July 24, 2020

Letter from the CEO

As many of us head into a holiday break, I thought I would send out a short update, especially aimed at keeping our newer shareholders in the loop. On the whole things are progressing well, though we have several challenges due to the pandemic.

US activity

Nevisense 3.0 has been very well received by our US customers. We continue with two main focus areas in the US: our partnership with practice groups like Advanced Dermatology and Cosmetic Surgery (ADCS) and the reimbursement process. While the situation in New York is improving all the time, the high number of COVID-19 cases in Florida is a cause for some concern as we are establishing our first pilot cluster with ADCS in central Florida. Things are going well so far, and we expect to have four sites around Orlando up and running by the end of this week, which is great to see and a good indication that we are delivering value. Working with dermatology practice groups such as ADCS is a key part of our US strategy as this allows us to reach many sites through a single channel. The reimbursement application process is progressing, and we hope to receive feedback on our application in the coming months.

We saw some good development in Q1, with repeat orders of electrodes from our New York based dermatology practice group, Advanced Dermatology, P.C. (similar name but no connection to ADCS), and we just now see the return of such orders. COVID-19 hit all New York clinics hard, but interest is clearly coming back.

New Indications, Products and MDR

Our focus internally at SciBase in Stockholm is on our new products and indications, and as part of these activities the company is working to finalize Medical Device Regulation (MDR) certification. This is mandatory from May of 2021 after being delayed a year due to the pandemic and for approval of new indications such as Non-Melanoma Skin Cancer (NMSC), MDR is a necessity. Overall things are progressing well. The product is complete and the clinical data was submitted in April, but the regulatory process has been affected by Covid. We see some delays during the second half of the year, including a one-month delay in our MDR audit due to travel restrictions. This is a somewhat fluid situation, and we will do our best to keep you informed.

Nevisense Go is our next generation platform, a hand-held version of Nevisense that uses the same electrodes and business model as the regular Nevisense. Our strategy with Nevisense Go is to start with the Barrier application and over time also add support for further and more specific applications, utilizing different AI models. Our first priority is Industry partners, and we see the potential to utilise Nevisense Go outside the specialist clinic and eventually in retail or even in the home. The first release of Nevisense Go is delayed somewhat into Q3 due to delays with MDR and at our contract manufacturer, but we are making significant progress.

Progress with Barrier

When it comes to the skin barrier application overall, things are also progressing. The method and some our clinical results were presented by Prof Cezmi Akdis in his presentation ‘Epithelial cell barrier and allergic diseases’ at the recent digital EAACI meeting. Our methodology was also

discussed by Kazunari Sugita in a review paper titled 'Outside-in hypothesis revisited' published in May in the Annals of Allergy, Asthma and Immunology. The article abstract is available at https://doi.org/10.1016/j.anai.2020.05.016.

We continue to see good levels of industry interest in the combination of Nevisense Go and the barrier application. The ability to embed a neural network model into the stand-alone Nevisense Go is a unique accomplishment and I will be presenting this and other progress at the upcoming Redeye Artificial Intelligence Seminar 2020 on September 17th – see https://www.redeye.se/events/788494/artificial-intelligence-seminar-2020 for more details.

COVID-19 and the Market

The pandemic had a significant effect on our customers in Germany and New York during the second quarter. We have seen increased interest in our products in June and the beginning of July, but it is difficult to estimate how Q3 will be affected. The bottom line is that after a very tough period the market, customers and patients are coming back.

Increased interest and new Share Issue, and next steps

We were happy with the result of the share issue. The issue was considerably oversubscribed. We also saw an increased interest in the Company and our share during the second quarter with increased volumes traded resulting in us welcoming an additional ~ 1,000 shareholders and we want to thank them for their confidence in SciBase. As a result of the issue and the increased volumes traded there have been a couple of changes in our ownership. Petter Stordalen (Strawberry) has sold their shares in SciBase and we believe this is because of the pressure COVID-19 has put on their core business.

Phase 2 of our share issue involves the conversion of warrants. These warrants are currently traded using the ticker SCIB TO 1 and warrant-owners will be given the option to convert warrants to shares between October 5 – October 16 2020 at a value based on the average share price over the ten days preceding September 30th. The subscription price for a share will be from a minimum of SEK 1.00 to a maximum of SEK1.75.

We have been very busy, and we expect our high level of activity to continue through the rest of the year. Overall it feels like we are making considerable progress. The pandemic's effects remain a factor in our plans – and though we do our best to mitigate those effects, they may affect the timing of some of our activities. Internally our focus is very much on the new products and externally we are heartened by a return of our core Private Dermatologist market.

Best Regards and enjoy your holiday

Simon Grant, CEO

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About SciBase and Nevisense

SciBase AB is a Swedish medical technology company, headquartered in Stockholm that has developed and sells a unique point-of-care device for evaluation of skin disorders such as skin cancer and atopic dermatitis. Its first product, Nevisense, helps doctors to detect malignant melanoma, the most dangerous type of skin cancer. Further development has led to Nevisense also being used as a tool to assess the skin barrier and inflammation. SciBase was founded by Stig Ollmar, Associate Professor at The Karolinska Institute in Stockholm, Sweden. Nevisense is based on substantial research and has achieved excellent results in the largest clinical study ever conducted on the detection of malignant melanoma. Nevisense is CE marked in Europe, has TGA approval in Australia and an FDA approval (PMA) in the United States. Nevisense is based on a method called Electrical Impedance Spectroscopy (EIS), which uses the varying electrical properties of human tissue to categorize cellular structures and thereby detect malignancies and abnormalities. SciBase is listed on First North Growth Market ("SCIB"). Further information is available at www.scibase.com