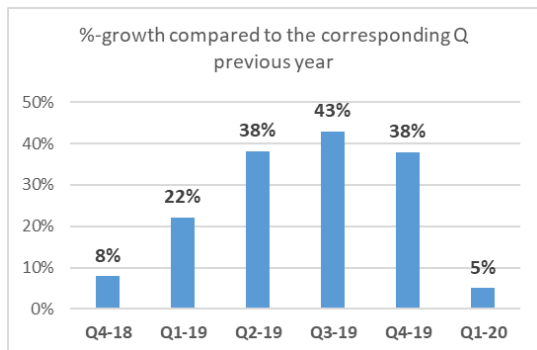
Q1 Highlights

- Despite the Covid-19 impact, sales reached MSEK 2.5 - an increase of 5% compared to Q1-19.
- Collaboration agreement signed with US’ largest dermatology practice group, Advanced Dermatology and Cosmetic Surgery (ADCS)
- Nevisense 3.0 approved by FDA enabling US market expansion
- Covid-19 has impacted sales and activity levels from mid-March.
- EGM held on April 29th approving the Board’s proposal for a fully underwritten rights issue.
- Sales of electrodes grew by 8% and reached 6,562 (6,080) electrodes sold.
- Sales of electrodes to repeat customers increased by 6% quarter over quarter.
- Positive start to the year in the US and sales within the new skin barrier application.

Continued growth, though sales affected by Covid-19

In Q1 we saw the sixth consecutive quarter of year-on-year quarterly growth since the launch of Nevisense 3.0. The positive 2019 sales trend continued into early 2020 until mid-March, when the Covid-19 outbreak began to have a major negative effect.

Electrode sales increased by 8% during the quarter, reaching 6,562 (6,080). The increase was mainly due to additional electrode sales to a US dermatology practice group and to research customers for the new skin barrier application. In Germany, our core market, overall sales decreased by 10% as a result of the temporary closure of clinics due to the Covid-19 pandemic.



Quarterly growth following the launch of Nevisense 3.0 in Q3 2018 (compared to the previous year).

Effects and impact of Covid-19 pandemic

The consequences of the Covid19 outbreak started to affect SciBase from mid-March, and there is a risk that these could lead to a significant financial impact on

the Group. The effects are however very difficult to predict, and the situation is changing constantly.

First and foremost, we at SciBase are working to ensure that the business continues to operate to the best of our ability, but also with a focus of our employees' health. Practically speaking this entails (among other things), a call for the company's employees to work from home and a travel ban.

The immediate, visible effects are that some of our most important conferences and meetings have been canceled or postponed. This has already had a negative effect on sales and will continue to do so in the coming period. It has become more difficult to hold physical customer meetings, and we are working to transfer these to video or telephone meetings.

Given the uncertain situation at present, it is not possible to estimate the full potential impact for Sci-Base. We continue to work together with our partners, customers and employees to handle this extraordinary situation in the best possible way.

Germany on the road to local profitability

Sales in Germany decreased by 10% during the quarter, mainly due to Covid-19 and a decrease in the number of new customers. Most of our customers (especially those with an aesthetic orientation), have temporarily closed their clinics and reduced the number of patient appointments. Electrode sales decreased in volume by 2%, reaching 5,664 (5,808) sold electrodes. The negative effect is expected to be greater in the second quarter.

A further result of the pandemic was that our most important congress, DERM 2020 (Frankenthal), was postponed until after the summer. At the congress we had planned to present the data supporting one of our new clinical applications, non-melanoma skin cancer (NMSC), and normally we would have initiated many new customer contacts and sales.

Even so, the German operation was very close to break-even on a local basis. Achieving local profitability in Germany is important because we can then focus our investments on the US and the new applications.

FDA approval received for Nevisense 3.0

Our Nevisense 3.0 application to FDA has been approved. Receiving US approval means that we can focus on the next step of our strategy which is to increase our marketing and sales activities in the US. We will do this based on our deep market experience with Nevisense 3.0 in Germany and the positioning we have developed for Nevisense in the US.

USA traction – important agreement in place

We were very excited to announce that we have signed a collaboration agreement with the largest dermatology practice network in the US, the Advanced Dermatology and Cosmetic Surgery (ADCS) group headquartered in Orlando, Florida.

Having the largest dermatology practice group as a partner is an important step forward in the US and this relationship will be a key focus for SciBase during 2020 and going forward. The collaboration includes joint clinical research and evaluation of new applications, a pilot implementation in 20 ADCS practices, and after the pilot the target is a commercial rollout across the group. In the pilot phase we will together evaluate how best to implement Nevisense in practice workflow and how to best market the method to patients. The first sales are expected after the end of the pilot phase.

Other than that, 2020 began in the United States on a positive note with electrodes sales to a dermatology practice group and Mount Sinai, and sales to research customers within the new skin barrier application.

Our sales in the US have been affected by Covid-19 and this is expected to continue into Q2, especially as our US customer base is in the New York area, which is one of the hardest hit areas in the US.

Progress within new applications

As planned we have submitted clinical data to our notified body to support CE approval of our new clinical application 'Non-melanoma Skin Cancer' (NMSC), otherwise known as Keratinocyte Carcinoma (KC). The data was supposed to be presented by a KOL in Germany in March, but this was postponed due to Covid-19. We will instead conduct a webinar to present the data. We believe that the new non-melanoma skin cancer application can further increase our sales growth once the Covid-19 crisis is over.

MDR update

The Medical Device Regulation or MDR is a broad new framework of regulations for medical device manufacturers that was scheduled to come into force in May 2020. As a result of the Covid-19 pandemic, the EU has legislated a delay in the implementation date of MDR until May 2021. SciBase is already in the process of implementing MDR and will likely continue as planned.

Financing

We announced in March that despite the very challenging market conditions, we had secured a fully guaranteed rights issue. The first step or tranche of the rights issue will realize funds for the Company of about SEK 19.5 million after issue costs. These funds will enable us to take further steps in the US market and help achieve key milestones within our new clinical applications and products.

AI collaboration for the Barrier application

SciBase has been utilizing Artificial Intelligence (AI) tools for many years in Nevisense to deliver high performance solutions for skin cancer detection, and we have been one of the global pioneers within AI and medical devices. In our current development program for skin barrier assessment, we are partnering with the AI company Peltarion to utilize their neural network development platform.

SciBase's latest work has involved developing, training and validating deep learning models based on Nevisense patient measurement data from clinical studies. The objective is to develop software solutions that can better identify skin barrier deficiencies and thereby help clinicians and patients in the management of skin and atopic diseases. These software models will be embedded in our upcoming handheld product, Nevisense Go.

One of our first projects is to create an AI-based solution for Nevisense Go to identify and characterize infants with a higher risk of developing atopic dermatitis and allergies. This cutting edge research is described in Peltarion's blog:

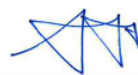
<https://peltarion.com/blog/applied-ai/scibase>

Opportunities and Challenges ahead in 2020

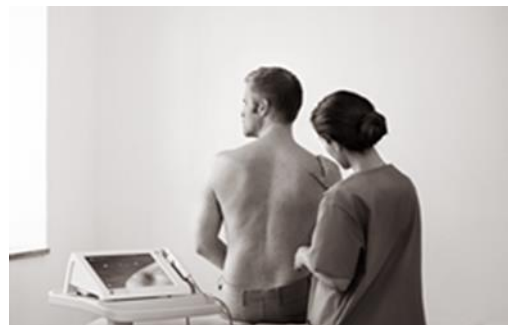
The Covid-19 outbreak affects us all: employees, customers, suppliers and society at large. The effect on SciBase and all of us is currently difficult to fully predict, but we are doing our utmost to continue normal operations as much as is possible.

What is exciting about 2020 is that so much is happening at SciBase. We have new applications coming, which means we no longer have only a single 'leg to stand on'. We will launch a revolutionary new handheld instrument, Nevisense Go based on the latest AI technology. We have very interesting opportunities in the barrier application with potential industrial partners and we have a new partnership in the US with all the opportunities that will bring.

We see a promising time ahead in 2020. I look forward to sharing our progress with you on our continued journey and trust that you will take care and stay safe during these difficult times!



Simon Grant, CEO
Sundbyberg May 5th, 2020



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. 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 to Nevisense. By using Nevisense as a platform, the Company is integrating functionality that uses the EIS method in assessing other skin diseases, such as non-melanoma skin cancer and atopic dermatitis. SciBase is both conducting clinical trials with leading academic and clinical centers and working to commercialize the new applications.

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 Nasdaq First North Growth market since June 2, 2015.

Business model

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

Certified Advisor (CA)

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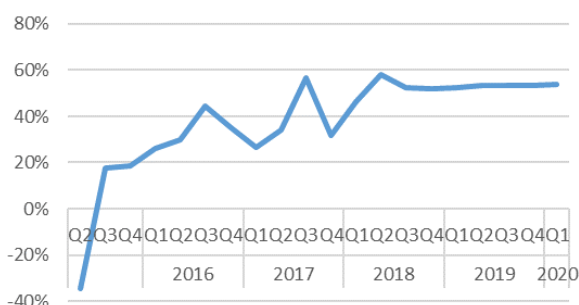
"We are excited to integrate Nevisense during routine total body skin cancer exams to offer our patients the most advanced technology for the earliest possible detection of melanoma"

"Providing our patients with enhanced technology for early testing further supports our continued commitment to delivering best in class care that elevates both our provider and patient experience" Dr. Matt Leavitt, CEO and Founder of Advanced Dermatology and Cosmetic Surgery

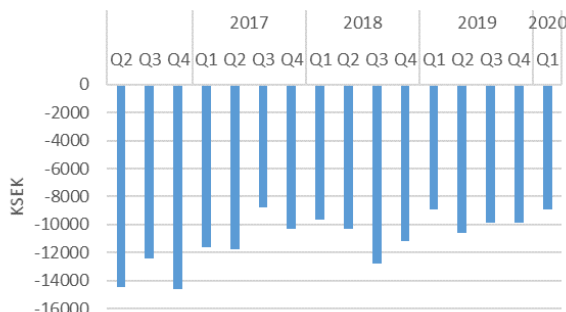
US facts

- In 2020 there are expected to be around 101,350 cases and 6,250 deaths from melanoma in the US
- 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

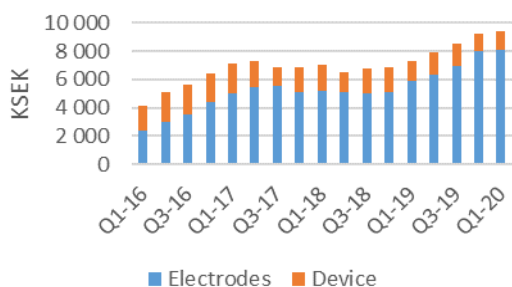
Gross margin (%) - development



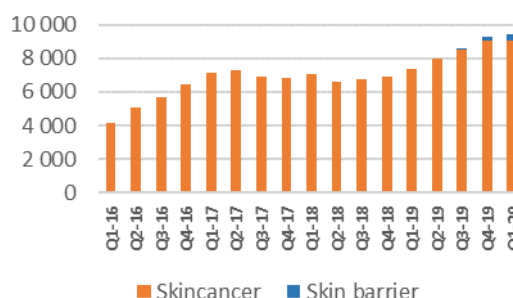
Income after tax



Sales, rolling-12



Sales per segment - rolling-12



First quarter

Net Sales

Net sales for the first quarter of 2020 amounted to TSEK 2,496 (2,368), an increase of 5%. Cleared for currency effects the sales increased by 1%. Of this, sales of instruments accounted for TSEK 321 (278) and sales of electrodes for TSEK 2,175 (2,090). The Covid-19 pandemic affected the Group's sales negatively from mid-March. Apart from the Covid-19 effect, 2020 began with positive development in the USA, and for the new skin barrier application.

In the German market, a number of customers have temporarily closed their clinics, especially those with a focus on aesthetics, while other customers continue to operate, albeit in a limited capacity. Physical customer visits are not feasible now and customer meetings are being held virtually as far as possible. Of significant impact was the fact that one of the most important annual congresses, Frankenthal, was postponed until after summer. This congress normally results in a number of new customers and good sales.

In the United States, where the Company's focus is in the northeastern tri-state area and especially New York, sales activity has been hit hard by Covid-19, with most dermatology practices closing at least temporarily.

On a positive note there is still a good level of interest in the new barrier application from both researchers and potential industrial partners.

Sales in Germany accounted for 83 (97%) of the sales in the period and decreased by 10% in the period compared to the first quarter of 2019. Cleared for currency effects the sales in Germany decreased by 12%.

The total sales of electrodes in the quarter reached 6,562 (6,080), an increase of 8%. In Germany, the total sales of electrodes in volume decreased by 2%. Total repeat sales of electrodes increased by 6%.

Operating profit/loss

The operating loss for the period January - March 2020 amounted to TSEK 8,867 (8,925), a decreased loss of TSEK 58. Overall, the adjustments to the Group's activity level made due to Covid-19 did not have a major impact on operating expenses during the first quarter. The operating expenses are on the same level as in Q1-19, despite increased regulatory and reimbursement activities in the US and negative currency effects of approximately MSEK 0.1. In total, the currency effects on sales and expenses negated each other.

The gross margin in the period was 54.0 (52.6 %) and continues to be stable at a level above 50%. When cleared for currency effects the gross margin would have been around 52%. The overall margin remains very dependent on electrode production and sales volumes and will vary between quarters.

Sales and marketing expenses decreased by TSEK 250 and amounted to TSEK 5,185 (5,435). The expenses decreased mainly in Germany following a lower activity level due a reduced headcount and Covid-19.

Administration expenses for the period amounted to TSEK 2,156 (1,989), an increase of TSEK 167 mainly due to increased activities related to raising capital.

Development expenses for the period amounted to TSEK 2,558 (2,573), a decrease of TSEK 15.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 26,456 and, at the end of the period, to TSEK 17,970.

Cash flow from current operations for the period was negative to the amount of TSEK 7,893 (8,950), of which changes in working capital amounted to a negative

TSEK 113 (negative 892). The negative operating cash flow mainly improved due to changes in working capital. Total cash flow for the period was negative to the amount of TSEK 8,434 (negative 9,493).

Net investments in tangible assets for the period amounted to TSEK 119 (104) and mainly involved investments in leasing cars were the leasing period ended. 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 662 (664) of which TSEK 422 are due to leased assets.

Other disclosures

Shareholders

At the end of the period, SciBase Holding AB had approximately 1,130 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 March 31, 2020 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

SciBase is active in skin cancer detection as well as examination of the skin barrier function.

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 86-97% 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. Despite this overexcision as many as 13% of all melanomas are missed. 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%.

Non-melanoma skin cancer (NMSC) is the most common form of skin cancer but is in general less dangerous than melanoma but it is much more common and still requires detection and treatment. The number of patients affected by NMSC is more than ten times the number affected by melanoma. As an example in Sweden there are fewer than 4,000 melanoma cases per year and more than 47,000 cases of Basal Cell Carcinoma (BCC) per year. In the US there are more than 87,000 cases of melanoma and approximately 2.8 million of cases of BCC every year.

An exciting new application area is skin barrier assessment. The skin barrier stops irritants and allergens entering and water from leaving the body. An impaired skin barrier at birth can for instance be a predictor of the development of Atopic Dermatitis (AD) or eczema. The development of AD often precedes the development of other atopic diseases such as food allergies, allergic rhinitis and asthma. The ability to easily detect an impaired skin barrier can help detect, manage and treat atopic diseases before the development of AD. There is a high interest from the research community and this group will be the short-term sales target within the barrier area.

Employees

At the end of the period, the number of employees amounted to 17 (19), of whom 29 (32%) 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 requirements are determined by how successful the Company will be able to commercialize its product Nevisense. Commercialization is, in turn, dependent on a variety of factors that will affect the need, including costs related to being included in insurance systems, granted compensation

levels therein, marketing costs and obtaining and enforcing regulatory requirements.

As of December 31, 2019, the Group's cash and cash equivalents amounted to SEK 26.5 million. Based on the positive sales trend in Germany, the positive signals from the US market and the promising new application areas, the Board believes that the Company is on the right track. However, the current cash is not sufficient to secure operations and implement the Company's strategic plan. The Board of Directors has therefore, since a while back, been evaluating various activities and financing options for the Company.

As a result of the Covid-19 outbreak, the world's capital markets have been severely affected and the stock market decline has resulted in a drastic reduction in the availability of capital. Financing costs have also increased substantially resulting in higher discounts and underwriting fees. In spite of the challenging market conditions, the Company has secured a fully underwritten rights issue of units consisting of shares and warrants. The Board's proposal was approved at an extra general meeting on April 29th, 2020. Given a subscription price per unit of SEK 1.25 the Company will raise approximately MSEK 20 in new capital after issue costs.

This will enable the Company to take further steps in the US market and achieve certain milestones and the capital is estimated to finance operations until the first quarter 2021. The Board of Directors is therefore continuing to evaluate various financing options to secure more long-term financing for the Company.

Transactions with related parties

During 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 information. 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 13-17 of SciBase's 2019 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, 2020, 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 7,391 (7,688). 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 from 2016 and is charged to earnings and not booked as a financial tangible asset. The shareholders contribution expensed in the period was MSEK 6.4 (6.6).

Significant events during the quarter

On March 26 the Company announced the Board of Directors has resolved on a fully guaranteed rights issue of units consisting of shares and warrants, subject to the approval of a general meeting, in order to increase market penetration and develop new applications. The subscription price per unit is SEK 1.25 resulting in a net raise of approximately MSEK 19.5 after issue costs. Each unit consists of one (1) share and one (1) warrant free of charge. Of the Company's larger shareholders, Fouriertransform has committed to subscribe for its full pro rata share, 12.08 per cent, corresponding to approximately SEK 3 million. In addition, SciBase's Chairman of the Board and CEO have committed to participate with a combined amount of SEK 1.1 million, corresponding to approximately 4.4 per cent of the issue, exceeding their pro rata share which together corresponds to approximately 0.5 per cent. At full exercise of all warrants, the Company will receive an additional capital contribution of up to approximately SEK 19.9 - 34.9 million before issue costs (depending on the final subscription price for the new shares that may be subscribed for by exercise of the warrants in the interval set forth below). The board's resolution was approved at the extra general meeting on April 29th, 2020.

During Q1 2020 the Covid-19 pandemic broke out and the consequences of the outbreak started to affect SciBase from mid-March, and there is a high risk that these could lead to a significant financial impact on the Group. First and foremost, we at SciBase are working to ensure that the business continues to operate to the best of our ability, but also with a focus of our employees' health. Practically speaking, this entails (among other things), a call for the company's employees to work from home and a travel ban.

The immediate, visible effects are that some of our most important conferences and meetings have been canceled or postponed, and this will have a negative effect on our sales over the coming period. It has become more difficult to hold physical customer meetings, and we are working to transfer these to virtual (video) or telephone meetings. Given the uncertain situation at present, it is not possible to estimate the full potential impact for SciBase.

The summons to an EGM was published on March 26, 2020.

Significant events after the period

On April 29th an extraordinary general meeting was held in SciBase Holding AB (publ). The general meeting resolved, in accordance with the boards proposals presented in the notice to attend the meeting (which is available on the Company's website www.scibase.com):

- (i) To change the articles of association and reduce the share capital without cancellation of shares.
- (ii) To approve the board of directors' resolution on issuance of units consisting of shares and warrants with preferential rights for the shareholders (the "**Rights Issue**").
- (iii) To change the articles of association and increase the share capital through bonus issue without issuance of new shares.
- (iv) To reduce the share capital without cancellation of shares.
- (v) To change the articles of association and reduce the share capital without cancellation of shares subject to authorization from the Swedish Companies Registration Office or a general court.

SciBase entered into a partnership agreement with Advanced Dermatology and Cosmetic Surgery group (ADCS) the single largest dermatology practice network in the US. The collaboration includes joint clinical research and evaluation of new applications, a pilot implementation in twenty ADCS practices, and then a full commercial rollout across the group. In the pilot phase both parties will together evaluate how best to implement Nevisense in practice workflow and how to best market the method to patients. First sales estimated after the end of the pilot phase.

SciBase received approval from the US Food and Drug Administration (FDA) for Nevisense 3.0, the third generation of the Nevisense system for early melanoma detection. Nevisense remains the only FDA approved system available for melanoma detection in the US. Receiving US approval means that SciBase can focus on step two of the strategy which is to increase the marketing and sales activities in the US based on the deep market experience with Nevisense 3.0 in Germany and the positioning developed for Nevisense in the US.

The annual report for 2019 was published on April 5th, 2020.

Consolidated summary Income Statement

SEK 000'	Jan 1 - Mar 31		Apr 1, 2019 -	Jan 1 - Dec 31
	2020	2019	Mar 31, 2020 Rolling-12	2019
Net sales	2 496	2 368	9 404	9 276
Cost of goods sold	-1 147	-1 122	-4 241	-4 216
Gross Profit/Loss	1 348	1 246	5 163	5 060
Sales and marketing expenses	-5 185	-5 435	-23 018	-23 268
Administration expenses	-2 156	-1 989	-8 432	-8 264
Development expenses	-2 558	-2 573	-11 273	-11 288
Other operating income	-1	-50	29	-20
Other operating expenses	-315	-123	-1 817	-1 625
Operating Income	-8 867	-8 925	-39 347	-39 405
Financial income	0	98	-3	95
Financial expenses	-69	-79	-274	-285
Profit/Loss before taxes	-8 936	-8 906	-39 624	-39 594
Income tax	0	0	0	0
Profit/Loss for the period	-8 936	-8 906	-39 624	-39 594
Net Profit/Loss attributable to:				
Parent company shareholders	-8 936	-8 906	-39 624	-39 594
Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share)				
Profit/loss per share (before and after dilution)*	-0,54	-0,54	-2,38	-2,38
Average number of shares outstanding	16 618	16 618	16 618	16 618

*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'	Jan 1 - Mar 31		Apr 1, 2019 -	Jan 1 - Dec 31
	2020	2019	Mar 31, 2020 Rolling-12	2019
Profit/loss for the period	-8 936	-8 906	-39 624	-39 594
<i>Other comprehensive income for the period:</i>				
<i>Items that have or may be reclassified to profit or loss:</i>				
Changes in fair value on financial assets that can be sold	0	-50	46	-4
Tax effect attributable to changes in fair value on financial assets that can be sold	0	1	3	4
Translation differences on foreign operations	230	254	107	131
Sum other comprehensive income	230	205	156	130
Total comprehensive income for the period	-8 705	-8 702	-39 467	-39 464
Total comprehensive income attributable to:				
Parent company shareholders	-8 705	-8 702	-39 467	-39 464



Consolidated summary statement of financial position

SEK 000'	Mar 31		Dec 31
	2020	2019	2019
ASSETS			
<i>Fixed Assets</i>			
Tangible fixed assets	7 973	10 704	8 791
Financial fixed assets	1 207	1 161	1 207
Total Tangible Assets	9 181	11 865	9 998
<i>Current Assets</i>			
Inventory	4 582	4 945	5 003
Current tax receivable	697	697	548
Receivables	1 963	2 072	2 153
Other current receivables	1 559	1 823	2 004
Cash equivalents	17 970	58 057	26 456
Total Current Assets	26 771	67 594	36 163
Total Assets	35 952	79 460	46 161
Shareholders' Equity and Liabilities			
Shareholders' equity attributable to parent company shareholders	23 308	62 775	32 014
<i>Longterm Liabilities</i>			
Deferred tax liability	20	20	20
Other longterm liabilities	3 016	4 843	3 501
Total Longterm Liabilities	3 036	4 863	3 521
<i>Current Liabilities</i>			
Accounts payable	2 289	2 351	2 760
Other current liabilities	7 319	9 471	7 866
Total Current Liabilities	9 607	11 822	10 626
Total Liabilities	12 644	16 685	14 147
Total shareholders' equity and liabilities	35 952	79 460	46 161



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, 2019	61 487	463 393	-151	-453 251	71 478
Profit/loss for the period				-8 906	-8 906
Other comprehensive income			205		205
Total comprehensive income	0	0	205	-8 906	-8 702
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Mar 31, 2019	61 487	463 393	54	-462 158	62 776
Opening balance Jan 1, 2020	61 487	463 393	-21	-492 846	32 014
Profit/loss for the period				-8 936	-8 936
Other comprehensive income			230		230
Total comprehensive income	0	0	230	-8 936	-8 706
<i>Transactions with shareholders:</i>					
Issue expenses		-400	400		0
Total transactions with shareholders	0	-400	400	0	0
Closing balance Mar 31, 2020	61 487	462 993	610	-501 782	23 308

Consolidated summary statement of cash flows

SEK 000'	Jan 1 - Mar 31		Apr 1, 2019 -	
	2020	2019	Mar 31, 2020 Rolling-12	Jan 1 - Dec 31 2019
Cashflow from operating activities before change in working capital	-7 780	-8 058	-35 419	-35 697
<i>Cashflows from changes in working capital</i>				
Change in Inventory	420	-1 067	363	-1 125
Change in Receivables	486	36	373	-76
Change in Liabilities	-1 019	138	-2 215	-1 057
<i>Total change in working capital</i>	-113	-892	-1 479	-2 259
Cashflow from operating activities	-7 893	-8 950	-36 898	-37 956
<i>Investment activities</i>				
Acquisitions of Fixed Assets	-119	-104	-1 362	-1 347
Divestment of fixed assets	0	-	78	78
Cashflow from investment activities	-119	-104	-1 284	-1 269
<i>Financing activities</i>				
Expenses related to new share issues	-	0	-	-
Amortization leasing contracts	-422	-439	-1 764	-1 781
Cashflow from financing activities	-422	-439	-1 764	-1 781
Cashflow for the period	-8 434	-9 493	-39 947	-41 006
Cash equivalents at start of the year	26 456	67 514	58 057	67 514
Exchange rate differences in cash equivalents	-52	36	-140	-52
Cash equivalents at end of the period	17 970	58 057	17 970	26 456



Income statement, Parent Company

SEK 000'	Jan 1 - Mar 31		Apr 1 2019 -	
	2020	2019	Mar 31, 2020 Rolling-12	Jan 1 - Dec 31 2019
Net Sales	1 077	1 077	4 306	4 306
Gross profit	1 077	1 077	4 306	4 306
Administration expenses	-2 094	-2 161	-8 537	-8 604
Other expenses	-1	-	0	0
Operating Profit/loss	-1 018	-1 084	-4 231	-4 297
<i>Earnings from financial items:</i>				
Profit/Loss from shares in group companies	-6 373	-6 592	-32 037	-32 256
Financial income	0	0	0	0
Financial expenses	0	-11	0	-11
Profit/loss after financial items	-7 391	-7 688	-36 267	-36 564
Taxes	-	-	-	-
Profit/loss for the period	-7 391	-7 688	-36 267	-36 564

Statement of other comprehensive income, Parent Company

SEK 000'	Jan 1 - Mar 31		Apr 1 2019 -	
	2020	2019	Mar 31, 2020 Rolling-12	Jan 1 - Dec 31 2019
Profit/loss for the period	-7 391	-7 688	-36 267	-36 564
<i>Other comprehensive income</i>	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income	-7 391	-7 688	-36 267	-36 564



Summary Balance Sheet, Parent Company

SEK 000'	Mar 31		Dec 31
	2020	2019	2019
ASSETS			
<i>Fixed Assets</i>			
Shares in Group Companies	137 647	137 646	137 647
Total Fixed Assets	137 647	137 646	137 647
<i>Current Assets</i>			
Current receivables and prepaids	12 216	35 373	22 342
Cash equivalents	5 324	18 818	2 615
Total Current Assets	17 541	54 192	24 956
TOTAL ASSETS	155 187	191 838	162 603
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholder's equity</i>			
Restricted equity			
Share capital	61 487	61 487	61 487
Non-restricted equity			
Other capital contributions	463 046	463 446	463 446
Retained earnings	-364 567	-328 003	-328 003
Profit/Loss for the period	-7 391	-7 688	-36 564
Shareholders equity	152 575	189 242	160 366
<i>Current Liabilities</i>			
Current liabilities	2 612	2 596	2 237
Total liabilities	2 612	2 596	2 237
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	155 187	191 838	162 603



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 with the exception of what is stated below. Significant accounting and valuation principles are detailed on pages 27-33 of the consolidated annual report for 2019.

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 to secure that the equity at minimum corresponds to the share capital that is valid until the end of 2020. A corresponding agreement was in-place in 2019, 2018, 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 two operating segments, skin cancer and skin barrier assessment. Follow-ups are in addition done on the geographical areas, Europe/Rest of the World, US/North America and Asia/Oceania.

First quarter

Skin cancer

Europe/Rest of the World

Net sales during the period amounted to TSEK 2,119 (2,357) of which Germany accounted for 98 (98)%. 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 1,151 (1,243).

Other geographical areas

Net sales during the period amounted to TSEK 205 (11). Gross profit amounted to TSEK 105 (3). The sales were additional electrode sales to a large US dermatology group.

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.

Skin barrier assessment

Europe/Rest of the World

Net sales during the period amounted to TSEK 0 (0). Gross profit amounted to a profit of TSEK 0 (0).

Other geographical areas

Net sales during the period amounted to TSEK 171 (0). Gross profit amounted to TSEK 91 (0). The sales were to researchers within the skin barrier field.

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, 2020			Jan 1 - Mar 31, 2019		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Skincancer - Net sales	2 119	205	2 324	2 357	11	2 368
The skin barrier function - Net Sales	0	171	171	-	-	-
Sales between segments	-	-	-	-	-	-
Net sales from external customers	2 119	376	2 496	2 357	11	2 368
Cost of goods - Skincancer	-968	-99	-1 067	-1 114	-8	-1 122
Cost of goods - Barrier function	0	-80	-80	-	-	0
Cost of goods - total	-968	-180	-1 148	-1 114	-8	-1 122
Gross Profit - Skincancer	1 151	105	1 257	1 243	3	1 246
Gross Profit - Barrier function	0	91	91	-	-	0
Gross Profit - total	1 151	197	1 348	1 243	3	1 246
Operating expenses			-10 215			-10 171
Operating profit/Loss			-8 867			-8 925
Financial Income			0			98
Financial Expenses			-69			-79
Group earnings - before tax			-8 936			-8 906

Net sales per category and segment

Amounts in KSEK	Jan 1 - Mar 31 2020		Jan 1 - Mar 31 2019		Rolling-12		Full Year 2019	
	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
<i>Skin cancer</i>								
Electrodes	1 915	140	2 080	11	7 612	227	7 777	98
Instruments	204	65	278	0	934	246	1 007	181
Total Skin Cancer	2 119	205	2 357	11	8 546	473	8 784	279
<i>Skin barrier function</i>								
Electrodes	0	120	0	0	90	146	90	26
Instruments	0	52	0	0	97	52	97	0
Total skin barrier function	0	172	0	0	187	198	187	26
<i>Total</i>								
Electrodes	1 915	260	2 080	11	7 702	374	7 866	124
Instruments	204	117	278	0	1 031	298	1 104	181
Total	2 119	377	2 357	11	8 733	671	8 971	305



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 5, 2020

Tord Lendau
Chairman of the Board

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 08.00 CET on May 5, 2020.

This year-end report has not been subject to review by the Company's auditors.

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

Quarterly overview

THE GROUP	2020		2019				2018			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net sales, SEK ths	2 496	2 800	1 940	2 168	2 368	2 030	1 359	1 571	1 939	
Gross margin, %	54,0%	58,0%	53,4%	53,3%	52,6%	52,1%	52,6%	58,2%	46,4%	
Equity/Asset ratio, %	64,8%	69,4%	73,4%	74,5%	79,0%	88,1%	89,2%	92,0%	91,9%	
Net indebtedness, multiple	0,54	0,44	0,36	0,34	0,27	0,13	0,12	0,09	0,09	
Cash equivalents, SEK ths	17 970	26 456	35 917	46 772	58 057	67 514	77 551	85 231	95 542	
Cashflow from operating activities, SEK ths	-7 893	-8 842	-10 264	-9 900	-8 950	-9 990	-7 692	-10 119	-9 682	
Earnings per share (before and after dilution), SEK	-0,54	-0,61	-0,59	-0,64	-0,54	-0,69	-0,77	-0,62	-0,58	
Shareholder's equity per share, SEK	1,40	1,93	2,53	3,10	3,78	4,30	4,97	5,76	6,38	
Average number of shares, 000'	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	
Number of shares at closing of period, 000'	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618	
Share price at end of period, SEK	1,84	4,36	5,25	4,34	4,14	3,10	4,52	6,45	7,45	
Number of sold electrodes, pieces	6 562	7 180	4 752	5 712	6 080	3 872	3 088	4 304	4 214	
Average number of employees	16	18	18	18	19	19	19	20	20	

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:** Pre-Market Approval, a form of approval from the US FDA required for all new Class III devices

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 full year

Gross Margin (%)

	2020	2019
Gross Profit	1 348	1 246
Net Sales	2 496	2 368
Gross Margin (%)	54,0%	52,6%

Definition:

Gross Profit / Loss divided with Net Sales.

Cause of use:

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 product mix, 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.

Shareholder Equity ratio (%)

	2020	2019
Total Shareholders' Equity	23 308	62 775
Total Assets	35 952	79 460
Shareholders' Equity ratio (%)	64,8%	79,0%

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)

	2020	2019
Total Liabilities	12 644	16 685
Total Shareholders' Equity	23 308	62 775
Debt ratio (times)	0,54	0,27

Definition:

Total debt in relation to Total Shareholders' Equity, 2019 adjusted for IFRS 16.

Cause of use:

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.

Earnings per share, after dilution (sek)

	2020	2019
Profit/Loss for the period	-8 936	-8 906
Average number of shares (thousand)	16 618	16 618
Earnings per share (sek)	-0,54	-0,54

Definition:

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.

Cause of use:

This shows the value per share.

Shareholders' equity per share (sek)

	2020	2019
Shareholders' Equity	23 308	62 775
Average number of shares (thousand)	16 618	16 618
Shareholders' equity per share	1,40	3,78

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)

	2020	2019
Opening balance - Jan 1	16 618	16 618
Closing balance - Sep 30	16 618	16 618
Average number of shares (thousand)	16 618	16 618

Definition:

The average 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.



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Future reporting dates

- Annual General Meeting, June 17 2020
- Interim report Q2, August 20 2020
- Interim report Q3, November 12 2020
- Year-end report, February 2021