

Year-end Report (2018-05-01 – 2019-04-30)

FEBRURAY – APRIL 2019

Net Sales	1 361 (2 180) KSEK
Operating result before depreciation (EBITDA)	-4 953 (-1 955) KSEK
Net result	-6 350 (-3 820) KSEK
Earnings per share	-0.46 (-0.33) SEK

MAY 2018 – APRIL 2019

Net Sales	4 601 (4 449) KSEK
Operating result before depreciation (EBITDA)	-17 424 (-8 393) KSEK
Net result	-23 050 (-14 118) KSEK
Earnings per share	-1.75 (-1.21) SEK

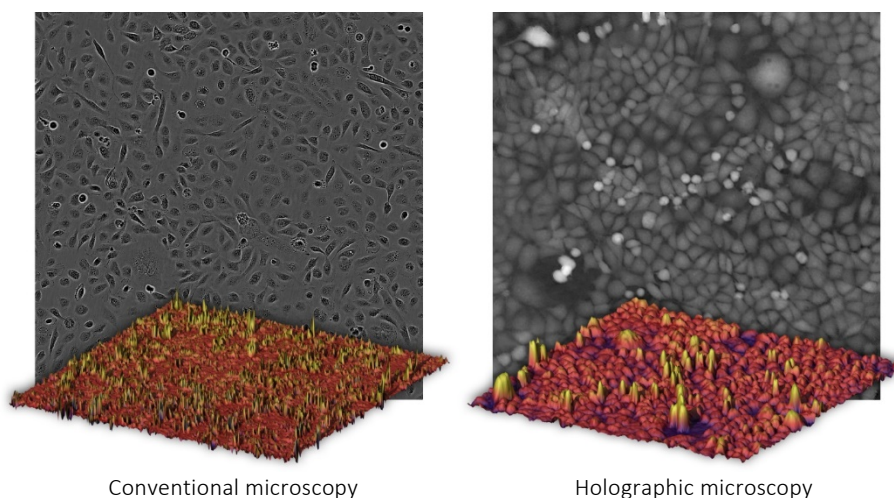
IN SHORT

- Net sales for the quarter decreased by 38 % to 1 361 (2 180) KSEK. For the full year net sales increased by 3 % to 4 601 (4 449) KSEK.
- The cash flow during the year amounted to -20 774 (-17 381) KSEK, excluding funding and amortization.
- The decline in earnings relative to the previous year is mainly due to that expenses accounted for as development costs and other deferred costs have decreased significantly.
- The gross margin amounted to 44 (67) % for the quarter and 62 (65) % for the full year.
- The rolling 12-month sales at the full year was 4.6 (4.4) MSEK.
- The contacts initiated during the second half of 2018 with two internationally leading industry players have developed in a very positive direction.

CEO COMMENTARY

The contacts initiated during the second half of 2018 with two internationally leading industry players have developed in a very positive direction. The goal is to establish our products in the American and international market with a large global marketing organization. Significant management and personnel resources have gradually been allocated to this activity, which in the short term has affected our own sales operations.

Recently, at a meeting with a company, both sides concluded that HoloMonitor extraordinarily well complements and refines the company's existing product range of cell analysis instruments. It was also found that the question of a future partnership from a sales and marketing perspective is a "no-brainer". The issue is more a question of finding business terms that benefit both parties.



The industry players' interest is based on the HoloMonitor® App Suite software launched during the year, enabling fully automated analysis of individual cells. To illustrate why App Suite enables this, the composite image above shows cell images taken with conventional (left) and holographic microscopy technology (right). Below each image, the image is also displayed as a 3-dimensional image, where the height is determined by the brightness of each pixel. In contrast to the conventional image on the left, it is easy to distinguish the individual cells in the 3-dimensional holographic image to the right, in which each cell creates a peak. This is the reason why the App Suite enables fully automated cell analysis, unrivaled in the industry.

The year's loss may at first glance appear to be remarkably high in relation to previous year, especially when the actual cost increase stopped at 3.4 MSEK. The reason is that costs accounted for as development costs and other deferred costs have decreased significantly, which has a negative impact on this year's result but increase the earnings in coming year.



Peter Egelberg, CEO

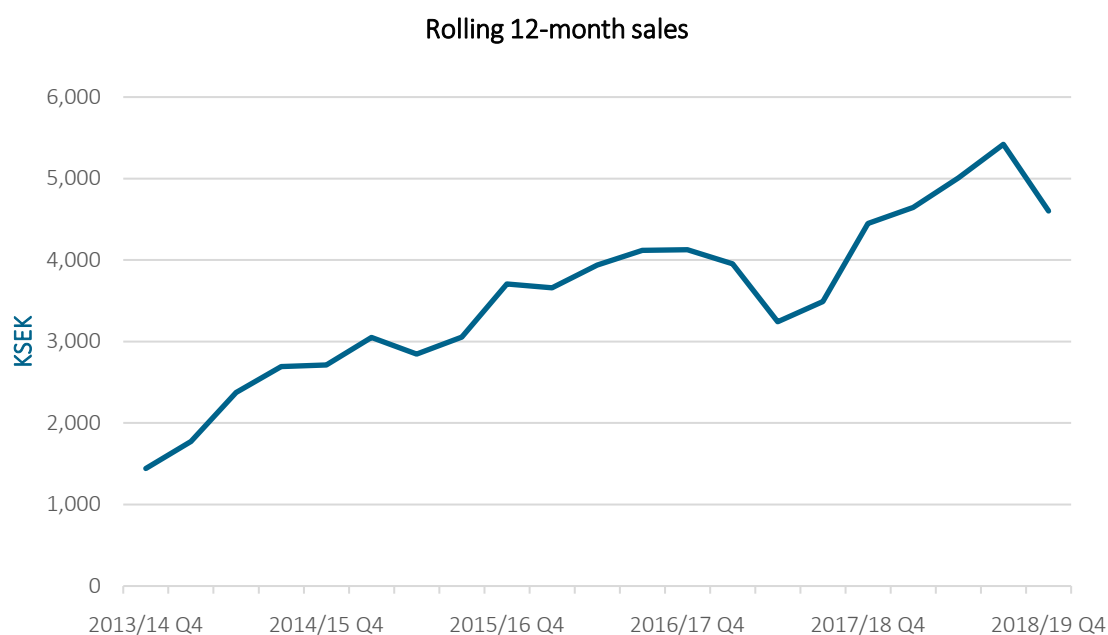
The after the year raised 18 MSEK means that we have the leeway to in the best way possible finalize the solid and ongoing discussions with leading industry players, together with any additional players that may join.

NET SALES AND RESULT

Net sales for the fourth quarter amounted to 1 361 (2 180) KSEK and operating result before depreciation (EBITDA) to -4 953 (-1 955) KSEK. Net result amounted to -6 350 (-3 820) KSEK.

The increased net loss is due to reduced capitalization of development costs and increased sales and marketing activities, not least on the important North American market. Contrary to previous year, hardware development and improvement costs have been directly expensed on the income statement. This has resulted in lower capitalization, which year to date amounted to 3.2 (5.8) MSEK.

The gross margin amounted to 44 (67) % for the quarter and 62 (65) % for the full year. The rolling 12-month sales amounted to 4.6 (4.4) MSEK.



INVESTMENTS

During the year, 3 696 (6 776) KSEK have been invested in product and production development, as well as patents.

FINANCING

Cash, cash equivalents and unutilized granted credits amounted to 23 331 (3 198) KSEK by the end of the period. The equity ratio was 80 (64) %.

OPTION PROGRAM

On June 13, 2019, the exercise period of the TO2 share options ended. 632 520 (97.6 %) of the 648 338 outstanding options were exercised. PHI will thus receive approx. 17.8 MSEK before expenses, which are expected to amount to approx. 0.8 MSEK. When the new shares have been registered with Swedish Companies Registration Office, the number of shares in PHI will amount to 14 379 154, corresponding to a share capital of 2 875 830.80 SEK

RISKS

The company may be affected by various factors, described in the 2017/18 Annual Report. These factors may individually or jointly increase risks for the operation and result of the company.

ACCOUNTING PRINCIPLES

The accounts are prepared in accordance with the Annual Accounts Act and general advice from the Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts (K3).

REVIEW

This interim report has not been subject to review by the company's auditor.

STATEMENTS ABOUT THE FUTURE

Statements concerning the company's business environment and the future in this report reflect the board of director's current view of future events and financial developments. Forward-looking statements only express the judgments and assumptions made by the board of directors on the day of the report. These statements have been carefully assessed. However, it is brought to the reader's attention that these statements are associated with uncertainty, like all statements about the future.

CALENDAR

September 2019	Annual report, 2018/19
September 23, 2019	Interim report 1, 2019/20
October 15, 2019	Annual general meeting

DIVIDEND

The board of directors proposes no dividend for 2018/19.

ABOUT PHASE HOLOGRAPHIC IMAGING

Phase Holographic Imaging (PHI) leads the ground-breaking development of time-lapse cytometry instrumentation and software. With the first HoloMonitor-instrument introduced in 2011, the company today offers a range of products for long-term quantitative analysis of living cell dynamics that circumvent the drawbacks of traditional methods requiring toxic stains. Headquartered in Lund, Sweden, PHI trades through a network of international distributors. Committed to promoting the science and practice of time-lapse cytometry, PHI is actively expanding its customer base and scientific collaborations in cancer research, inflammatory and autoimmune diseases, stem cell biology, gene therapy, regenerative medicine and toxicological studies.

On behalf of the Board of Directors

Peter Egelberg, CEO

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Income statement (KSEK)	Q4 2018/19	Q4 2017/18	FY 2018/19	FY 2017/18
Net sales	1 361	2 180	4 601	4 449
Cost of products sold	-763	-715	-1 740	-1 558
Gross profit	598	1 465	2 861	2 891
<i>Gross margin</i>	44%	67%	62%	65%
Selling expenses	-2 004	-1 334	-7 338	-3 755
Administrative expenses	-1 334	-1 067	-5 940	-4 378
R&D expenses	-3 533	-2 826	-12 363	-8 599
Operating result (EBIT)	-6 273	-3 762	-22 780	-13 841
Financial net	-77	-58	-270	-277
Result before tax (EBT)	-6 350	-3 820	-23 050	-14 118
Net Result (EAT)	-6 350	-3 820	-23 050	-14 118

Balance Sheet (KSEK)	Q4 2018/19	Q4 2017/18	FY 2018/19	FY 2017/18
ASSETS				
Non-current assets				
Intangible assets	20 695	22 296	20 695	22 296
Tangible assets	912	971	912	971
Total non-current assets	21 607	23 267	21 607	23 267
Current Assets				
Inventory	1 382	1 752	1 382	1 752
Short-term receivables	2 496	2 435	2 496	2 435
Cash and equivalents	21 331	1 198	21 331	1 198
Total current assets	25 209	5 385	25 209	5 385
Total assets	46 816	28 652	46 816	28 652
EQUITY AND LIABILITIES				
Equity	37 653	18 296	37 653	18 296
Financial liabilities	1 875	4 875	1 875	4 875
Operating liabilities	7 288	5 481	7 288	5 481
Total equity and liabilities	46 816	28 652	46 816	28 652

Changes in equity	Q4 2018/19	Q4 2017/18	FY 2018/19	FY 2017/18
Opening Balance	44 002	22 116	18 296	31 162
Equity issues, net			42 407	1 252
Net profit	-6 350	-3 820	-23 050	-14 118
Closing balance	37 653	18 296	37 653	18 296
Equity ratio %	80%	64%	80%	64%

Cash flow analysis (KSEK)	Q4 2018/19	Q4 2017/18	FY 2018/19	FY 2017/18
Operating activities				
Net result	-6 350	-3 820	-23 050	-14 118
Depreciation	1 320	1 807	5 356	5 448
Operating cash flow	-5 030	-2 013	-17 694	-8 670
Increase (-)/decrease (+) in inventories	-304	272	370	-469
Increase (-)/decrease (+) in operating receivables	-197	-1 004	-61	-604
Increase (+)/decrease (-) in operating liabilities	613	-768	307	-862
Change in working capital	112	-1 500	616	-1 935
Cash flow from operating activities	-4 918	-3 513	-17 078	-10 605
Investing activities				
Development expenses	-643	-1 081	-3 152	-5 802
Patents	-232	-271	-232	-271
Tangible assets	-71	-564	-312	-703
Cash flow after investments	-5 864	-5 429	-20 774	-17 381
Financing activities				
Net proceeds from equity issues	1	0	42 407	1 252
Increase (+)/decrease (-) in borrowings	-375	-375	-1 500	-1 125
Cash flow from financing activities	-374	-375	40 907	127
Cash flow for the period	-6 238	-5 804	20 133	-17 254
Cash and cash equivalents at the beginning of the period	27 569	7 002	1 198	18 452
Cash and cash equivalents at the end of the period	21 331	1 198	21 331	1 198
<i>(Incl. unutilized credits)</i>	23 331	3 198	23 331	3 198

Data per share	Q4 2018/19	Q4 2017/18	FY 2018/19	FY 2017/18
Earnings per Share, SEK	-0.46	-0.33	-1.68	-1.21
Equity per share, SEK	2.74	1.57	2.74	1.57
Number of Shares, end of period	13 746 634	11 670 088	13 746 634	11 670 088
Average number of shares	13 746 634	11 670 088	13 165 258	11 650 073
Share price end of period	25.35	34.10	25.35	34.10