

Interim report

January 1 – June 30, 2020

The second quarter in figures

- Net sales amounted to TSEK 1,683 [2,168].
- The loss after tax amounted to TSEK 8,864 [10,613].
- The loss per share amounted to SEK 0.38 [0.64].
- The cash flow from current operations was negative in the amount of TSEK 8,704 [9,900].
- The gross margin reached 55.7% [53.3%].
- Electrode sales volume decreased by 18% and reached 4,672 [5,712] units. Repeat sales of electrodes to existing customers decreased by 22%.

The first half-year in figures

- Net sales amounted to TSEK 4,179 [4,536].
- The loss after tax amounted to TSEK 17,800 [19,520].
- The loss per share amounted to SEK 0.89 [1.17].
- The cash flow from current operations was negative in the amount of TSEK 16,597 [18,850].
- The gross margin reached 54.7% [52.9%].
- Electrode sales volume decreased by 4% and reached 11,270 [11,792] units. Repeat sales of electrodes to existing customers decreased by 8%.

Important events during the quarter

- The Covid-19 pandemic started to affect SciBase from mid-March and continued through the second quarter. Sales in the company's key market Germany were affected and decreased by 25% in the quarter, and overall sales decreased by 23%. Customer interest and sales seems to be returning to normal from the end of Q2.

- 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 first systems were installed in Florida in June.
- SciBase rights offer was heavily oversubscribed raising net MSEK 19.3 (after issue costs).
- SciBase submitted a reimbursement code application in the US.
- Anna Danström, SciBase's head of production and supply chain chose to leave her position and accept a role at another company.
- Extraordinary general shareholders' meeting was held on April 29th approving the Boards decision regarding the rights offering.
- The AGM was held on June 17th, 2020.
- The annual report for 2019 was published on April 5th.

Important events after the end of the period

- Nevisense selected for 'SpotCheck' remote melanoma detection evaluation study by The Ronald O. Perleman Department of Dermatology at NYU Langone Health in New York.

Financial overview

THE GROUP	Apr 1 – Jun 30		Jan 1 – Jun 30		July 1 2019 –	
	2020	2019	2020	2019	Jun 30 2020	Jan 1 – Dec 31
					Rolling-12	2019
Net sales, SEK ths	1 683	2 168	4 179	4 536	8 919	9 276
Gross margin, %	55,7%	53,3%	54,7%	52,9%	55,5%	54,5%
Equity/Asset ratio, %	69,2%	74,5%	69,2%	74,5%	72,4%	69,4%
Net indebtedness, multiple	0,44	0,34	0,44	0,34	0,38	0,44
Cash equivalents, SEK ths	30 450	46 772	30 450	46 772	30 450	26 456
Cashflow from operating activities, SEK ths	-8 704	-9 900	-16 597	-18 850	-35 703	-37 956
Earnings per share (before and after dilution), SEK	-0,38	-0,64	-0,89	-1,17	-2,07	-2,38
Shareholder's equity per share, SEK	1,44	3,10	1,68	3,10	2,32	1,93
Average number of shares, 000'	23 265	16 618	19 942	16 618	18 280	16 618
Number of shares at closing of period, 000'	36 560	16 618	36 560	16 618	36 560	16 618
Share price at end of period, SEK	2,44	4,34	2,44	4,34	2,44	4,36
Number of sold electrodes, pieces	4 672	5 712	11 270	11 792	23 202	23 724
Average number of employees	16	18	16	18	18	18

Definitions and a glossary are provided on page 19.



Comment by CEO Simon Grant

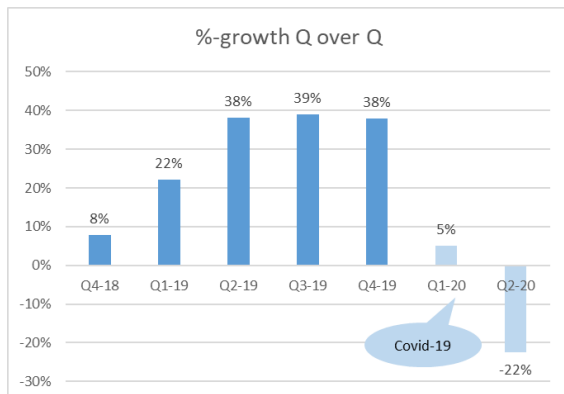
“ Nevisense 3.0 FDA approval, US rollout initiated at the Advanced Dermatology and Cosmetic Surgery Group and market returning after COVID-19 impact”

Q2 Highlights

- Sales in Q2 decreased by 23% due to the Covid-19 pandemic. Customer interest and sales started to return in June.
- Nevisense 3.0 was approved by the FDA for sale in the US end April
- The rollout of systems to the US’ largest dermatology practice group, Advanced Dermatology and Cosmetic Surgery (ADCS) was initiated in Florida following the signing of a collaboration agreement in May.
- Reimbursement code application submitted in the US
- Rights offering successfully closed raising net MSEK 19.3 after issue costs
- Clinical data for the NMSC (non-melanoma skin cancer) application was submitted for regulatory review in Europe.

Sales better than expected in spite of Covid-19 and returning to “normal”

Our core-markets Germany and New York were both significantly impacted by Covid-19 from mid-March and through most of the second quarter. With most of our customers closing their clinics temporarily we anticipated a significant impact on our sales. Though a 23% sales decrease is not positive, Q2 sales were overall better than expected, and it was pleasing to see a return in customer demand in June. The impact on our sales has been both on electrode sales due to the reduced operating hours of existing customers, and on new customer acquisition as the possibility to meet with potential customers has been limited. Sales were also hindered by the cancellation, postponement or virtual setting of key meetings and conferences, normally some of our best sales opportunities.



Quarterly growth following the launch of Nevisense 3.0 in Q3 2018 (compared to the previous year) – Q1/Q2-20 impacted by Covid-19.

What we saw from the end of Q2 is that both Germany and the New York area are returning to “normal”

usage patterns with good electrode order levels from German customers and a repeat order from the New York based Advanced Dermatology P.C. group in July.

US traction – ADCS rollout initiated

Following the FDA approval of Nevisense 3.0 in April, we were very excited to announce in May the collaboration between SciBase and the US’ largest dermatology practice network; Advanced Dermatology and Cosmetic Surgery (ADCS). The group is headquartered in Orlando, Florida and comprises more than 150 Dermatology practices, spread across the 14 states. So far, we have installed the first five of 20 ‘pilot’ installations used to evaluate and develop practice workflow integration. The pilot phase will be followed by a commercial rollout across ADCS’s network of practices. We have a high level of attention from the ADCS management and we believe that this collaboration can be the cornerstone for our US development. So far Nevisense 3.0 has been very well received by our US customers.

Having the US’ largest dermatology practice network adopt Nevisense and offer patients advanced care options is of course a very important milestone in our US strategy. Now that Nevisense 3.0 is approved, we will increase our US focus during 2020, but we will do so in a targeted manner, where we focus on practice groups.

To support the US strategy we submitted a reimbursement code application for the melanoma application to the Centers for Medicare & Medicaid Services (CMS) in the US. CMS oversees the administration of medical procedures within Medicare and Medicaid. Medicare covers healthcare for the elderly and Medicaid covers uninsured patients. A reimbursement code is a necessary milestone; important for positioning us for long-term sustainable growth in the US.

We were also pleased to announce that Nevisense was selected for the ‘SpotCheck’ remote melanoma detection evaluation study by The Ronald O. Perleman Department of Dermatology at NYU Langone Health. The SpotCheck study will investigate the use of Nevisense as a point-of-care diagnostic tool to assist with skin cancer detection in a remote setting such as a non-specialist practice or pharmacy. The study will evaluate how Nevisense can help providers assess patient’s irregular moles in such locations, and if successful will help improve access for patients to technology for the early detection of melanoma. If successful, this could open up a large new customer group for SciBase in the US.

In summary, we have achieved several key milestones in the US during Q2, and we expect a continued high level of activity going forward. We continue to focus on two areas: partnerships with practice groups like ADCS and the reimbursement process.

Germany nears local profitability

The German market has been substantially impacted by Covid-19. Many of our customers temporarily closed their clinics, reduced their opening hours and reduced the number of patient appointments. Another impact was that our most important congress, DERM 2020 (Frankenthal), was postponed and then limited to an online-only congress. This type of meeting is very important for establishing new customer contacts and driving system sales. We held our first virtual education congress in the period and though successful, virtual events do not have the same level of impact. Overall, the result was a decrease in sales in Germany of 25% in value during the quarter, and a decrease of 20% in the number of sold tests (electrodes) reaching 4,560 [5,696] sold electrodes.

Even with the reduced sales level the German operation was very close to break-even on a local basis as we balanced decreased sales with lower expense levels.

New applications and an MDR update

The launch of our new indications and products are somewhat dependant on new industry regulations in the EU called 'MDR'. The Medical Device Regulation or MDR is a broad new framework of regulations for medical device manufacturers that is mandatory from May 2021. MDR is a necessity for approval of new indications such as Non-Melanoma Skin Cancer (NMSC). The product is complete and the clinical data was submitted in April but MDR and the regulatory process has been delayed by Covid and the lack of resources at the regulatory bodies. Our target remains to be MDR certified and to release our NMSC application as soon as possible. This is a somewhat fluid situation, and we will do our best to keep you informed.

Our skin barrier application is progressing nicely. The method and some of 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>.

Progress with Nevisense Go

Nevisense Go is our next generation platform; a hand-held version of Nevisense, that aims to support all the present and future clinical indications. Our strategy with Nevisense Go is to start with the Barrier application and over time also add support for further indications and applications, utilizing different inbuilt AI models for each. Our first priority is Industry partners within Barrier, and we see the potential there to utilize Nevisense Go outside the specialist clinic and eventually in retail or even in the home. Nevisense Go in itself does not require MDR, but the first release is delayed into Q3 due to Covid-19. We are however making significant progress.

We continue to see good levels of industry interest in the combination of Nevisense Go and the barrier application. The ability to embed an AI-model into the stand-alone Nevisense Go is a unique accomplishment and our vision with Nevisense Go is described in our AI-partners blog, – <https://peltarion.com/blog/applied-ai/scibase>]. 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.

What Nevisense Go, the barrier application and the NMSC indication will bring to the table is that we as a Company will have additional legs to stand on, legs with substantial potential that together increase potential and reduce commercial risk.

Financing/Shareholders

We announced in March that despite the very challenging market conditions, we had secured a fully guaranteed rights issue. The first step or tranche was successfully closed in May raising MSEK 19.3 net 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.

The second tranche of the issue involves the conversion of the warrants issued in connection with the rights offering to shares. The warrants, traded under SCIB TO 1, grant the holder the right and opportunity to convert each warrant into 1 share between October 5 – October 16, 2020. The subscription price for a share is set to a minimum of SEK 1.00 and a maximum of SEK 1.75 based on a 70% of VWAP (Volume Weighted Average Price) during the 10 trading days preceding September 30, 2020.

Given the current share price we hope that tranche 2 will raise an additional MSEK 34.9 before issue costs. Based on our current strategy the net proceeds are estimated to fund the company through to the third quarter 2021.

It has been very pleasing to see the interest in Sci-Base and during this difficult period we have attracted over 1,000 new shareholders.



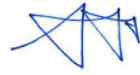
Opportunities ahead in 2020

The Covid-19 outbreak continues to affect us all: employees, customers, suppliers and society at large. The effect on SciBase has been significant, but we see positive signs and we are doing our utmost to continue normal operations as much as is possible.

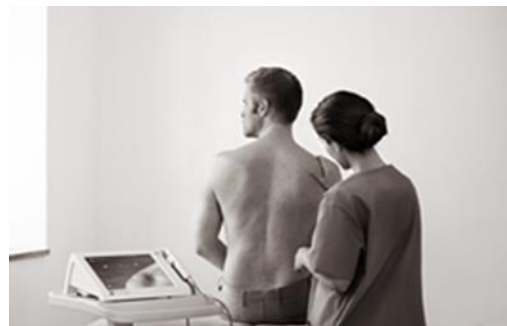
We initially worried that Covid-19 would seriously impact our activity levels but in fact we have been busier than ever. We are close to local breakeven in Germany. We have achieved key milestones in the US with the approval of Nevisense 3.0, our ADCS collaboration and our reimbursement code submission. We have new applications coming, which means we no longer have only a single application 'leg to stand on'. These applications significantly increase our potential market. We have very interesting opportunities in the barrier application with potential industrial partners and we have a new collaboration in the US with all the opportunities that will bring. We not only continue to reduce the level of technical and commercial risk around our products, but we are working hard to launch a revolutionary new handheld device, Nevisense Go based on the latest AI technology.

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 August 20th, 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.

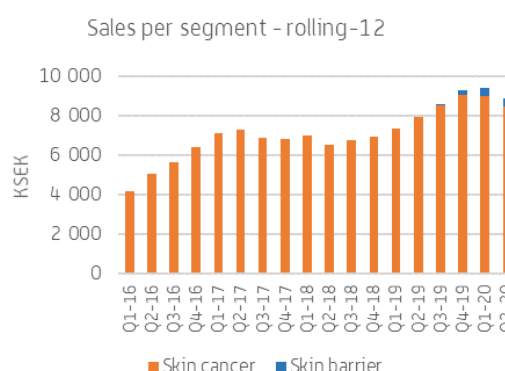
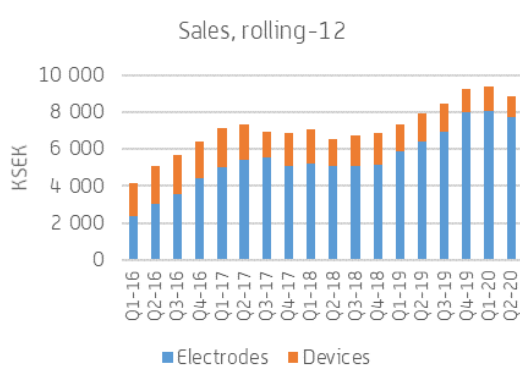
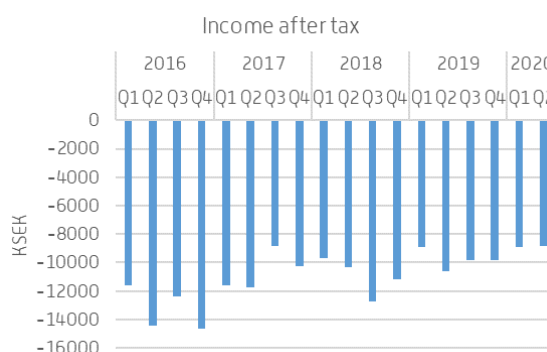
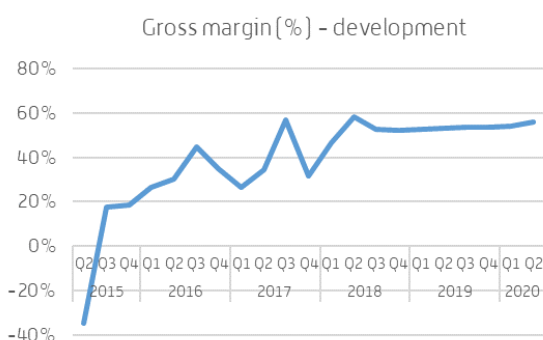
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"We take pride in providing our patients with access to the most advanced technology for the earliest detection of melanoma, when the disease is at its most curable stage. Technological advances like Nevisense will not only improve outcomes for our patients, but also change the landscape for the future of skin cancer detection and we are thrilled to be a part of this advancement" 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



Second quarter

Net Sales

Net sales for the second quarter of 2020 amounted to TSEK 1,683 [2,168], a decrease of 22%. Cleared for currency effects the sales decreased by 23%. Of this, sales of instruments accounted for TSEK 94 [217] and sales of electrodes for TSEK 1,589 [1,953]. The Covid-19 pandemic affected the Group's sales negatively from mid-March and almost all the way through the second quarter.

In the German market, many customers temporarily closed their clinics, especially those with a focus on aesthetics, while other customers continued to operate, albeit in a limited capacity. Physical customer visits were not feasible and customer meetings were held virtually as far as possible. Of significant impact was the fact that one of the most important annual congresses, DERM 2020 (Frankenthal), was postponed and will be held as an online event during the autumn. 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 activities were hit hard by Covid-19, with most dermatology practices temporarily closing down. However, we saw from the end of June positive signs that things were returning to normal in both Germany and the US.

Sales in Germany accounted for 99 [101%] of the sales in the period and decreased by 24% in the period compared to the first quarter of 2019. In local currency the sales in Germany decreased by 24%.

The total sales of electrodes in the quarter reached 4,672 [5,712], a decrease of 18%. In Germany, the total sales of electrodes in volume decreased by 20%. Total repeat sales of electrodes decreased by 22%.

Operating profit/loss

The operating loss for the period April - June 2020 amounted to TSEK 8,790 [10,545], a decreased loss of TSEK 1,755. In the period, the lower sales were balanced by a lower external activity level. Due to the Covid-19 pandemic the Groups sales and marketing activities decreased following postponed congresses, short-work of our sales team in Germany and reduction of other marketing activities. On the total operating expenses decreased by 17% in the second quarter compared to Q2 2019. Currency effects impacted the operating income negatively by approximately MSEK 0.1.

The gross margin in the period was 55.7 [53.3%] and continues to be stable at a level above 50%. When cleared for currency effects the gross margin would have been just over 55%. The overall margin remains very dependent on electrode production and sales volumes and will vary between quarters.

Sales and marketing expenses decreased by TSEK 1,230 and amounted to TSEK 4,926 [6,156]. The expenses decreased due to a lower activity level as a consequence of Covid-19 by the cancellation of congresses, reduced marketing activities and short work of our sales staff in Germany.

Administration expenses for the period amounted to TSEK 2,232 [2,455], a decrease of TSEK 223.

Development expenses for the period amounted to TSEK 2,537 [2,931], a decrease of TSEK 394.

Cash flow, investments and financial position

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

to TSEK 30,450. In the period a rights issue was performed raising net MSEK 19.3, after issue costs. In the period MSEK 4.4 of the total issue costs of MSEK 5.6 were paid.

Cash flow from current operations for the period was negative to the amount of TSEK 8,704 (9,900), of which changes in working capital amounted to a negative TSEK 5 (positive 700). The negative operating cash flow mainly improved due to changes in working capital. Total cash flow for the period was positive to the amount of TSEK 12,351 (negative 11,227). Unpaid issue costs amount to MSEK 1.2.

Net investments in tangible assets for the period amounted to TSEK 180 (1,012) and mainly involved investments in production tools. Investments in intangible

assets for the period amounted to TSEK 0 (0). In the period a financial asset of TSEK 1,157 was divested.

Depreciation of tangible assets was charged against earnings for the period to the value of TSEK 643 (721) of which TSEK 437 (452) are due to leased assets.

At the Extraordinary General Meeting held on April 29, 2020 it was decided to reduce the share capital through a reduction of the quota value per share from SEK 3.70 to SEK 0.05. This reduction was registered on August 18, 2020 by Bolagsverket but is already implemented in the following balance sheets.

First half-year

Net Sales

Net sales for the first half of 2020 amounted to TSEK 4,179 (4,536), a decrease of 8%. Cleared for currency effects the sales decreased by 9%. Of this, sales of instruments accounted for TSEK 415 (494) and sales of electrodes for TSEK 3,764 (4,043). The Covid-19 pandemic affected the Group's sales negatively from mid-March and up to the end of the second quarter. During this period, in both Germany and the US, many customers temporarily closed their clinics which led to decreased sales and no possibility for physical customer meetings. Postponed or cancelled congresses have impacted the sales negatively as there was no opportunity to meet new customers. Apart from the Covid-19 effect, 2020 began with positive development in the USA, and for the new skin barrier application.

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 90 (99%) of the sales in the period and decreased by 17% in the period compared to the first half of 2019. In local currency the sales in Germany decreased by 18%.

The total sales of electrodes in the quarter reached 11,270 (11,792), a decrease of 4%. In Germany, the total sales of electrodes in volume decreased by 11%. Total repeat sales of electrodes decreased by 8%.

Operating profit/loss

The operating loss for the period January - June 2020 amounted to TSEK 17,567 (19,471), a decreased loss of TSEK 1,813. The lower sales in the period has been balanced by a lower external activity level. Due to Covid-19 the groups sales and marketing expenses decreased as a consequence of cancelled congresses, short-work of the German sales force and an overall decrease of marketing activities. on the total operating expenses decreased by 9% compared to the first half of 2019. Currency effects impacted the operating income negatively by approximately MSEK 0.1.

The gross margin in the period was 54.7 (52.9 %) and continues to be stable at a level above 50%. When cleared for currency effects the gross margin would have

been around 54%. The overall margin remains very dependent on electrode production and sales volumes and will vary between quarters.

Sales and marketing expenses decreased by TSEK 1,480 and amounted to TSEK 10,112 (11,592). The expenses decreased mainly because of a lower activity level due to Covid-19 with cancelled congresses, overall reduction of marketing activities and short-work of the German sales staff.

Administration expenses for the period amounted to TSEK 4,388 (4,444), a decrease of TSEK 56.

Development expenses for the period amounted to TSEK 5,095 (5,504), a decrease of TSEK 409.

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 30,450.

Cash flow from current operations for the period was negative to the amount of TSEK 16,597 (18,850), of which changes in working capital amounted to a negative TSEK 117 (negative 193). The negative operating cash flow mainly improved due to changes in working capital. Total cash flow for the period was positive to the amount of TSEK 3,917 (negative 20,770). In the second quarter a rights issue was performed raising net MSEK 19.3 after issue costs. The total issue costs amounted to MSEK 5.6 of which MSEK 1.2 were unpaid in the period.

Net investments in tangible assets for the period amounted to TSEK 299 (1,116) and mainly involved investments in production tools and 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 1,305 (1,385) of which TSEK 868 (906) are due to leased assets.

At the Extraordinary General Meeting held on April 29, 2020 it was decided to reduce the share capital through a reduction of the quota value per share from SEK 3.70 to SEK 0.05. This reduction was registered on August 18, 2020 by Bolagsverket but is already implemented in the following balance sheets.

Other disclosures

Shareholders

At the end of the period, SciBase Holding AB had approximately 2,127 shareholders, of whom the five largest represented approximately 37.2% of the capital and votes. The total number of shares amounts to 34,559,822. The largest shareholders as per June 30, 2020 were Fouriertransform AB (12%), Futur Pension (8%), Nordnet pensionsförsäkring (6%), SEB Venture Capital (6%) and SEB Pensionsstiftelse (13%).

In May 2020, a rights offering was performed, where 17,977,344 new shares were subscribed at a subscription price of SEK 1.25. In connection to the rights offering 17,977,344 warrants (TO 1) were issued with the right to during the period October 5 – October 16, 2020 subscribe 1 new share per warrant.

The incentive program that was resolved at an extraordinary shareholders meeting held on April 28, 2015 expired in June 2020 without any options being exercised.

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 over-excision 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 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 (40%) 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 June 30, 2020, the Group's cash and cash equivalents amounted to SEK 30.5 million. Based on the positive sales trend in Germany, the positive signals from the US market and the promising new application areas, (excluding Covid-19 effects) 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 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. In the first tranche of the rights issue the Company raised net MSEK 19.3 after issue costs. In the second tranche, which includes the conversion of warrants during the period October 5 – October 16, 2020 issued in the rights offering, the

Company can raise a maximum of MSEK 34.9 before issue costs. For additional information regarding this please see the published prospectus or in significant events below.

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. Including a successful second tranche given the current strategy, the capital is estimated to finance operations until, the third 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 2,153 (2,153) 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 June 30, 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 2,153 (2,153). The loss for the period amounted to TSEK 16,232 (18,260). 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 14,2 (15,5).

Significant events during the quarter

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. In June the first installations were made at ADCS clinics in Florida.

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

SciBase submitted a reimbursement code application for its melanoma application to the Centers for Medicare & Medicaid Services (CMS) in the US.

SciBase performed a heavily oversubscribed rights offering. SciBase received proceeds from the issue amounting to SEK 24.9 (net 19.3 after issue costs) million before transaction costs, excluding the additional capital contribution that may come from the exercise of the warrants in October 2020. The outcome was:

- 17,977,344 units were subscribed for by exercise of unit rights. In addition, applications for subscription without unit rights corresponding to 50,608,560 units were received
- The rights issue was fully secured through subscription undertakings of approximately SEK 4.1 million and guarantee commitments of approximately SEK 20.8 million.
- No guarantee commitments were utilized

The rights issue consisted of 19,941,721 units, each consisting of one (1) share and one (1) warrant free of charge, which can be used for subscription of one (1) new share in the Company during the period October 5 – October 16, 2020 at an exercise price corresponding to the higher of (i) 70 per cent of the volume-weighted average price of the Company's share on Nasdaq First North Growth Market during a period of ten (10) trading days immediately preceding September 30, 2020 (including September 30, 2020), but not less than SEK 1.00 and not more than SEK 1.75 per share, and (ii) the quotient value of the share at the time the warrants are exercised. The number of shares in SciBase is increased by 19,941,721, from 16,618,101 to 36,559,822 through the rights issue. At full exercise of all warrants issued in the rights issue, the number of shares in the Company will increase further with a maximum of 19,941,721 additional shares.



An extraordinary general shareholders meeting on April 29, 2020 approved the Boards proposal regarding a rights issue.

The AGM 2020 was held on June 17, 2020. The meeting resolved to adopt the profit and loss account and balance sheet for the group and the Company included in the annual report, to adopt the profit and loss distribution, to discharge the board members and managing director from liability, re-election of Tord Lendau, Diana Ferro and Thomas Taapken. New election of Barbro Fridén as member of the Board. The meeting also decided upon the board fees. PricewaterhouseCoopers AB (PwC) (re-election) was elected as auditor with Magnus Lagerberg as responsible auditor. Furthermore, the meeting resolved to adopt principles for the appointment the nominating committee for the annual general meeting 2021. The AGM furthermore decided on an authorization for the board of directors to increase the share capital through issuance of new shares, warrants and/or convertible debentures through which the Company's share capital may be increased by an amount corresponding to not more than 20 per cent of the share capital after such issue(s). In addition the AGM decided on changes to the Company's articles of association (i) regarding the prerequisites for participating in general meetings and (ii) by introducing a provision on the collection of proxy forms and postal voting.

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

Significant events after the period

Nevisense selected for 'SpotCheck' remote melanoma detection evaluation study by The Ronald O. Perleman Department of Dermatology at NYU Langone Health. The SpotCheck study will investigate the use of Nevisense as a point-of-care diagnostic tool to assist with skin cancer detection in a remote setting such as a non-specialist practice or pharmacy. The study will evaluate how Nevisense can help providers assess patients' irregular moles in such locations, and if successful will help improve access for patients to technology for the early detection of melanoma.

Consolidated summary Income Statement

SEK 000'	Apr 1 - Jun 30		Jan 1 - Jun 30		July 1, 2019 -	
	2020	2019	2020	2019	Jun 30, 2020 Rolling-12	Jan 1 - Dec 31 2019
Net sales	1 683	2 168	4 179	4 536	8 919	9 276
Cost of goods sold	-745	-1 013	-1 892	-2 135	-3 973	-4 216
Gross Profit/Loss	938	1 155	2 286	2 401	4 946	5 060
Sales and marketing expenses	-4 926	-6 156	-10 112	-11 592	-21 788	-23 268
Administration expenses	-2 232	-2 455	-4 388	-4 444	-8 208	-8 264
Development expenses	-2 537	-2 931	-5 095	-5 504	-10 879	-11 288
Other operating income	1	30	0	-20	0	-20
Other operating expenses	-34	-188	-349	-311	-1 663	-1 625
Operating Income	-8 790	-10 545	-17 657	-19 471	-37 591	-39 405
Financial income	1	0	1	98	-2	95
Financial expenses	-75	-68	-144	-147	-281	-285
Profit/Loss before taxes	-8 864	-10 613	-17 800	-19 520	-37 875	-39 594
Income tax	-	-	0	0	0	0
Profit/Loss for the period	-8 864	-10 613	-17 800	-19 520	-37 875	-39 594
Net Profit/Loss attributable to:						
Parent company shareholders	-8 864	-10 613	-17 800	-19 520	-37 875	-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)*	-0,38	-0,64	-0,89	-1,17	-2,07	-2,38
Average number of shares outstanding	23 265	16 618	19 942	16 618	18 280	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'	Apr 1 - Jun 30		Jan 1 - Jun 30		July 1, 2019 -	
	2020	2019	2020	2019	Jun 30, 2020 Rolling-12	Jan 1 - Dec 31 2019
Profit/loss for the period	-8 864	-10 613	-17 800	-19 520	-37 875	-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	0	0	-4	-4
Tax effect attributable to changes in fair value on financial assets that can be sold	0	1	0	2	2	4
Translation differences on foreign operations	-355	-633	-125	-380	385	131
Sum other comprehensive income	-355	-582	-125	-378	383	130
Total comprehensive income for the period	-9 220	-11 195	-17 925	-19 897	-37 492	-39 464
Total comprehensive income attributable to:						
Parent company shareholders	-9 220	-11 195	-17 925	-19 897	-37 492	-39 464



Consolidated summary statement of financial position

SEK 000'	June 30		Dec 31
	2020	2019	2019
ASSETS			
<i>Fixed Assets</i>			
Tangible fixed assets	7 499	11 001	8 791
Financial fixed assets	50	1 211	1 207
Total Tangible Assets	7 549	12 212	9 998
<i>Current Assets</i>			
Inventory	5 420	5 469	5 003
Current tax receivable	1 274	846	548
Receivables	1 775	1 525	2 153
Other current receivables	1 802	2 370	2 004
Cash equivalents	30 450	46 772	26 456
Total Current Assets	40 720	56 981	36 163
Total Assets	48 269	69 193	46 161
Shareholders' Equity and Liabilities			
Shareholders' equity attributable to parent company shareholders	33 407	51 580	32 014
<i>Longterm Liabilities</i>			
Deferred tax liability	20	20	20
Other longterm liabilities	2 589	4 400	3 501
Total Longterm Liabilities	2 609	4 420	3 521
<i>Current Liabilities</i>			
Accounts payable	2 952	3 442	2 760
Other current liabilities	9 300	9 752	7 866
Total Current Liabilities	12 252	13 193	10 626
Total Liabilities	14 862	17 613	14 147
Total shareholders' equity and liabilities	48 269	69 193	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				-19 520	-19 520
Other comprehensive income			-378		-378
Total comprehensive income	0	0	-378	-19 520	-19 897
<i>Transactions with shareholders:</i>					
Total transactions with shareholders	0	0	0	0	0
Closing balance Mar 31, 2019	61 487	463 393	-528	-472 771	51 581
Opening balance Jan 1, 2020	61 487	463 393	-21	-492 846	32 014
Profit/loss for the period				-17 800	-17 800
Other comprehensive income			-152	27	-125
Total comprehensive income	0	0	-152	-17 774	-17 925
<i>Transactions with shareholders:</i>					
Reduction of share capital*	-61 653	61 653			0
New share issue	1 994	22 933			24 927
Issue expenses		-5 608	0		-5 608
Total transactions with shareholders	-59 659	78 978	0	0	19 319
Closing balance June 30, 2020	1 828	542 371	-172	-510 620	33 407

*Reduction of share capital decided at the extraordinary shareholders meeting on April 29, 2020 and registered by Bolagsverket on August 18, 2020.

Consolidated summary statement of cash flows

SEK 000'	Apr 1 – Jun 30		Jan 1 – Jun 30		July 1, 2019 –	
	2020	2019	2020	2019	Jun 30, 2020 Rolling-12	Jan 1 – Dec 31 2019
Cashflow from operating activities before change in working capital	-8 700	-10 600	-16 480	-18 657	-33 519	-35 697
<i>Cashflows from changes in working capital</i>						
Change in Inventory	-837	-523	-417	-1 591	49	-1 125
Change in Receivables	-631	-149	-146	-113	-109	-76
Change in Liabilities	1 464	1 372	445	1 511	-2 123	-1 057
<i>Total change in working capital</i>	-5	700	-117	-193	-2 183	-2 259
Cashflow from operating activities	-8 704	-9 900	-16 597	-18 850	-35 703	-37 956
<i>Investment activities</i>						
Acquisitions of Fixed Assets	-180	-1 012	-299	-1 116	-530	-1 347
Divestment of fixed assets	0	78	0	78	0	78
Divestment of financial assets	1 157	-	1 157	-	1 157	-
Cashflow from investment activities	977	-935	858	-1 038	627	-1 269
<i>Financing activities</i>						
New share issues	24 927	-	24 927	0	24 927	-
Expenses related to new share issues	-4 422	0	-4 422	0	-4 422	-
Amortization leasing contracts	-427	-443	-849	-882	-1 748	-1 781
Cashflow from financing activities	20 078	-443	19 655	-882	18 756	-1 781
Cashflow for the period	12 351	-11 277	3 917	-20 770	-16 319	-41 006
Cash equivalents at start of the year	17 970	58 057	26 456	67 514	46 772	67 514
Exchange rate differences in cash equivalents	129	-7	77	29	-3	-52
Cash equivalents at end of the period	30 450	46 772	30 450	46 772	30 450	26 456



Income statement, Parent Company

SEK 000'	Apr 1 - June 30		Jan 1 - June 30		July 1 2019 - June 30, 2020 Jan 1 - Dec 31	
	2020	2019	2020	2019	Rolling-12	2019
Net Sales	1 077	1 077	2 153	2 153	4 306	4 306
Gross profit	1 077	1 077	2 153	2 153	4 306	4 306
Administration expenses	-2 135	-2 771	-4 229	-4 932	-7 901	-8 604
Other expenses	1	-	0	-	0	0
Operating Profit/loss	-1 058	-1 694	-2 076	-2 778	-3 595	-4 297
<i>Earnings from financial items:</i>						
Profit/Loss from shares in group companies	-7 783	-8 879	-14 156	-15 470	-30 941	-32 256
Financial income	0	0	0	0	0	0
Financial expenses	0	0	0	-11	0	-11
Profit/loss after financial items	-8 842	-10 573	-16 232	-18 260	-34 536	-36 564
Taxes	-	-	-	-	-	-
Profit/loss for the period	-8 842	-10 573	-16 232	-18 260	-34 536	-36 564

Statement of other comprehensive income, Parent Company

SEK 000'	Apr 1 - June 30		Jan 1 - June 30		July 1 2019 - June 30, 2020 Jan 1 - Dec 31	
	2020	2019	2020	2019	Rolling-12	2019
Profit/loss for the period	-8 842	-10 573	-16 232	-18 260	-34 536	-36 564
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-8 842	-10 573	-16 232	-18 260	-34 536	-36 564



Summary Balance Sheet, Parent Company

SEK 000'	June 30		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	16 168	27 858	22 342
Cash equivalents	13 389	16 313	2 615
Total Current Assets	29 557	44 171	24 956
TOTAL ASSETS	167 204	181 817	162 603
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholder's equity</i>			
Restricted equity			
Share capital	1 828	61 487	61 487
Non-restricted equity			
Other capital contributions	542 424	463 446	463 446
Retained earnings	-364 567	-328 003	-328 003
Profit/Loss for the period	-16 232	-18 260	-36 564
Shareholders equity	163 452	178 670	160 366
<i>Current Liabilities</i>			
Current liabilities	3 752	3 148	2 237
Total liabilities	3 752	3 148	2 237
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	167 204	181 818	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 consisted of cash funds, were divested during Q2 2020.

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.

Second quarter

Skin cancer

Europe/Rest of the World

Net sales during the period amounted to TSEK 1,661 [2,168] of which Germany accounted for 100 [101]%. 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 932 [1,155].

Other geographical areas

Net sales during the period amounted to TSEK 0 [0]. Gross profit amounted to TSEK 0 [0]. 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 21 [0]. Gross profit amounted to TSEK 6 [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.

First half-year

Skin cancer

Europe/Rest of the World

Net sales during the period amounted to TSEK 3,777 [4,526] of which Germany accounted for 100 [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 2,82 [2,398].

Other geographical areas

Net sales during the period amounted to TSEK 205 [11]. Gross profit amounted to TSEK 106 [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 193 [0]. Gross profit amounted to TSEK 98 [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'	Apr 1 - June 30, 2020			Apr 1 - June 30, 2019		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Skincancer - Net sales	1 662	0	1 662	2 168	0	2 168
The skin barrier function - Net Sales	0	21	21	-	-	-
Sales between segments	-	-	-	-	-	-
Net sales from external customers	1 662	21	1 683	2 168	0	2 168
Cost of goods - Skincancer	-731	0	-731	-1 013	0	-1 013
Cost of goods - Barrier function	0	-15	-15	-	-	0
Cost of goods - total	-731	-15	-745	-1 013	0	-1 013
Gross Profit - Skincancer	932	0	931	1 155	0	1 155
Gross Profit - Barrier function	0	7	7	-	-	0
Gross Profit - total	932	6	938	1 155	0	1 155
Operating expenses			-9 728			-11 700
Operating profit/Loss			-8 790			-10 546
Financial Income			1			0
Financial Expenses			-75			-68
Group earnings - before tax			-8 864			-10 613

SEK 000'	Jan 1 - June 30, 2020			Jan 1 - June 30, 2019		
	Europe/ Rest of the World	Other Segments	Total	Europe/ Rest of the World	Other Segments	Total
Skincancer - Net sales	3 780	205	3 986	4 526	11	4 536
The skin barrier function - Net Sales	0	193	193	-	-	-
Net sales from external customers	3 780	399	4 179	4 526	11	4 536
Cost of goods - Skincancer	-1 698	-99	-1 797	-2 127	-8	-2 135
Cost of goods - Barrier function	0	-95	-95	-	-	0
Cost of goods - total	-1 698	-194	-1 892	-2 127	-8	-2 135
Gross Profit - Skincancer	2 082	106	2 188	2 398	3	2 401
Gross Profit - Barrier function	0	98	98	-	-	0
Gross Profit - total	2 082	204	2 287	2 398	3	2 401
Operating expenses			-19 944			-21 871
Operating profit/Loss			-17 657			-19 470
Financial Income			1			98
Financial Expenses			-144			-147
Group earnings - before tax			-17 800			-19 520



Net sales per category and segment

Amounts in KSEK	Apr 1 - June 30 2020		Apr 1 - June 30 2019		Jan 1 - June 30 2020		Jan 1 - June 30 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	Europe/ Rest of the World	Other segments	Europe/ Rest of the World	Other segments
<i>Skin cancer</i>												
Electrodes	1 568	0	1 953	0	3 482	140	4 032	11	7 226	227	7 777	98
Instruments	94	0	217	0	298	65	494	0	812	246	1 007	181
Total Skin Cancer	1 662	0	2 169	0	3 780	205	4 527	11	8 038	473	8 784	279
<i>Skin barrier function</i>												
Electrodes	0	21	0	0	0	141	0	0	90	168	90	26
Instruments	0	0	0	0	0	52	0	0	97	52	97	0
Total skin barrier function	0	21	0	0	0	193	0	0	187	220	187	26
<i>Total</i>												
Electrodes	1 568	21	1 953	0	3 482	282	4 032	11	7 316	396	7 866	124
Instruments	94	0	217	0	298	117	494	0	909	298	1 104	181
Total	1 662	21	2 169	0	3 780	399	4 527	11	8 225	694	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, August 20, 2020

Tord Lendau
Chairman of the Board

Diana Ferro
Board member

Thomas Taapken
Board member

Barbro Fridén
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 August 20, 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		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales, SEK ths	1 683	2 496	2 800	1 940	2 168	2 368	2 030	1 359	1 571
Gross margin, %	55,7%	54,0%	58,0%	53,4%	53,3%	52,6%	52,1%	52,6%	58,2%
Equity/Asset ratio, %	69,2%	64,8%	69,4%	73,4%	74,5%	79,0%	88,1%	89,2%	92,0%
Net indebtedness, multiple	0,44	0,54	0,44	0,36	0,34	0,27	0,13	0,12	0,09
Cash equivalents, SEK ths	30 450	17 970	26 456	35 917	46 772	58 057	67 514	77 551	85 231
Cashflow from operating activities, SEK ths	-8 704	-7 893	-8 842	-10 264	-9 900	-8 950	-9 990	-7 692	-10 119
Earnings per share (before and after dilution), SEK	-0,38	-0,38	-0,61	-0,59	-0,64	-0,54	-0,69	-0,77	-0,62
Shareholder's equity per share, SEK	1,44	1,40	1,93	2,53	3,10	3,78	4,30	4,97	5,76
Average number of shares, 000'	23 265	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618
Number of shares at closing of period, 000'	36 560	16 618	16 618	16 618	16 618	16 618	16 618	16 618	16 618
Share price at end of period, SEK	2,44	1,84	4,36	5,25	4,34	4,14	3,10	4,52	6,45
Number of sold electrodes, pieces	4 672	6 562	7 180	4 752	5 712	6 080	3 872	3 088	4 304
Average number of employees	16	16	18	18	18	19	19	19	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 period:

Gross Margin (%)

	2020	2019
Gross Profit	2 286	2 401
Net Sales	4 179	4 536
Gross Margin (%)	54,7%	52,9%

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	33 407	51 580
Total Assets	48 269	69 193
Shareholders' Equity ratio (%)	69,2%	74,5%

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)

	2020	2019
Total Liabilities	14 862	17 613
Total Shareholders' Equity	33 407	51 580
Debt ratio (times)	0,44	0,34

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	-17 800	-19 520
Average number of shares (thousand)	19 942	16 618
Earnings per share (sek)	-0,89	-1,17

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	33 407	51 580
Average number of shares (thousand)	19 942	16 618
Shareholders' equity per share	1,68	3,10

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	36 560	16 618
Average number of shares (thousand)	19 942	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

Interim report Q3, November 12 2020

Year-end report, February 2021