

Interim report

January 1 – June 30, 2022

The first quarter in figures

- Net sales amounted to TSEK 3,726 [2,258], +65%.
- The loss after tax amounted to TSEK 9,212 [11,151].
- The loss per share amounted to SEK 0.13 [0.19].
- The cash flow from current operations was negative in the amount of TSEK 9,643 [9,162].
- The gross margin reached 70,6% [56,3%].
- Electrode sales volume increased by 60% and reached 9,550 [5,968] units. Repeat sales of electrodes to existing customers increased by 58%.

January - June in figures

- Net sales amounted to TSEK 7,987 [4,821], +66%.
- The loss after tax amounted to TSEK 18,948 [19,304].
- The loss per share amounted to SEK 0.28 [0.34].
- The cash flow from current operations was negative in the amount of TSEK 20,155 [18,635].
- The gross margin reached 66,4% [54,4%].
- Electrode sales volume increased by 45% and reached 19,580 [13,464] units. Repeat sales of electrodes to existing customers increased by 45%.

Important events during the quarter

- Overall sales increased by 65% (+56%, before currency effects). The sales in the important US market

increased within the area of skin cancer by 146% (in local currency by 104%). Sales in Germany increased by 54% (49% in local currency).

- A new study performed in Germany and published online in the journal *Dermato* demonstrated the clinical benefits of Nevisense in day-to-day practice.
- A new study published in the US demonstrated that EIS and Nevisense can significantly improve clinical decisions in the dermatology day-to-day practice, especially for less experienced clinicians. The study titled – “**Diagnostic Efficacy Of Electrical Impedance Spectroscopy Versus Dermoscopy For Pigmented Skin Lesions: A Pilot Study**” and authored by Dr Jonathan Ungar, Associate Director and Assistant Professor, Dermatology Department, et al at Icahn School of Medicine at Mount Sinai, New York, was published online in “*SKIN-The Journal of Cutaneous medicine*”.
- The annual report for 2021 was published.
- The AGM 2022 was held on May 18, 2022.

Important events after the end of the period

- FDA expert panel in line with SciBase position to keep stringent approval level for all new skin lesion analyzers.

Financial overview

| THE GROUP | Apr 1 - June 30 | | Jan 1 - June 30 | | July 1 2021 - | Jan 1 - Dec 31 |
|---|-----------------|--------|-----------------|---------|---------------|----------------|
| | 2022 | 2021 | 2022 | 2021 | June 30 2022 | 2021 |
| Net sales, SEK ths | 3 726 | 2 258 | 7 987 | 4 821 | 14 893 | 11 727 |
| Gross margin, % | 70,6% | 56,3% | 66,4% | 54,4% | 62,2% | 56,1% |
| Equity/Asset ratio, % | 76,6% | 87,3% | 76,6% | 87,3% | 83,3% | 82,8% |
| Net indebttns, multiple | 0,30 | 0,15 | 0,30 | 0,15 | 0,20 | 0,21 |
| Cash equivalents, SEK ths | 44 577 | 88 192 | 44 577 | 88 192 | 44 577 | 65 607 |
| Cashflow from operating activities, SEK ths | -9 643 | -9 162 | -20 155 | -18 635 | -41 021 | -39 501 |
| Earnings per share (before and after dilution), SEK | -0,13 | -0,19 | -0,28 | -0,34 | -0,61 | -0,67 |
| Shareholder's equity per share, SEK | 0,72 | 1,59 | 0,72 | 1,65 | 1,05 | 1,13 |
| Average number of shares, 000' | 68 475 | 59 265 | 68 475 | 57 023 | 68 465 | 62 739 |
| Number of shares at closing of period, 000' | 68 475 | 68 236 | 68 475 | 68 236 | 68 475 | 68 475 |
| Share price at end of period, SEK | 3,41 | 5,52 | 3,41 | 5,52 | 3,41 | 5,52 |
| Number of sold electrodes, pieces | 9 550 | 5 968 | 19 580 | 13 464 | 35 908 | 29 792 |
| Average number of employees | 19 | 17 | 19 | 17 | 19 | 17 |

Definitions and a glossary are provided on page 20



Nevisense Go

Nevisense Go is a handheld and fully portable device the size of a large Pen. It combines the company's core Electrical Impedance Spectroscopy (EIS) measurement technology with a new AI-based analysis platform embedded in the device. The result is a flexible platform that will be significantly easier to both collect data and develop applications on. It will also mean products that are easier for clinicians to use and to integrate into a clinic, and better acceptance by patients. The first Nevisense Go version is released for research in skin barrier assessment and is targeted at researchers and Industry partners.

Comment by CEO Simon Grant

"Improved margin and eighth consecutive quarter of sales growth"

Q2 Highlights

- Sales in Q2 increased by 65% (+56% before currency) reaching MSEK 3.7 [2.3].
- Continued positive electrode sales growth in Germany, +63% in the quarter.
- Gross margin surpassed 70% for the first time
- US Medicare Contractor Novitas Solutions (Novitas) has started assigning payment to the Nevisense test
- US and German studies published demonstrating Nevisense can improve clinical decision-making in routine use.
- FDA expert panel recommended to keep current stringent approval level for all new skin lesion analyzers.
- Nevisense and Nevisense Go included in additional large skin barrier studies.

Sales growth driven by Germany and the US

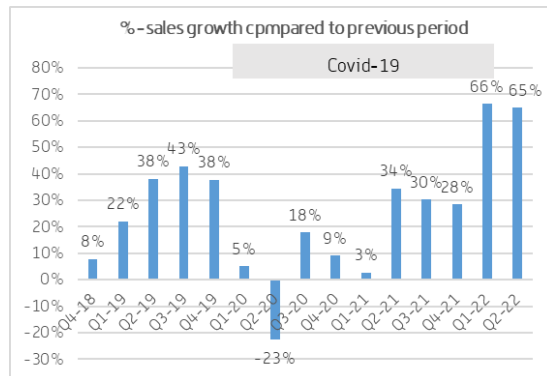
Continued good sales in Germany (+54% vs Q2-21) was the driver for sales growth in the quarter. Some pre-price increase sales of electrodes were included in the start of Q2, though following that electrode sales continued to be strong. Overall electrode sales grew by 63% in Germany in Q2 and with 54% for the first six months.

Apart from the continued sales growth in Germany our US practice group strategy continues to gain traction as usage develops. We continue to receive positive clinical feedback, and with continued reimbursement progress we see broad potential for Nevisense in the US.

In total sales reached MSEK 3.7 [2.3] for the quarter, an increase of 65%, [56% before currency effects] indicating that we are back to the growth levels we saw prior to the pandemic.

Finally, interest in the skin barrier application from researchers and industry continues to rise, though we saw mixed progress in the quarter when it came to sales. Because of the nature of research purchases, we expect sales in this area will continue to vary by quarter.

With our German sales growth, reimbursement progress in the US and a high level of interest in skin barrier we believe we have the drivers for continued positive sales momentum.



Percentage quarterly sales growth compared to the same quarter in the previous year.

US – steady reimbursement progress

Medicare coverage of the Nevisense melanoma test is key to our US strategy. This is a step-by-step process, where we, supported by our customers, work to get the test covered by regional Medicare Administrative Contractors or 'MACs'. Until this quarter, Medicare payment had only been assigned to claims by the Florida MAC, First Coast. During Q2 we saw a very positive development in that claims in the mid-Atlantic region also started receiving payment. The MAC assigning payment, Novitas Solutions (Novitas), covers the Central US (such as Texas, Colorado, Louisiana) and part of the mid-Atlantic region (states such as Pennsylvania, New Jersey, Maryland etc). As is the case in Florida, we will work with our customers there to raise the payment amount to a level that we and our customers see as appropriate for the test.

When it comes to private health insurance companies (also known as 'private payers'), the situation varies by payer. Some private payers are reimbursing the test at an acceptable rate, others are not covering the test at all. This is a normal step in this process. After initially focusing on Medicare only, we have expanded our activities to include private payers. Our efforts remain focused on the regions where our current partners, ADCS (primarily in Florida) and Advanced Dermatology PC in the New York area, have a high concentration of practices.

Sales growth is being driven by an increase in usage and a higher price per electrode sold. **In total sales increased in the quarter by 146% [104% in local currency] compared to Q2-21** and electrode sales volume grew by 24% compared to Q2-21. For the first six months of 2022, US sales overall grew by 306% versus the same period in 2021.

During the quarter the team at the Mt Sinai Dermatology department published a new study on the use of Nevisense. The study titled, "Diagnostic Efficacy Of Electrical Impedance Spectroscopy Versus Dermoscopy For Pigmented Skin Lesions: A Pilot Study" was authored by Dr Jonathan Ungar, Associate Director and Assistant Professor, Dermatology Department, et al at Icahn School of Medicine at Mount Sinai,



New York, was published online in "SKIN-The Journal of Cutaneous medicine". Dr Ungar commented "*The study results showed that EIS may complement dermoscopy by helping a broader range of providers make improved Pigmented Skin Lesion diagnostic decisions. This will ultimately improve patient care and reduce the morbidity and mortality associated with melanoma*".

It has been a busy quarter in the US and it is pleasing to see momentum building. Through the remainder of 2022, we will continue to expand - both when it comes to our US sales resources and also our reimbursement support activity levels.

US – FDA Expert Panel discusses skin lesion analyzers

On the 28-29th July, a Medical Devices Advisory Committee meeting including 22 experts was convened by the US FDA. The meeting was to gather expert advice on the regulation of AI driven, skin lesion analyzers (SLAs) and Apps for skin cancer detection. In short, the Panel members urged caution for skin cancer detection SLAs and Apps and stressed the need for more high-quality research to validate these technologies. The panel also considered the FDA's proposal to change the classification status of Nevisense and any new products that assist dermatologists in melanoma detection from the most stringent regulatory category, class III, to the less restrictive class II. The Panel discussed in detail the potential risks of reclassifying these technologies and overwhelmingly recommended keeping them in the current class III category. This recommendation was fully in line with the position presented by SciBase in both oral and written arguments

Germany continues to deliver strong growth

Germany has been the largest market for SciBase for several years and so it is pleasing to see still strong growth in the quarter and year to date. Electrode sales grew 74% in local currency for the first 6 months of 2022 (63% in volume) driven by both the price increase and increased product usage. New device sales also increased by 33% during that period.

Several key sales and marketing activities occurred in Germany during Q2. We finally got the chance to be physically present at congresses after a more than two-year absence due to Covid. The key meeting for SciBase Frankenthal, is usually held in March but was held this year at the end of June and was followed by the FOBI meeting in July. The interest was high with improved system sales occurring directly in our booth. We held a press conference with a German expert panel discussing skin cancer and Nevisense and we expect to see the result of that in different journals going forward. We are also expanding our sales resources with an additional agent added to support our customer base approaching 350 installed units in Germany.



Frankenthal

Our German language digital presence also increased significantly during Q2. We launched a new German sales and marketing platform with a comprehensive redevelopment of our German website, social media channels and videos.

Finally, one of our first users in Germany Dr Christoph Liebich published a study in the quarter on his results with Nevisense in the journal *Dermato*. The study looked at the real-life clinical effectiveness of Electrical Impedance Spectroscopy (EIS) when using Nevisense to detect malignancies in an everyday clinical setting. **In summary, the study clinic showed a reduction in the number of unnecessary excisions of 47%, without missing any melanomas.**

Operations and gross margin

Our gross margin for Q2 exceeded 70% for the first time. This level has been a strategic long-term goal and although the margin will vary going forward it is very pleasing to see that we have achieved the goal for the first time. The production team has done a fantastic job in streamlining the manufacturing process – resulting in increased production capacity and a reduced manufacturing cost per electrode. We now have sufficient capacity for our medium-term expansion needs and we now know that our goal of an overall gross margin of at least 70% is achievable. Our margin has of course been positively affected by currency and the price increase in Germany but we are on the right track. Cleared for currency effects the gross margin would have been around 69%.

Skin Barrier – a strategic growth area

Developing the skin barrier application is a strategic focus for SciBase and an area that we believe has significant future growth potential. As with NMSC (Non-Melanoma Skin Cancer), Skin Barrier is based on the same Electrical Impedance Spectroscopy (EIS) methodology and electrode but utilizes barrier-specific AI algorithms. Because it is a relatively new method and application, we have targeted the research market and industry collaborations first. Our long-term goal within barrier is to develop multiple clinical applications that can be used broadly: by non-specialists and even eventually by patients in their homes.

The skin barrier is a 'hot' research area today and there are also many new drugs in development that can affect the skin barrier. Assessment of the skin's barrier function could potentially form the basis for several clinical applications, addressing several different disorders. Nevisense and EIS is a unique approach that has the potential to become a standard of care in in this space. This is a key reason as to why we believe Barrier can become a very significant opportunity for SciBase.

There are many studies under way or due to start with this exciting technology. We are focusing however on three specific clinical applications where we see a clear path to market and where there is interest from both researchers and industry.

During the summer we attended three congresses including EACCI in Prague and two meetings in Davos, Switzerland. During these congresses there were a number of posters and presentations with a significant focus on the skin barrier and Nevisense. We experienced a high level of interest in both Nevisense and Nevisense Go for skin barrier applications and expect this to result in a significant number of sales and new studies in the coming quarters.

Much happening, positive outlook

We are generally very positive and hopeful that we will be able to continue to deliver good sales growth though the mix between Europe, the US and the new skin barrier applications will vary. We have many projects ongoing that we hope will drive our business both commercially and clinically, and we are adding personnel to support this growth. Our base business within melanoma is developing well, we are building the scientific and clinical base for barrier with many potential clinical applications which is especially exciting, and I look forward to sharing more news on this in the future.



Simon Grant, CEO
Sundbyberg August 18th, 2022



SciBase in brief

About SciBase

SciBase, a medical technology company, is a leading developer of augmented intelligence-based solutions for skin disorders. SciBase develops instruments for the detection of skin cancer and other skin conditions such as atopic dermatitis. Nevisense can detect 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 within Electrical Impedance Spectroscopy (EIS), and SciBase has conducted the largest study to date on the detection of melanoma, in which Nevisense achieved excellent results. The study was published in the prestigious British Journal of Dermatology. Nevisense is approved for sale in the United States (PMA), Europe (CE mark, under MDR) and Australia (TGA).

Besides melanoma, SciBase is developing further research and clinical applications for Nevisense. Using Nevisense as a platform, the Company has added applications based on the same EIS method to assess non-melanoma skin cancer, skin barrier and atopic dermatitis. SciBase sold the first Nevisense systems for the evaluation of the skin barrier function to leading researchers in 2019.

SciBase has also miniaturized the Nevisense hardware platform through the development of an Application Specific Integrated Circuit (ASIC). The new product platform, Nevisense Go, was released at the end of 2020 for research use.

SciBase was founded in 1998 by Associate Professor Stig Ollmar, a researcher at The Karolinska Institute. The Company is headquartered in Sundbyberg, Stockholm and is listed on the Nasdaq First North Growth Market.

Business model

The company's business model is based on customers initially purchasing a Nevisense or Nevisense Go device then buying consumables (electrodes) on an on-going basis. Each electrode can only be used on one patient but can test up to 20 moles or skin areas.

Short facts

- Skin cancer is the most common and fastest-growing form of cancer in the world.
- 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 melanoma reached USD 3.3 billion in 2011, equivalent to 41% of expenditure for skin cancer. In the preceding 5 year period, melanoma management cost increased four-fold.
- Today, some 50-60 million annual examinations for 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)

Vator Securities

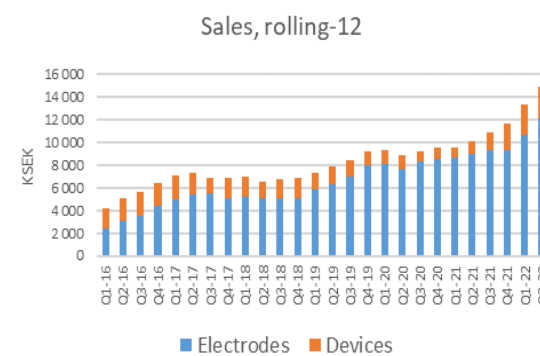
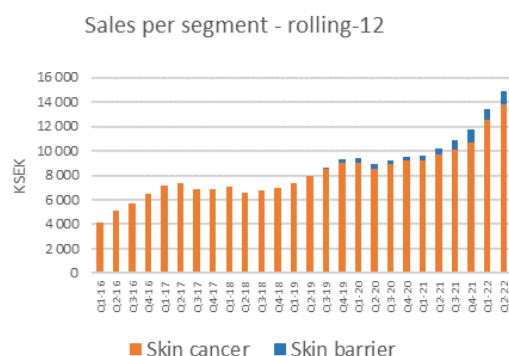
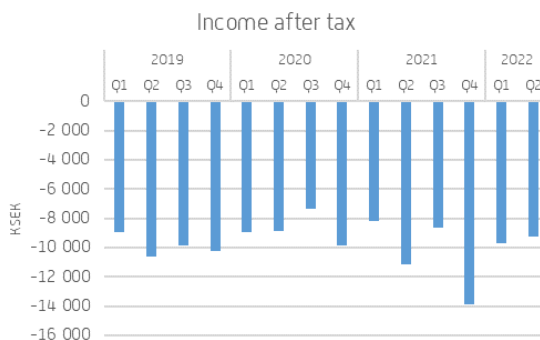
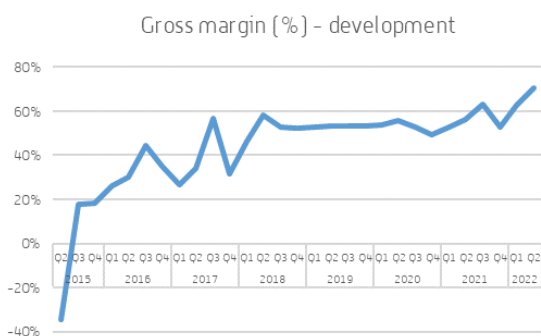
Email: ca@vatorsec.se

Tel: +46 8 580 065 099

"We are excited to integrate Nevisense into our skin cancer exams to offer the most advanced technology for the earliest possible detection of melanoma at the point of care", says Dr. Matt Leavitt, Chairman and Founder of Advanced Dermatology and Cosmetic Surgery

US facts

- In 2022 there are expected to be around 97,980 invasive melanoma cases and in 2021 around 7,180 deaths estimated 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 both men and women
- The lifetime risk for melanoma in the US is 1 in 24



Second quarter

Net Sales

Net sales for the second quarter of 2022 amounted to TSEK 3,726 (2,258), an increase of 65%. Cleared for currency effects the sales increased by 56%. The increased sales are mainly due to continued good sales of electrodes in Germany. A number of customers placed large orders before an 8% electrode price rise from April 1st. Not all of these large order quantities received in March could be shipped during Q1, which meant a good order stock for electrode sales going into Q2. Even though the price increase led to good sales at the end of Q1 and the beginning of Q2, sales have nevertheless continued to be good even afterwards. The sales of electrodes in the US also continues to be positive. Sales of devices amounted to TSEK 258 (320) and sales of electrodes to TSEK 3,468 (1,938). The sales within the new skin barrier application were TSEK 328 (94) in the period. These sales are for research purposes and to potential industrial partners. Given the nature of research sales it will vary between the quarters.

Sales in Germany in the skin cancer area accounted for 85 (83%) of the sales in the period and increased by 54% compared to Q2 2021. In local currency the sales in Germany increased by 49%. From April 1st an announced price increase of 8% on the electrode was implemented in Germany which has affected the sales positively from the middle of the quarter.

The sales in the US in the skin cancer area accounted for 13 (9)% of the sales in the period. The Company's US practice group strategy continues to gain traction with continuous good electrode sales.

The total sales of electrodes in the quarter reached 9,550 (5,698), an increase of 60%. In Germany, the total sales of electrodes within skin cancer in volume increased

by 63% and in the US by 24%. Total repeat sales of electrodes increased by 58%.

Operating profit/loss

The operating loss for the period April - June 2022 amounted to TSEK 11,713 (11,104), an increased loss of TSEK 609. The increased sales and the improved gross margin contributed to an improvement in earnings, which was, however, balanced by increased sales and marketing expenses through increased investments in the US and a return to a more normal market activity level in general. The total operating expenses increased in the period by TSEK 1,967. The operating income was negatively affected by currency effects (excluding currency revaluation of receivables from subsidiaries) with around MSEK 0.4. The financial income consists mainly of currency effects regarding revaluation of receivables from subsidiaries which affected net earnings after tax positively by MSEK 2.0.

The gross margin in the period was 70,6 (56.3%). When cleared for currency effects the gross margin would have been closer to 69%. In addition to the currency effect the margin improved following improvements in the production process, a price increase on the electrode in Germany and increased US sales. The overall margin remains very dependent on electrode production and sales volumes and will vary between quarters.

Sales and marketing expenses increased by TSEK 2,824 and amounted to TSEK 9,259 (6,435). The expense increase was primarily due to increased US resources and marketing activities as well as a general return to a more normal marketing activity level.

Administration expenses for the period amounted to TSEK 2,692 (2,410), an increase of TSEK 283. The increase was mainly due to increased quality activities related to MDR and staff expenses.

Development expenses for the period amounted to TSEK 2,445 (3,310), a decrease of TSEK 865. During Q2-21 the expenses included license fees for the development of the ASIC (Application Specific Integrated Circuit) used in Nevisense Go of around MSEK 0.9.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 54,621 and, at the end of the period, to TSEK 44,577.

Cash flow from current operations for the period was negative to the amount of TSEK 9,643 (9,162), of which

changes in working capital amounted to a positive TSEK 534 (positive 1,233) which was mainly attributable to decreased receivables. The negative operating cash flow deteriorated mainly due to the increased loss excluding net earnings improvements from revaluation of receivables from subsidiaries. Total cash flow for the period was negative to the amount of TSEK 10,256 (positive 56,715). During the second quarter 2021, two directed new issues were carried out, which net, after issue costs, raised approximately MSEK 66.5 to the company.

Net investments in tangible assets for the period amounted to TSEK 0 (140). 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 894 (685) of which TSEK 724 (538) are due to leased assets.

January - June

Net Sales

Net sales for January - June 2022 amounted to TSEK 7,987 (4,821), an increase of 66%. Cleared for currency effects the sales increased by 57%. The increased sales are mainly due to record sales of electrodes in Germany partly due to an announced price increase on the electrode of 8% from April 1st. Apart from Germany the US also contributed to the good sales increase with the continued sales of Nevisense systems (5) to one of the Company's partners, AdvDermPC in the New York region, as well as continued good electrode sales. Sales of devices amounted to TSEK 954 (583) and sales of electrodes to TSEK 7,032 (4,238). The sales within the new skin barrier application were TSEK 429 (348) in the period. These sales are for research purposes and to potential industrial partners. Given the nature of research sales it will vary between the quarters.

Sales during the first half of 2022 was to some extent still affected by Covid-19, primarily through the delay or cancelled meetings. As an example, one of the Company's key meetings in Germany was moved from March to July.

Sales in Germany in the skin cancer area accounted for 77 (83%) of the sales in the period and increased by 54% compared to the same period 2021. In local currency the sales in Germany increased by 49%. The sales and order inflow in the period were relatively high following an announced price increase of 8% from April 1st on the electrode.

The sales in the US in the skin cancer area accounted for 17 (7)% of the sales in the period. The Company's US practice group strategy continues to gain traction with 5 Nevisense units (for melanoma) sold to AdvDermPC in the New York area and a continued increase in electrode sales.

The total sales of electrodes in the period reached 19,580 (13,464), an increase of 45%. In Germany, the total sales of electrodes within skin cancer in volume increased by 54% and in the US by 44%. Total repeat sales of electrodes increased by 45%.

Operating profit/loss

The operating loss for the period January - June 2022 amounted to TSEK 21,410 (19,215), an increased loss of TSEK 2,195. The increased sales and the improved

gross margin contributed to an improvement in earnings, which was, however, balanced by increased sales and marketing expenses through increased investments in the US and a return to a more normal market activity level in general. The total operating expenses increased in the period by TSEK 4,878. The operating income (excluding currency effects on receivables from subsidiaries) was negatively affected by currency effects with around MSEK 0.5. The financial income consists mainly of currency effects regarding revaluation of receivables from subsidiaries which affected net earnings after tax positively by MSEK 2.5.

The gross margin in the period was 66,4 (54,4%). When cleared for currency effects the gross margin would have been just over 64%. In addition to currency effects the improved margin is the result of improvements in the production process, a price increase on the electrode in Germany and increased US sales. The overall margin remains very dependent on electrode production and sales volumes and will vary between quarters.

Sales and marketing expenses increased by TSEK 3,849 and amounted to TSEK 16,299 (12,450). The expense increase was primarily due to increased US resources and marketing activities as well as a general return to a more normal marketing activity level.

Administration expenses for the period amounted to TSEK 5,274 (4,698), an increase of TSEK 576. The increase was mainly due to increased travel, increased quality activities related to MDR and staff expenses.

Development expenses for the period amounted to TSEK 5,535 (4,972), an increase of TSEK 563. Costs increased as a result of projects related to production process improvements, clinical trials, product development projects and staff expenses.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 65,607 and, at the end of the period, to TSEK 44,577.

Cash flow from current operations for the period was negative to the amount of TSEK 20,155 (18,635), of which changes in working capital amounted to a negative TSEK 316 (negative 371) which was mainly attributable to a decreased inventory and decreased li-

abilities. The negative operating cash flow deteriorated mainly due to the increased loss (excluding net earnings improvements from revaluation of receivables from subsidiaries). Total cash flow for the period was negative to the amount of TSEK 21,376 (positive 46,706). During the second quarter 2021, two directed new issues were carried out, which net, after issue costs, raised approximately MSEK 66.5 to the company.

Net investments in tangible assets for the period amounted to TSEK 0 (140). 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 1,808 (1,435) of which TSEK 1,448 (1,070) are due to leased assets.

Other disclosures

Shareholders

At the end of the period, SciBase Holding AB had approximately 3,741 shareholders, of whom the five largest represented approximately 32.2% of the capital and votes. The total number of shares per June 30, 2022 amounts to 68,475,107. The largest shareholders as per June 30, 2022 were Avanza pension (11%), Futur Pension (6%), SIX SIS AG (6%) Nordnet pensionsförsäkring (5%) and Fouriertransform AB (4%).

Market overview

Skin cancer

SciBase is active within both skin cancer detection and skin barrier assessment.

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. SciBase estimates that at least 10-15 percent of patients or more than 7 million lesions are suspicious enough to be excised and examined for melanoma. SciBase estimates that in addition to the 7 million lesions currently excised or biopsied in the company's addressable geographies, there are an additional 1-2 million lesions that are not suspicious enough to excise or biopsy but are still of some concern. Together with the 7 million lesions currently excised SciBase estimate the total addressable market potential for SciBase to be around 400 million USD per year or approximately BSEK 3.7.

Of the seven million estimated annual excisions performed in SciBase's target markets around 86-97% are later found to be benign. Uncertainty in the detection of 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%.

The population of non-melanoma skin cancer patients includes more than ten times the number of patients compared to the melanoma patient population

though the need for testing is not so acute. SciBase estimates that the potential for the use of Nevisense amounts to at least 4 million examinations or tests annually. Given this, non-melanoma skin cancer is estimated to have a total market potential of approximately SEK 1.4 billion annually. Although non-melanoma skin cancer is less harmful than melanoma, SciBase sees the addition of the indication as important for users and necessary to increase market penetration, especially in Germany. Dermatologists see many times more patients with suspected non-melanoma skin cancer than with suspected melanoma, which means that the potential for performing tests with Nevisense is significantly increased.

Skin barrier

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.

In the application area of the skin's barrier assessment, prediction of disease onset and improving the management of atopic dermatitis are considered to be the largest potential markets. The application area includes disease development prediction in infants, diagnostic and therapy selection tests in a clinical setting, and regular tests in the home in order to monitor and manage the disease. Furthermore, there are many areas within research where the ability to evaluate the skin barrier in a clinical environment or at home has significant value and potential. Given this, the total number of measurements for all patients with atopic dermatitis could potentially exceed the tens of million per year. In the market estimates for skin barrier assessments, the Company expects lower electrode prices. Even so, and only based on two sub-groups (patients with chronic severe recurring eczema episodes and prediction of AD in infants) the total addressable market for the application area skin barrier function is estimated at approximately SEK 3 billion annually.



Employees

At the end of the period, the number of employees amounted to 20 (17), of whom 25 (29)% were women. This includes the production employees at our Uppsala electrode production facility and salespeople in Germany and the US.

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, 2022, the Group's cash and cash equivalents amounted to SEK 44.6 million. Based on the positive signals from the US market, the promising new application areas and the sales trend in Germany (excluding Covid-19 effects) the Board believes that the Company is on the right track. Based on this, it is the Board's opinion that the company has sufficient working capital for at least the coming 12-month period based on the current strategic plan. Given the current strategic plan, these funds are not considered sufficient to finance operations until a positive cash flow is achieved. The Board of Directors is with confidence evaluating various financing options for the Company.

Transactions with related parties

During the period, the parent Company SciBase Holding AB has invoiced TSEK 2,372 (2,153) to the fully owned subsidiary SciBase AB, which corresponds to a 100% of the parent Company's turnover in the year. In addition, the company has a separate consulting agreement in place with the board member Matt Leavitt (appointed in 2021) The agreement was entered into prior to him being appointed as a board member and relates to consultancy support for the regional reimbursement processes and US market introduction as well as Nevisense rollout guidance following positive reimbursement decisions. The agreement has a one-year duration with the option to extend. In the period he was remunerated KUSD 150 (80) for services under this agreement. 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 30–34 of SciBase's 2021 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, 2022, 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 2,372 (2,153). The loss for the period amounted to TSEK 11,448 (16,765). 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 during the period was MSEK 8,5 (14,2).

Significant events during the quarter

A new study from Germany demonstrated the clinical benefits of Nevisense in day-to-day practice. The study titled – **“Electrical Impedance Spectroscopy Improves Skin Cancer Detection and Reduces the Number of Biopsies”** and authored by Dr Liebich et al was published online in the journal *Dermato*. The study looked at the real-life clinical effectiveness of Electrical Impedance Spectroscopy (EIS) when using Nevisense to detect malignancies in an everyday clinical setting. In summary, the study clinic showed a reduction in the number of unnecessary excisions of 47%, while still detecting 100% of melanomas. Clinicians combine Nevisense with visual and dermatoscopic examinations to identify atypia in the cell structure of lesions that normally cannot be seen. The result provides better identification of which lesions to biopsy or excise and which lesions to leave.

A new study published in the US demonstrated that EIS and Nevisense can significantly improve clinical decisions in the dermatology day-to-day practice, especially for less experienced clinicians. The study titled – **“Diagnostic Efficacy Of Electrical Impedance Spectroscopy Versus Dermoscopy For Pigmented Skin Lesions: A Pilot Study”** and authored by Dr Jonathan Ungar, Associate Director and Assistant Professor, Dermatology Department, et al at Icahn School of Medicine at Mount Sinai, New York, was published online in *SKIN-The Journal of Cutaneous medicine*. The aim of the study was to investigate the impact Electrical Impedance Spectroscopy (EIS) has on clinical decision-making for atypical pigmented skin lesions (PSLs) when compared to other diagnostic tools such as dermoscopy. The study showed a significant increase in diagnostic accuracy with Nevisense, especially for respondents who reported rarely using dermoscopy. This group showed the

greatest improvement in sensitivity and specificity when using EIS compared to dermoscopy.

The annual report for 2021 was published on April 22nd, 2022.

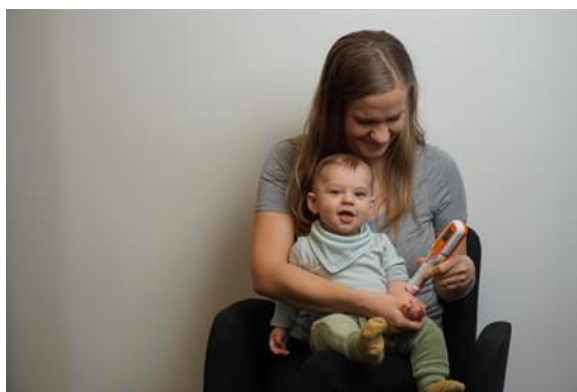
The AGM was held on May 18th, 2022 and resolved:

- to adopt the profit and loss statement and the balance sheet and the group profit and loss statement and the group balance sheet for the financial year 2021;
- that SEK 202,229,730 shall be carried forward in new account and that no dividend shall be paid;
- to grant the board members and the CEO discharge from liability for the financial year 2021;
- that the board of directors shall consist of five ordinary members without deputy members and that a registered accounting firm shall be elected as auditor;
- that the fees payable to the board of directors for the period until the end of the next annual general meeting shall be SEK 200,000 for the chairman of the board and SEK 150,000 to each of the other ordinary board members (who are not employed by a larger shareholder in the Company) and that fees payable to the auditor is to be paid in accordance with approved invoices;
- for the period until the end of the next annual general meeting, to re-elect Jvalini Dwarkasing, Diana Ferro, Matt Leavitt, Thomas Taapken and Tord Lendau as board members, to re-elect Tord Lendau as chairman of the board of directors and to re-elect the auditing firm PricewaterhouseCoopers AB (PwC) as auditor for the Company, with Magnus Lagerberg as auditor-in-charge;
- to adopt principles for the appointment of a nomination committee (same principles as previous year); and
- to authorize the board of directors to increase the share capital through issuance of new shares, warrants and/or convertible debentures. New issues of shares and issues of warrants and/or convertibles may occur with or without preferential rights for shareholders of the Company and may be made either in cash

and/or by way of set-off or contribution in kind or otherwise be conditional. Through issuances resolved upon with support from the authorization – with deviation from the shareholders' preferential rights - the number of shares issued, or number of shares created in connection with exercise of warrants or conversion of convertibles, shall correspond to not more than a 20 per cent dilution of the share capital and the number of shares and votes in the Company after such issue[s].

Significant events after the period

The FDA (US Food and Drug Administration) held a meeting with the Medical Devices Advisory Committee on July 28th and 29th to gather expert advice on the regulation of AI driven, skin lesion analyzers (SLAs) and Apps for skin cancer detection. The panels recommendation was in-line with SciBase position to keep stringent approval levels for all new skin lesion analyzers. The panel also considered the FDA's proposal to change the classification status of Nevisense and any new products that assist dermatologists in melanoma detection from the most stringent regulatory category, class III, to the less restrictive class II. The Panel underscored the potential risks of reclassifying these technologies and strongly recommended keeping them in the class III category. SciBase shared the same opinion as panel experts through written submissions and oral presentations. SciBase believes the current process where FDA sets very high standards and is closely involved in clinical validation study design is the most appropriate.



Consolidated summary Income Statement

| SEK 000' | Apr 1 - June 30 | | Jan 1 - June 30 | | July 1, 2021 - | |
|---|-----------------|----------------|-----------------|----------------|-----------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 | June 30, 2022 Rolling-12 | Jan 1 - Dec 31 2021 |
| Net sales | 3 726 | 2 258 | 7 987 | 4 821 | 14 893 | 11 727 |
| Cost of goods sold | -1 096 | -987 | -2 682 | -2 200 | -5 630 | -5 148 |
| Gross Profit/Loss | 2 630 | 1 271 | 5 304 | 2 621 | 9 262 | 6 579 |
| Sales and marketing expenses | -9 259 | -6 435 | -16 299 | -12 450 | -31 115 | -27 266 |
| Administration expenses | -2 692 | -2 410 | -5 274 | -4 698 | -10 381 | -9 805 |
| Development expenses | -2 445 | -3 310 | -5 535 | -4 972 | -12 326 | -11 764 |
| Other operating income | 630 | 91 | 629 | 91 | 629 | 91 |
| Other operating expenses | -576 | -312 | -236 | 193 | 131 | 560 |
| Operating Income | -11 713 | -11 104 | -21 410 | -19 215 | -43 800 | -41 605 |
| Financial income | 2 488 | 0 | 2 488 | 0 | 2 489 | 1 |
| Financial expenses | 13 | -47 | -26 | -89 | -110 | -173 |
| Profit/Loss before taxes | -9 212 | -11 151 | -18 948 | -19 304 | -41 422 | -41 778 |
| Income tax | - | - | 0 | 0 | 0 | 0 |
| Profit/Loss for the period | -9 212 | -11 151 | -18 948 | -19 304 | -41 422 | -41 778 |
| Net Profit/Loss attributable to: | | | | | | |
| Parent company shareholders | -9 212 | -11 151 | -18 948 | -19 304 | -41 422 | -41 778 |
| Earnings per share based on Net Profit/loss attributable to parent company shareholders (in SEK/share) | | | | | | |
| Profit/loss per share (before and after dilution)* | -0,13 | -0,19 | -0,28 | -0,34 | -0,61 | -0,67 |
| Average number of shares outstanding | 68 475 | 59 265 | 68 475 | 57 023 | 68 465 | 62 739 |

*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 - June 30 | | Jan 1 - June 30 | | July 1, 2021 - | |
|---|-----------------|----------------|-----------------|----------------|-----------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 | June 30, 2022 Rolling-12 | Jan 1 - Dec 31 2021 |
| Profit/loss for the period | -9 212 | -11 151 | -18 948 | -19 304 | -41 422 | -41 778 |
| <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 | 0 | 0 | 0 | 0 | 0 |
| Tax effect attributable to changes in fair value on financial assets that can be sold | 0 | 0 | 0 | 0 | 0 | 0 |
| Translation differences on foreign operations | -1 710 | -72 | -2 533 | -157 | -3 149 | -773 |
| Sum other comprehensive income | -1 710 | -72 | -2 533 | -157 | -3 149 | -773 |
| Total comprehensive income for the period | -10 922 | -11 223 | -21 481 | -19 461 | -44 571 | -42 551 |
| Total comprehensive income attributable to: | | | | | | |
| Parent company shareholders | -10 922 | -11 223 | -21 481 | -19 461 | -44 571 | -42 551 |



Consolidated summary statement of financial position

| SEK 000' | June 30 | | Dec 31 |
|---|---------------|----------------|---------------|
| | 2022 | 2021 | 2021 |
| ASSETS | | | |
| <i>Fixed Assets</i> | | | |
| Tangible fixed assets | 1 949 | 2 230 | 2 321 |
| Right of use assets | 3 372 | 3 924 | 2 796 |
| Financial fixed assets | 0 | 0 | 0 |
| Total Tangible Assets | 5 320 | 6 155 | 5 117 |
| <i>Current Assets</i> | | | |
| Inventory | 7 082 | 7 543 | 6 800 |
| Current tax receivable | 868 | 846 | 548 |
| Receivables | 3 224 | 2 015 | 3 469 |
| Other current receivables | 3 348 | 2 837 | 3 916 |
| Cash equivalents | 44 577 | 88 192 | 65 607 |
| Total Current Assets | 59 099 | 101 433 | 80 340 |
| Total Assets | 64 419 | 107 588 | 85 456 |
| Shareholders' Equity and Liabilities | | | |
| Shareholders' equity attributable to parent company shareholders | 49 372 | 93 958 | 70 796 |
| <i>Longterm Liabilities</i> | | | |
| Other longterm liabilities | 1 269 | 1 528 | 356 |
| Total Longterm Liabilities | 1 269 | 1 528 | 356 |
| <i>Current Liabilities</i> | | | |
| Accounts payable | 2 379 | 2 285 | 2 740 |
| Other current liabilities | 11 399 | 9 816 | 11 565 |
| Total Current Liabilities | 13 778 | 12 101 | 14 305 |
| Total Liabilities | 15 047 | 13 629 | 14 661 |
| Total shareholders' equity and liabilities | 64 419 | 107 588 | 85 456 |

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, 2021 | 2 739 | 571 755 | -269 | -527 365 | 46 861 |
| Profit/loss for the period | | | | -19 304 | -19 304 |
| Other comprehensive income | | | -157 | | -157 |
| Total comprehensive income | 0 | 0 | -157 | -19 304 | -19 461 |
| <i>Transactions with shareholders:</i> | | | | | |
| New share issue | 673 | 70 541 | | | 71 214 |
| Issue expenses | | -4 728 | | | -4 728 |
| Total transactions with shareholders | 673 | 65 814 | 0 | 0 | 66 487 |
| Closing balance June 30, 2021 | 3 412 | 637 569 | -426 | -546 669 | 93 886 |
| Opening balance Jan 1, 2022 | 3 424 | 637 727 | -120 | -570 235 | 70 796 |
| Profit/loss for the period | | | | -18 948 | -18 948 |
| Other comprehensive income | | 0 | -766 | -1 710 | -2 476 |
| Total comprehensive income | 0 | 0 | -766 | -20 658 | -21 424 |
| Total transactions with shareholders | 0 | 0 | 0 | 0 | 0 |
| Closing balance June 30, 2022 | 3 424 | 637 727 | -886 | -590 893 | 49 372 |

Consolidated summary statement of cash flows

| SEK 000' | Apr 1 - June 30 | | Jan 1 - June 30 | | July 1, 2021 - | |
|--|-----------------|---------|-----------------|---------|-----------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 | June 30, 2022 Rolling-12 | Jan 1 - Dec 31 2021 |
| Cashflow from operating activities before change in working capital | -10 177 | -10 396 | -19 839 | -18 265 | -41 417 | -39 843 |
| <i>Cashflows from changes in working capital</i> | | | | | | |
| Change in Inventory | -408 | -297 | -282 | -631 | 462 | 112 |
| Change in Receivables | 1 052 | -721 | 492 | -1 173 | -1 742 | -3 407 |
| Change in Liabilities | -110 | 2 251 | -527 | 1 433 | 1 677 | 3 637 |
| <i>Total change in working capital</i> | 534 | 1 233 | -316 | -371 | 396 | 342 |
| Cashflow from operating activities | -9 643 | -9 162 | -20 155 | -18 635 | -41 021 | -39 501 |
| <i>Investment activities</i> | | | | | | |
| Acquisitions of Fixed Assets | 0 | -140 | 0 | -140 | -477 | -617 |
| Divestment of fixed assets | 0 | 91 | 0 | 91 | 0 | 91 |
| Divestment of financial assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Cashflow from investment activities | 0 | -48 | 0 | -48 | -477 | -526 |
| <i>Financing activities</i> | | | | | | |
| New share issues | 0 | 71 214 | 0 | 71 214 | 0 | 71 214 |
| Expenses related to new share issues | 0 | -4 728 | 0 | -4 728 | 0 | -4 728 |
| Amortization leasing contracts | -614 | -561 | -1 221 | -1 097 | -2 394 | -2 269 |
| Cashflow from financing activities | -614 | 65 926 | -1 221 | 65 390 | -2 394 | 64 217 |
| Cashflow for the period | -10 256 | 56 715 | -21 376 | 46 706 | -43 892 | 24 191 |
| Cash equivalents at start of the year | 54 621 | 31 403 | 65 607 | 41 427 | 88 192 | 41 427 |
| Exchange rate differences in cash equivalents | 212 | 74 | 346 | 58 | 277 | -11 |
| Cash equivalents at end of the period | 44 577 | 88 192 | 44 577 | 88 192 | 44 577 | 65 607 |

Income statement, Parent Company

| SEK 000' | Apr 1 – June 30 | | Jan 1 – June 30 | | July 1 2021 – | |
|--|-----------------|----------------|-----------------|----------------|-----------------------------|------------------------|
| | 2022 | 2021 | 2021 | 2020 | June 30, 2022 Rolling-12 | Jan 1 – Dec 31 2021 |
| Net Sales | 1 186 | 1 077 | 2 372 | 2 153 | 4 525 | 4 306 |
| Gross profit | 1 186 | 1 077 | 2 372 | 2 153 | 4 525 | 4 306 |
| Administration expenses | -2 774 | -2 416 | -5 363 | -4 697 | -11 132 | -10 466 |
| Other expenses | 0 | - | 0 | - | 0 | 0 |
| Operating Profit/loss | -1 588 | -1 339 | -2 992 | -2 544 | -6 607 | -6 160 |
| <i>Earnings from financial items:</i> | | | | | | |
| Profit/Loss from shares in group companies | -2 812 | -9 054 | -8 456 | -14 221 | -26 728 | -32 493 |
| Financial income | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit/loss after financial items | -4 400 | -10 393 | -11 448 | -16 765 | -33 335 | -38 653 |
| Taxes | - | - | - | - | - | - |
| Profit/loss for the period | -4 400 | -10 393 | -11 448 | -16 765 | -33 335 | -38 653 |

Statement of other comprehensive income, Parent Company

| SEK 000' | Apr 1 – June 30 | | Jan 1 – June 30 | | July 1 2021 – | |
|---|-----------------|----------------|-----------------|----------------|-----------------------------|------------------------|
| | 2021 | 2020 | 2021 | 2020 | June 30, 2022 Rolling-12 | Jan 1 – Dec 31 2020 |
| Profit/loss for the period | -4 400 | -10 393 | -11 448 | -16 765 | -33 335 | -38 653 |
| <i>Other comprehensive income</i> | - | - | - | - | - | - |
| Total other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | -4 400 | -10 393 | -11 448 | -16 765 | -33 335 | -38 653 |



Summary Balance Sheet, Parent Company

| SEK 000' | June 30 | | Dec 31 |
|---|----------------|----------------|----------------|
| | 2022 | 2021 | 2021 |
| ASSETS | | | |
| <i>Fixed Assets</i> | | | |
| Shares in Group Companies | 137 647 | 137 647 | 137 647 |
| Total Fixed Assets | 137 647 | 137 647 | 137 647 |
| <i>Current Assets</i> | | | |
| Current receivables and prepaids | 37 545 | 18 556 | 51 986 |
| Cash equivalents | 22 396 | 74 224 | 19 424 |
| Total Current Assets | 59 941 | 92 780 | 71 410 |
| TOTAL ASSETS | 197 588 | 230 427 | 209 057 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| <i>Shareholder's equity</i> | | | |
| <i>Restricted equity</i> | | | |
| Share capital | 3 424 | 3 412 | 3 424 |
| <i>Non-restricted equity</i> | | | |
| Other capital contributions | 637 610 | 637 622 | 637 610 |
| Retained earnings | -435 380 | -396 727 | -396 727 |
| Profit/Loss for the period | -11 448 | -16 765 | -38 653 |
| Shareholders equity | 194 205 | 227 542 | 205 653 |
| <i>Current Liabilities</i> | | | |
| Current liabilities | 3 382 | 2 885 | 3 403 |
| Total liabilities | 3 382 | 2 885 | 3 403 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 197 588 | 230 427 | 209 057 |



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 43-48 of the consolidated annual report for 2021.

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 2022. A corresponding agreement was in-place in 2021, 2020, 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 2,901 (1,964) of which Germany accounted for 100 (95)%. 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 2,015 (1,082).

Other geographical areas

Net sales during the period amounted to TSEK 494 (201). Gross profit amounted to TSEK 411 (133). The sales consisted mainly of electrode sales to larger dermatology groups.

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 232 (0). Gross profit amounted to a profit of TSEK 127 (0). The sales were to researchers within the skin barrier field.

Other geographical areas

Net sales during the period amounted to TSEK 99 (94). Gross profit amounted to TSEK 77 (57). The sales were to researchers and industry 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.

January - June

Skin cancer

Europe/Rest of the World

Net sales during the period amounted to TSEK 6,186 (4,135) of which Germany accounted for 100 (97)%. 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 3,979 (2,249).

Other geographical areas

Net sales during the period amounted to TSEK 1,368 (337). Gross profit amounted to TSEK 1,049 (202). The sales consisted mainly of the sale of 5 Nevisense systems to a larger dermatology group as well as additional sales of electrodes.

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 232 (82). Gross profit amounted to a profit of TSEK 127 (37). The sales were to researchers within the skin barrier field.

Other geographical areas

Net sales during the period amounted to TSEK 200 (267). Gross profit amounted to TSEK 149 (133). The sales were to researchers and industry 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.

Note 6 Incentive program

The Board considers it as important and positive if the employees' ownership in the company increases. The Board has evaluated different incentive programs and following this decided to implement a normal bonus program. However, the purpose is to increase the employees' ownership in the company. Thus, if the employee undertakes to buy shares over the market and enter into a lockup agreement (12-months), the bonus is increased

by 4 times the cash bonus. The program has a maximum ceiling (including social security fees etc) of SEK 3 million. For the full year 2021 the total cost was SEK 1.7 million.

Operating segments

| SEK 000' | Apr 1 - June 30, 2022 | | | Apr 1 - June 30, 2021 | | |
|--|---------------------------------|-------------------|----------------|---------------------------------|-------------------|----------------|
| | Europe/ Rest of the World | Other Segments | Total | Europe/ Rest of the World | Other Segments | Total |
| Skincancer - Net sales | 2 901 | 494 | 3 395 | 1 964 | 201 | 2 164 |
| The skin barrier function - Net Sales | 232 | 99 | 331 | 0 | 94 | 94 |
| Sales between segments | - | - | - | - | - | - |
| Net sales from external customers | 3 133 | 593 | 3 726 | 1 964 | 294 | 2 258 |
| Cost of goods - Skincancer | -886 | -83 | -969 | -882 | -68 | -949 |
| Cost of goods - Barrier function | -105 | -22 | -127 | 0 | -37 | -37 |
| Cost of goods - total | -991 | -105 | -1 096 | -882 | -105 | -987 |
| Gross Profit - Skincancer | 2 015 | 411 | 2 426 | 1 082 | 133 | 1 215 |
| Gross Profit - Barrier function | 127 | 77 | 204 | 0 | 57 | 57 |
| Gross Profit - total | 2 142 | 488 | 2 630 | 1 082 | 189 | 1 271 |
| Operating expenses | | | -14 343 | | | -12 375 |
| Operating profit/Loss | | | -11 713 | | | -11 104 |
| Financial Income | | | 2 488 | | | 0 |
| Financial Expenses | | | 13 | | | -47 |
| Group earnings - before tax | | | -9 212 | | | -11 151 |

| SEK 000' | Jan 1 - June 30, 2022 | | | Jan 1 - June 30, 2021 | | |
|--|---------------------------------|-------------------|----------------|---------------------------------|-------------------|----------------|
| | Europe/ Rest of the World | Other Segments | Total | Europe/ Rest of the World | Other Segments | Total |
| Skincancer - Net sales | 6 186 | 1 368 | 7 555 | 4 135 | 338 | 4 472 |
| The skin barrier function - Net Sales | 232 | 200 | 432 | 82 | 267 | 348 |
| Net sales from external customers | 6 418 | 1 568 | 7 987 | 4 217 | 604 | 4 821 |
| Cost of goods - Skincancer | -2 207 | -320 | -2 527 | -1 886 | -135 | -2 021 |
| Cost of goods - Barrier function | -105 | -51 | -156 | -45 | -134 | -179 |
| Cost of goods - total | -2 312 | -371 | -2 682 | -1 931 | -269 | -2 200 |
| Gross Profit - Skincancer | 3 979 | 1 049 | 5 028 | 2 249 | 202 | 2 451 |
| Gross Profit - Barrier function | 127 | 149 | 276 | 37 | 133 | 170 |
| Gross Profit - total | 4 107 | 1 197 | 5 304 | 2 286 | 335 | 2 621 |
| Operating expenses | | | -26 714 | | | -21 836 |
| Operating profit/Loss | | | -21 410 | | | -19 215 |
| Financial Income | | | 2 488 | | | 0 |
| Financial Expenses | | | -26 | | | -89 |
| Group earnings - before tax | | | -18 948 | | | -19 304 |

Net sales per category and segment

| Amounts in KSEK | Apr 1 - June 30 2022 | | Apr 1 - June 30 2021 | | Jan 1 - June 30 2022 | | Jan 1 - June 30 2021 | | Rolling-12 | | Full Year 2021 | |
|------------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-------------------|
| | 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 | 2 728 | 485 | 1 673 | 201 | 5 765 | 1 009 | 3 680 | 338 | 10 015 | 1 613 | 7 930 | 941 |
| Instruments | 173 | 9 | 291 | 0 | 421 | 359 | 454 | 0 | 824 | 1 325 | 857 | 965 |
| Total Skin Cancer | 2 901 | 494 | 1 964 | 201 | 6 186 | 1 369 | 4 135 | 338 | 10 839 | 2 937 | 8 787 | 1906 |
| <i>Skin barrier function</i> | | | | | | | | | | | | |
| Electrodes | 189 | 66 | 0 | 65 | 189 | 69 | 32 | 188 | 348 | 201 | 192 | 320 |
| Instruments | 43 | 33 | 0 | 29 | 43 | 131 | 50 | 79 | 110 | 458 | 116 | 406 |
| Total skin barrier function | 232 | 99 | 0 | 94 | 232 | 200 | 82 | 267 | 458 | 659 | 308 | 726 |
| <i>Total</i> | | | | | | | | | | | | |
| Electrodes | 2 917 | 551 | 1 673 | 265 | 5 954 | 1 078 | 3 713 | 525 | 10 363 | 1 813 | 8 122 | 1 261 |
| Instruments | 216 | 42 | 291 | 29 | 464 | 490 | 504 | 79 | 934 | 1 783 | 973 | 1 371 |
| Total | 3 133 | 593 | 1 964 | 295 | 6 418 | 1 568 | 4 217 | 604 | 11 297 | 3 596 | 9 095 | 2632 |

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 18, 2022

Tord Lendau
Chairman of the Board

Diana Ferro
Board member

Thomas Taapken
Board member

Matt Leavitt
Board member

Jvalini Dwarkasing
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 18, 2022.

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 | 2022 | | | 2021 | | | 2020 | | |
|---|--------|---------|---------|--------|--------|--------|---------|--------|--------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Net sales, SEK ths | 3 726 | 4 260 | 3 925 | 2 982 | 2 258 | 2 562 | 3 055 | 2 287 | 1 683 |
| Gross margin, % | 70,6% | 62,8% | 52,8% | 63,3% | 56,3% | 52,7% | 49,4% | 52,7% | 55,7% |
| Equity/Asset ratio, % | 76,6% | 79,3% | 82,8% | 86,8% | 87,3% | 79,6% | 79,1% | 67,0% | 69,2% |
| Net indebtedness, multiple | 0,30 | 0,26 | 0,21 | 0,15 | 0,15 | 0,26 | 0,26 | 0,49 | 0,44 |
| Cash equivalents, SEK ths | 44 577 | 54 621 | 65 607 | 78 270 | 88 192 | 31 403 | 41 427 | 21 724 | 30 450 |
| Cashflow from operating activities, SEK ths | -9 643 | -10 512 | -11 709 | -9 156 | -9 162 | -9 473 | -10 290 | -6 974 | -8 704 |
| Earnings per share (before and after dilution), SEK | -0,13 | -0,14 | -0,20 | -0,13 | -0,19 | -0,15 | -0,20 | -0,20 | -0,38 |
| Shareholder's equity per share, SEK | 0,72 | 0,88 | 1,03 | 1,24 | 1,59 | 0,70 | 0,96 | 0,71 | 1,44 |
| Average number of shares, 000' | 68 475 | 68 475 | 68 475 | 68 475 | 59 265 | 54 780 | 48 707 | 36 560 | 23 265 |
| Number of shares at closing of period, 000' | 68 475 | 68 475 | 68 475 | 68 475 | 68 236 | 54 780 | 54 780 | 36 560 | 36 560 |
| Share price at end of period, SEK | 3,41 | 4,70 | 5,52 | 4,88 | 5,52 | 4,78 | 4,62 | 4,00 | 2,44 |
| Number of sold electrodes, pieces | 9 550 | 9 982 | 8 024 | 8 304 | 5 968 | 7 496 | 7 492 | 6 924 | 4 672 |
| Average number of employees | 19 | 18 | 18 | 17 | 17 | 18 | 17 | 16 | 16 |

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.
- **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:** Lesions.
- **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 (%)

| | 2022 | 2021 |
|-------------------------|--------------|--------------|
| Gross Profit | 5 304 | 2 621 |
| Net Sales | 7 987 | 4 821 |
| Gross Margin (%) | 66,4% | 54,4% |

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 productmix, price trends, exchange rate fluctuation, efficiency in manufacturing processes etc. This is an important measurement as it provides a better understanding of the Company's progress.

Shareholder Equity ratio (%)

| | 2022 | 2021 |
|---------------------------------------|--------------|--------------|
| Total Shareholders' Equity | 49 372 | 93 958 |
| Total Assets | 64 419 | 107 588 |
| Shareholders' Equity ratio (%) | 76,6% | 87,3% |

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)

| | 2022 | 2021 |
|----------------------------|-------------|-------------|
| Total Liabilities | 15 047 | 13 629 |
| Total Shareholders' Equity | 49 372 | 93 958 |
| Debt ratio (times) | 0,30 | 0,15 |

Definition:

Total debt in relation to Total Shareholders' Equity.

Cause of use:

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

Earnings per share, after dilution (sek)

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| Profit/Loss for the period | -18 948 | -19 304 |
| Average number of shares (thousand) | 68 475 | 57 023 |
| Earnings per share (sek) | -0,28 | -0,34 |

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)

| | 2022 | 2021 |
|---------------------------------------|-------------|-------------|
| Shareholders' Equity | 49 372 | 93 958 |
| Average number of shares (thousand) | 68 475 | 57 023 |
| Shareholders' equity per share | 0,72 | 1,65 |

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)

| | 2022 | 2021 |
|--|---------------|---------------|
| Opening balance - Jan 1 | 68 475 | 54 780 |
| Closing balance - Dec 30 | 68 475 | 54 780 |
| Average number of shares (thousand) | 68 475 | 57 023 |

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.



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

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



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

Future reporting dates

Interim report Q3, November 10 2022

Year-end report, February 2023