

## Year-end Report (2019-05-01 – 2020-04-30)



### FEBRUARY 2020 – APRIL 2020

Net Sales	557 (1 361) KSEK
Operating result before depreciation (EBITDA)	-4 589 (-4 953) KSEK
Net result	-6 538 (-6 350) KSEK
Earnings per share	-0.45 (-0.46) SEK

### MAY 2019 – APRIL 2020

Net Sales	3 803 (4 601) KSEK
Operating result before depreciation (EBITDA)	-18 692 (-17 424) KSEK
Net result	-26 313 (-23 050) KSEK
Earnings per share	-1.83 (-1.75) SEK

### IN SHORT

- Net sales for the quarter were heavily influenced by the COVID-19 pandemic, 557 (1 361) KSEK.
- However, additional orders have been received, but deliveries have been postponed until further notice due to customer lockdown in the US and other markets.
- Several established customers have recently purchased the online App Suite 2.0 software upgrade.
- Since the outbreak, a sharp increase in customer requests for an online demonstration has been noticed.
- The gross margin amounted to 60 (44) %.

## CEO COMMENTARY

Closed borders, travel restrictions and customers as well as sales personnel in a firm lockdown across the planet have led to that partnership discussions, product demonstrations, orders and deliveries of sold products inevitably have been pushed into the future.

To emerge stronger from the pandemic than entering it, we have for the time being focused our resources on reducing sales cost, improving our market visibility and expanding the HoloMonitor product line.

### Digital Marketing

Since the outbreak, we have seen a sharp increase in the number of requests for an online demonstration. Cataclysmic events fundamentally change the way we do business. The previously unthinkable suddenly becomes the norm.

On-site demonstrations have been the norm in our industry. Online demonstrations make perfect sense, but it took a pandemic for our industry to realize it. They allow both the vendor and the customer to better understand the likelihood of an eventual deal, before committing to a time consuming and costly on-site demonstration.

### Software as a Service

We will benefit more from this paradigm shift more than others, as we transitioned from a hardware to a software focus with the initial release of the App Suite software in 2018. Most instrument vendors in the life science industry are still stubbornly hardware orientated.

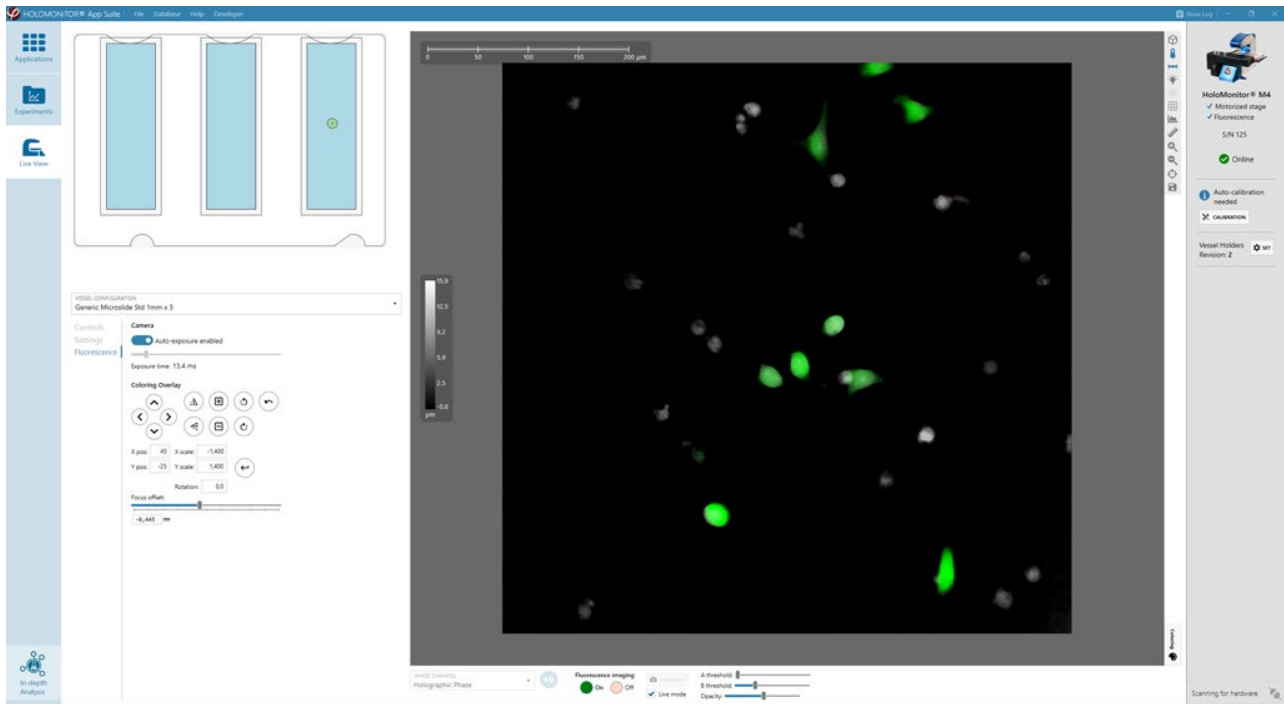
In line with the new online trend, our customers have begun to appreciate the *Software as a Service* (SaaS) concept. Several HoloMonitor users have purchased the online App Suite 2.0 upgrade that we recently offered to our existing customers. Encouraged by this initial success, we will continue to improve and expand App Suite to build additional recurring revenues.

### Centers of Excellence

It has been a long-standing goal for us to establish several *centers of excellence*. The centers expand the use of our HoloMonitor technology by applying it in cutting edge research. From the research results, our application developers create new software modules for the App Suite platform. According to the SaaS concept, customers are offered to buy these SaaS modules online in our [growing online shop](#), to create added value for the earlier hardware investment in HoloMonitor.

Currently, the eight centers are **National Institute on Aging** (Baltimore USA), **Northeastern University** (Boston USA), **Malmö University** (Malmö Sweden), **Uppsala University** (Uppsala Sweden), **Huntsman Cancer Institute** (Salt Lake City USA), **Lund University Cancer Centre** (Lund Sweden) together with **University of California** and **Gladstone Institutes** in San Francisco, USA.

A short presentation of each center is provided [here](#) on our webpage.



Screenshot of HoloMonitor App Suite showing green fluorescent cells mixed with non-fluorescent cells.

## Application Development — Fluorescence

[The partnership with the National Institute on Aging](#) was initiated in early May, as a response to customer requests to develop a fluorescent module to HoloMonitor.

In its current form, HoloMonitor allows cell biologists to monitor physiological transformations of laboratory-cultured cells. The add-on fluorescence module will allow scientists to also study the important genetic activity of individual cells and its relationship to observed physiological changes.

Unfortunately, fluorescence imaging creates toxins each time cells are imaged. By combining holographic and fluorescence microscopy in HoloMonitor, the release of toxins is reduced to an absolute minimum, improving the reproducibility of pre-clinical research and its ability to predict the outcome of the costly clinical trials that follow.

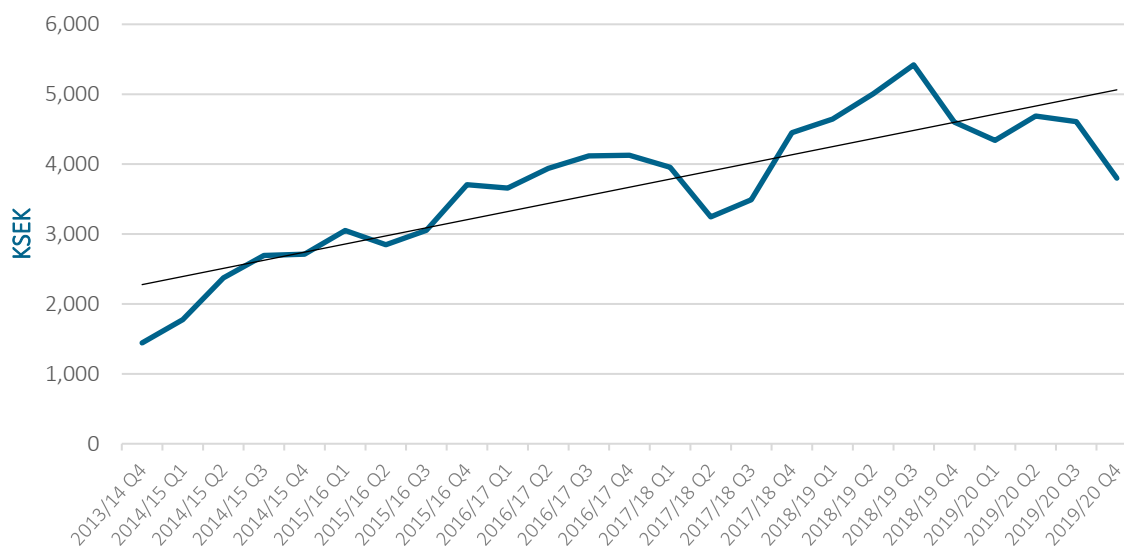
Hardware generates data; software processes and presents data to the user in various forms. From a business perspective, the fluorescence module will be a second hardware platform that generates data for a new family of SaaS modules.



Peter Egelberg, CEO

## NET SALES AND RESULT

Net sales for the fourth quarter amounted to 557 (1 361) KSEK and operating result before depreciation (EBITDA) to -4 589 (-4 953) KSEK. Net result amounted to -6 538 (-6 350) KSEK.



12-month rolling sales with a linear trendline

## INVESTMENTS

With an emphasis on application development to further broaden the scope and efficiency of the company's products, the company invested 3 192 (3 696) KSEK during the year in patents together with product production and application development.

## FINANCING

Cash, cash equivalents and unutilized granted credits amounted to 16 484 (23 331) KSEK by the end of the period. The equity ratio was 80 (80) %.

## COVID-19

To bridge and adapt to the consequences of the COVID-19 pandemic, PHI has received a substantial credit facility. As of early May, this sets cash, cash equivalents and unutilized granted credits to approximately 31 000 KSEK, which is anticipated to secure the company's working capital until 2022 together with state aid measures for overcoming the effect of the COVID-19 pandemic.

## RISKS

The company may be affected by various factors, described in the 2018/19 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 2020 Annual report 2019/20

## 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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## CONSOLIDATED – PHI GROUP

Income statement (KSEK)	Parent company*			
	Q4 2019/20	Q4 2018/19	FY 2019/20	FY 2018/19
Net sales	557	1 361	3 803	4 601
Cost of products sold	-225	-763	-1 500	-1 740
Gross profit	332	598	2 303	2 861
<i>Gross margin</i>	60%	44%	61%	62%
Selling expenses	-2 211	-2 004	-8 756	-7 338
Administrative expenses	-1 576	-1 334	-6 428	-5 940
R&D expenses	-3 388	-3 533	-13 538	-12 363
Operating income	367		367	
Operating result (EBIT)	-6 476	-6 273	-26 052	-22 780
Financial net	-62	-77	-261	-270
Result before tax (EBT)	-6 538	-6 350	-26 313	-23 050
Net Result (EAT)	-6 538	-6 350	-26 313	-23 050

Q4/Full-year 2018/19 refers to Phase Holographic Imaging PHI AB. PHI Group was established and reported first as of May 2019.

Parent company\*

	FY 2019/20	FY 2018/19
<b>Balance Sheet (KSEK)</b>		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	16 735	20 695
Tangible assets	704	912
Total non-current assets	17 439	21 607
<b>Current Assets</b>		
Inventory	1 530	1 382
Short-term receivables	2 511	2 423
Cash and equivalents	14 484	21 331
Total current assets	18 525	25 136
Total assets	35 964	46 743
<b>EQUITY AND LIABILITIES</b>		
Equity	28 896	37 653
Financial liabilities	1 125	1 875
Operating liabilities	5 943	7 215
Total equity and liabilities	35 964	46 743

	FY 2019/20	FY 2018/19
<b>Changes in equity</b>		
Opening Balance	37 653	18 296
Equity issues, net	17 487	42 407
Net profit	-26 313	-23 050
Translation difference	69	
Closing balance	28 896	37 653
Equity ratio %	80%	80%

\*Q4/Full-year 2018/19 refers to Phase Holographic Imaging PHI AB. PHI Group was established and reported first as of May 2019.

*Parent company\**

Cash flow Analysis (KSEK)	Q4	Q4	FY	FY
	2019/20	2018/19	2019/20	2018/19
<b>Operating activities</b>				
Net result	-6 538	-6 350	-26 313	-23 050
Depreciation	1 839	1 320	7 360	5 356
Operating cash flow	-4 699	-5 030	-18 953	-17 694
Increase (-)/decrease (+) in inventories	190	-304	-148	370
Increase (-)/decrease (+) in operating receivables	-190	-124	-88	-61
Increase (+)/decrease (-) in operating liabilities	-935	2 040	-1 272	307
Change in working capital	-935	1 612	-1 508	616
Cash flow from operating activities	-5 634	-3 418	-20 461	-17 078
<b>Investing activities</b>				
Development expenses	-714	-643	-2 729	-3 152
Patents	-62	-232	-266	-232
Tangible assets	-197	-71	-197	-312
Cash flow after investments	-6 607	-4 364	-23 653	-20 774
<b>Financing activities</b>				
Net proceeds from equity issues	53	1	17 556	42 407
Increase (+)/decrease (-) in borrowings	375	-1 875	-750	-1 500
Cash flow from financing activities	428	-1 874	16 806	40 907
Cash flow for the period	-6 179	-6 238	-6 847	20 133
Cash and cash equivalents at the beginning of the period	20 663	27 569	21 331	1 198
Cash and cash equivalents at the end of the period	14 484	21 331	14 484	21 331
<i>Incl. unutilized credits</i>	<i>16 484</i>	<i>23 331</i>	<i>16 484</i>	<i>23 331</i>

Data per share	Q4	Q4	FY	FY
	2019/20	2018/19	2019/20	2018/19
Earnings per Share, SEK	-0,45	-0,46	-1,83	-1,75
Equity per share, SEK	2,01	2,74	2,01	2,74
Number of Shares, end of period	14 394 971	13 746 634	14 394 971	13 746 634
Average number of shares	14 394 971	13 746 634	14 386 521	13 165 258
Share price end of period	36,40	25,35	36,40	25,35

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## PARENT COMPANY

Income statement (KSEK)	Q4	Q4	FY	FY
	2019/20	2018/19	2019/20	2018/19
Net sales	557	1 361	3 716	4 601
Cost of products sold	-227	-763	-1 502	-1 740
Gross profit	330	598	2 214	2 861
<i>Gross margin</i>	59%	44%	60%	62%
Selling expenses	-2 211	-2 004	-8 756	-7 338
Administrative expenses	-1 074	-1 334	-5 814	-5 940
R&D expenses	-3 388	-3 533	-13 538	-12 363
Other Income	367		367	
Operating result (EBIT)	-5 976	-6 273	-25 527	-22 780
Financial net	-62	-77	-261	-270
Result before tax (EBT)	-6 038	-6 350	-25 788	-23 050
Net Result (EAT)	-6 038	-6 350	-25 788	-23 050

Balance Sheet (KSEK)	FY	FY
	2019/20	2018/19
<b>ASSETS</b>		
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Intangible assets	16 735	20 695
Tangible assets	704	912
Financial assets	942	0
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