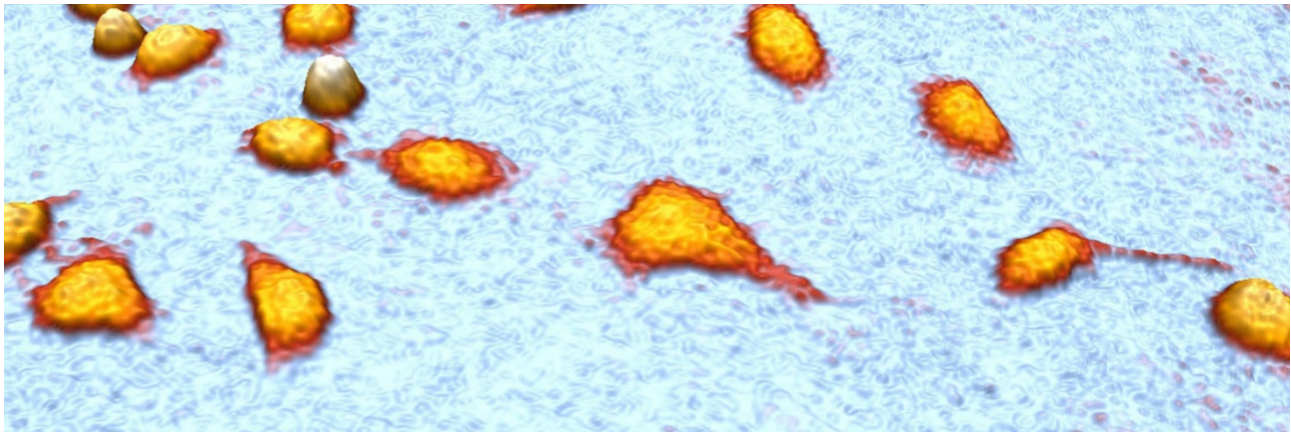


## Interim Report 3 (2019-05-01 – 2020-01-31)



### NOVEMBER 2019 – JANUARY 2020

Net Sales	1 764 (1 845) KSEK
Operating result before depreciation (EBITDA)	-3 906 (-4 744) KSEK
Net result	-5 858 (-6 147) KSEK
Earnings per share	-0.41 (-0.45) SEK

### MAY 2019 – JANUARY 2020

Net Sales	3 246 (3 240) KSEK
Operating result before depreciation (EBITDA)	-14 103 (-12 471) KSEK
Net result	-19 775 (-16 700) KSEK
Earnings per share	-1.37 (-1.21) SEK

### IN SHORT

- Net sales for the quarter in level with previous 3<sup>rd</sup> quarter, 1 764 (1 845) KSEK.
- Gross margin amounted to 59 (71) %.
- The coronavirus outbreak has resulted in postponed purchases of HoloMonitor.
- PHI's subsidiary in the important US market has been initially staffed, as planned.
- The company has decided to reallocate and focus marketing resources on digital marketing.
- Gladstone Institutes, University of California and PHI recently formed *San Francisco's Center of Excellence for Holographic Imaging Cytometry*.
- The development effort of adding fluorescent capabilities to HoloMonitor has passed the proof of concept stage and is progressing according to plan.

## CEO COMMENTARY

### Strategic partnerships

PHI Inc., our subsidiary in Boston has now been initially staffed, as planned. With permanent staff on the ground in the US, we will be able to prepare, train and support a US sales organization much more efficiently than what was previously achievable. PHI Inc's ability to immediately support a larger sales organization in the US is a crucial part of ensuring that a leading industry player succeeds in selling HoloMonitor in desired volumes.

### Digital marketing

The life science supply industry is unique in that potential customers, through their publications, disclose their professional interests and contact information, making it possible to selectively target potential customers on a large scale using digital marketing.

To seize this window of opportunity to aggressively challenge the competition in the US and on other key markets, we have taken the strategic decision to reallocate and focus our marketing resources on digital advertising, webinars, social media visibility and industry influencers. Substantial parts of the life science industry still rely on traditional marketing activities, which are resource demanding, often in combination with moderate impact.

### Centers of Excellence

We recently formed San Francisco's Center of Excellence for Holographic Imaging Cytometry with [Gladstone Institutes](#) and [University of California in San Francisco](#) (UCSF). The Center is an expansion of the successful Center of Excellence program between UCSF and PHI, which has resulted in several scientific papers in prominent journals.

Supported by PHI, the center's activities focus on bringing the benefits of holographic cytometry and machine learning based on artificial intelligence to the San Francisco research community. Apart from conducting cutting-edge research, the center will provide training and technical support to the surrounding research community in the San Francisco Bay Area.

In addition, we recently joined forces with the [Huntsman Cancer Institute](#) in the battle against cancer. Using our HoloMonitor technology, the researchers at Huntsman aim to develop improved methods for quantifying the phenomena that regulate tumors' ability to metastasize.

### Application development — fluorescence

The development effort of adding fluorescent capabilities to HoloMonitor has passed the proof of concept stage and is progressing as planned, which has prompted us to include Centers of Excellence and other key reference customers in the development process.

The great and unanimous customer interest in the project comes from the fact that we in a simple way combine functionality from two widely different and used instrument types in a single instrument, while minimizing the disadvantages of traditional fluorescence staining. PHI's interest lies in that we estimate to more than double our market. For further information regarding the fluorescence project, see the previous report [here](#).



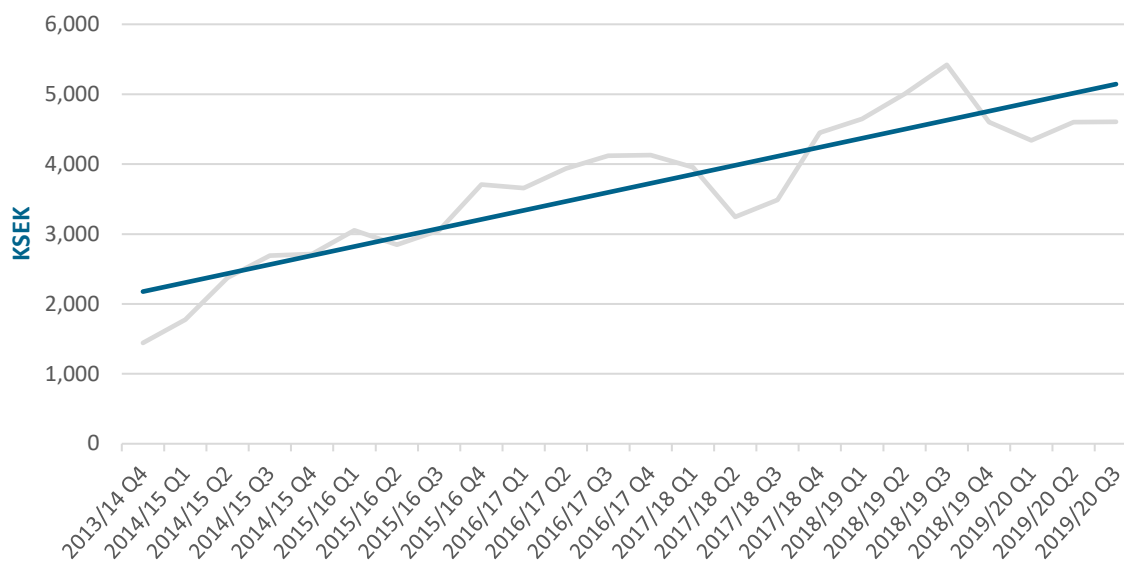
Peter Egelberg, CEO

### Sales

The coronavirus outbreak has postponed purchases of HoloMonitor, which to date has been particularly noticeable in China. We do, however, expect that planned purchases will be completed, as soon academic institutions reopen and operate normally again.

## NET SALES AND RESULT

Net sales for the third quarter amounted to 1 764 (1 845) KSEK and operating result before depreciation (EBITDA) to -3 906 (-4 774) KSEK. Net result amounted to -5 858 (-6 147) KSEK.



12-month rolling sales with trendline

## INVESTMENTS

With an emphasis on application development to further broaden the scope and efficiency of the company's products, the company invested 862 (731) KSEK during the period in patents together with product, production and application development.

## FINANCING

Cash, cash equivalents and unutilized granted credits amounted to 22 663 (29 569) KSEK by the end of the period. The equity ratio was 82 (83) %.

## DIRECTED EQUITY ISSUE

The AGM on October 15 decided to issue 15 817 shares in a directed equity issue for a subscription price of 28.20 SEK per share and a nominal value of 0.2 SEK per share. The issue, which was fully finalized during the period, increased the share capital by 3 163.40 SEK and was executed to fulfill obligations under guarantee agreements regarding subscription of warrants of series TO 2.

## 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

June 25, 2020      Year-end 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

For additional information please contact:

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## CONSOLIDATED – PHI GROUP

Income statement (KSEK)	Parent company*				
	Q3 2019/20	Q3 2018/19	YTD 2019/20	YTD 2018/19	FY 2018/19
Net sales	1 764	1 845	3 246	3 240	4 601
Cost of products sold	-721	-526	-1 275	-977	-1 740
Gross profit	1 043	1 319	1 971	2 263	2 861
<i>Gross margin</i>	<i>59%</i>	<i>71%</i>	<i>61%</i>	<i>70%</i>	<i>62%</i>
Selling expenses	-2 395	-2 484	-6 545	-5 334	-7 338
Administrative expenses	-1 668	-1 645	-4 852	-4 606	-5 940
R&D expenses	-2 725	-3 253	-10 150	-8 830	-12 363
Operating result (EBIT)	-5 745	-6 063	-19 576	-16 507	-22 780
Financial net	-113	-84	-199	-193	-270
Result before tax (EBT)	-5 858	-6 147	-19 775	-16 700	-23 050
Net Result (EAT)	-5 858	-6 147	-19 775	-16 700	-23 050

Q3/Full-year 2018/19 refers to Phase Holographic Imaging PHI AB. PHI Group was established and reported first as of May 2019.

Parent company\*

Balance Sheet (KSEK)	Q3	Q3	FY
	2019/20	2018/19	2018/19
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	17 488	21 045	20 695
Tangible assets	817	936	912
Financial assets	0	0	0
Total non-current assets	18 305	21 981	21 607
<b>Current Assets</b>			
Inventory	1 720	1 078	1 382
Short-term receivables	2 321	2 299	2 423
Cash and equivalents	20 663	27 569	21 331
Total current assets	24 704	30 946	25 136
Total assets	43 009	52 927	46 743
<b>EQUITY AND LIABILITIES</b>			
Equity	35 381	44 002	37 653
Financial liabilities	750	3 750	1 875
Operating liabilities	6 878	5 175	7 215
Total equity and liabilities	43 009	52 927	46 743

Changes in equity	Q3	Q3	FY
	2019/20	2018/19	2018/19
Opening Balance	40 777	50 150	18 296
Equity issues, net	445		42 407
Net profit	-5 858	-6 147	-23 050
Translation difference	17		
Closing balance	35 381	44 003	37 653
Equity ratio %	82%	83%	80%

\*Q3/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)	Q3	Q3	YTD	YTD	FY
	2019/20	2018/19	2019/20	2018/19	2018/19
<b>Operating activities</b>					
Net result	-5 858	-6 147	-19 775	-16 700	-23 050
Depreciation	1 839	1 319	5 521	4 036	5 356
Operating cash flow	-4 019	-4 828	-14 254	-12 664	-17 694
Increase (-)/decrease (+) in inventories	-569	17	-338	674	370
Increase (-)/decrease (+) in operating receivables	548	-219	102	136	-61
Increase (+)/decrease (-) in operating liabilities	-79	-130	-574	-306	307
Change in working capital	-100	-332	-810	504	616
Cash flow from operating activities	-4 119	-5 160	-15 064	-12 160	-17 078
<b>Investing activities</b>					
Development expenses	-862	-732	-2 015	-2 509	-3 152
Patents	0	0	-204	0	-232
Tangible assets	0	1	0	-241	-312
Cash flow after investments	-4 981	-5 891	-17 283	14 910	-20 774
<b>Financing activities</b>					
Net proceeds from equity issues	445	0	17 740	42 406	42 407
Increase (+)/decrease (-) in borrowings	-375	-375	-1 125	-1 125	-1 500
Cash flow from financing activities	-70	-376	16 615	41 281	40 907
Cash flow for the period	-4 911	-6 267	-668	26 371	20 133
Cash and cash equivalents at the beginning of the period	25 574	33 836	21 331	1 198	1 198
Cash and cash equivalents at the end of the period	20 663	27 569	20 663	27 569	21 331
<i>Incl. unutilized credits</i>	<i>22 663</i>	<i>29 569</i>	<i>22 663</i>	<i>29 569</i>	<i>23 331</i>

Data per share	Q3	Q3	YTD	YTD	FY
	2019/20	2018/19	2019/20	2018/19	2018/19
Earnings per Share, SEK	-0.41	-0.45	-1.37	-1.21	-1.68
Equity per share, SEK	2.62	3.20	1.54	3.20	2.74
Number of Shares, end of period	14 394 971	13 746 634	14 394 971	13 746 634	13 746 634
Average number of shares	14 392 908	13 746 634	14 383 755	12 977 785	13 165 258
Share price end of period	36.40	22.40	36.40	22.40	25.35

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## PARENT COMPANY

	Q3	Q3	YTD	YTD	FY
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	Q3	Q3	FY
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