

December 1, 2014

## Half year Report May 1, 2014 – October 31, 2014

### August-October 2014-2015

Net sales	814 (215) TSEK
Operating result (EBIT)	-1 930 (-1 442) TSEK
Result before tax	-1 963 (-1 495) TSEK
Net result	-1 963 (-1 495) TSEK

Earnings per share	-0.34 (-0.39) SEK
Equity per share	1.88 (1.65) SEK
Number of shares by the end of the period	9 809 510 (4 082 900)
Average number of shares during the period	5 718 473 (3 870 590)

### May-October 2014-2015

Net sales	1 355 (424) TSEK
Operating result (EBIT)	-3 663 (-3 221) TSEK
Result before tax	-3 741 (-3 338) TSEK
Net result	-3 741 (-3 338) TSEK

Earnings per share	-0.69 (-0.91) SEK
Equity per share	1.88 (1.65) SEK
Number of shares by the end of the period	9 809 510 (4 082 900)
Average number of shares during the period	5 440 686 (3 680 446)

Amounts in parenthesis refer to the corresponding periods during the previous year. The numbers of shares during the comparative periods have been recalculated with reference to share split and equity issues.

### **Important events**

- 13 sold instruments gave a 220 % increase of net sales during the first half year, compared to the corresponding period of previous year.
- The average price per instruments paid by the distributors rose by 35 % to 104 TSEK, compared to previous year.
- Mats Lundwall, former CEO of the stem cell company Cellartis and Ferring Pharmaceuticals, was elected to the Board at the Annual General Meeting on October 6, 2014.
- Swedish researchers recommend Phase Holographic Imaging's technology to assess reduction in cancer cell growth.
- Cooperation agreement with Northeastern University of Boston to establish a Center of Excellence for training of researchers in measurement methods based on the HoloMonitor technology. The Boston area is one of the "life science hot-spots" in which PHI intends to establish Centers of Excellence.
- Strategic cooperation with the Israeli stem cell company Biological Industries.

### **CEO comments**

PHI aims to create significant value for the shareholders by establishing HoloMonitor technology and time-lapse cytometry as the standard method for cell analysis of cultured cells. In a second step, the Board intends to realize this value by partially or fully divesting the business to one of the global market players, which at that time is likely to be a distributor of PHI's products. PHI's patented technology, efficient production, strong product pipeline and revolutionary technology firmly position PHI to achieve this goal.

In a first step, the newly executed equity issue allows the company to focus on establishing HoloMonitor technology and achieving market acceptance by reaching the following strategic goals:

- 50 instruments in continuous operation,
- cooperation agreements with 8 key opinion leaders and
- the company's products shall be in series production with volume capacity providing a
- gross margin no less than 80 % of the market price.

PHI has achieved the following:

- More than 25 instruments are in operation with customers and key opinion leaders, see [www.phiab.se/publications/testimonials](http://www.phiab.se/publications/testimonials).
- Two doctoral thesis and over 20 scientific articles have been published, were of 6 published in 2014, see [www.phiab.se/publications/articles](http://www.phiab.se/publications/articles).
- Cooperation agreements signed with 5 key opinion leaders.
- PHI has entered into a production agreement for series production of HoloMonitor M4, giving a gross margin of approximately 80 %.
- To broaden the product range and to additionally increase the gross margin, motorized sample positioning is under development. This functionality will be marketed as an add-on product to both HoloMonitor M4 and the forthcoming HoloMonitor M5. After evaluating a first prototype, a second prototype is being manufactured for long-term evaluation in a cell incubator environment.



Series production at PHI's manufacturing partner

### Equity Issue

Through an equity issue, PHI:s share capital increased by 929 322 SEK from 1 032 580 SEK to 1 961 902 SEK. The number of shares increased by 4 646 610 from 5 162 900 to 9 809 510. The equity issue was oversubscribed by 39 % and raised in 14.4 MSEK gross and 12.8 MSEK net after expenses:

Equity issue gross	14 404 TSEK
Premium fee for bridge loan	-360 TSEK
Fees for subscription guarantees	-300 TSEK
Financial advisors	<u>-939 TSEK</u>
Equity issue net	12 805 TSEK

The company received 3.0 MSEK in advance as a bridge loan during the summer and the remaining 9.8 MSEK in October.

### About Phase Holographic Imaging

Phase Holographic Imaging (PHI) is the leader in the development of proprietary ground-breaking holographic time-lapse cytometry instrumentation and software. With the first instrument introduced in 2011, the company today offers a range of products for long-term quantitative analysis of cellular 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.

### Accounting principles

From the fiscal year May 1, 2014 – April 30, 2015, the accounts are prepared in accordance with the Annual Accounts Act and the general advice of the Accounting Board BFNAR 2012:1 (K3). The application of the new regulations has not implicated any requirement to restate the comparative periods. BFNAR 2007:1 is applied in the preparation of interim reports. The same accounting principles have been applied as in the latest annual report with the exception of K3 as above.

### Information for shareholders

March 16, 2015 – Interim Report May 2014 - January 2015

June 16, 2015 – Year-end Report 2014-2015

### Review

This interim report has not been subject to review by the auditors of the company.

On behalf of the Board

Peter Egelberg, CEO

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**HALF YEAR REPORT MAY-OCTOBER 2014**

Phase Holographic Imaging PHI AB (publ)

Company reg. number 556542-7811

**Income statement (amounts in TSEK)**

	Aug-Oct 2014	Aug-Oct 2013	May-Oct 2014	May-Oct 2013	Maj-Apr 2013-2014
Net Sales	814	215	1,355	424	1,442
Development exp. capitalized	1,136	1,025	1,737	1,297	2,304
Other income	103	-	181	-	79
Total revenues	2,053	1,240	3,273	1,721	3,825
Raw material	-575	-387	-930	-448	-1,243
Other operating expenses	-1,959	-902	-2,883	-1,582	-3,823
Personnel expenses	-917	-860	-2,060	-1,851	-3,978
Scheduled depreciation	-532	-534	-1,063	-1,060	-2,104
Total operating expenses	-3,983	-2,683	-6,936	-4,942	-11,148
Operating result (EBIT)	-1,930	-1,442	-3,663	-3,221	-7,323
Financial net	-33	-53	-78	-117	-191
Result before tax	-1,963	-1,495	-3,741	-3,338	-7,514
Net result	-1,963	-1,495	-3,741	-3,338	-7,514

**Balance sheet (amounts in TSEK)**

	October 31, 2014	October 31, 2013	April 30, 2014
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	11,987	10,989	11,200
Tangible assets	0	2	0
	11,987	10,992	11,200
<i>Current assets</i>			
Inventory	469	420	790
Current receivables	897	469	858
Cash and equivalents	7,479	0	83
<i>(Incl. unutilized share of overdraft facility)</i>	<i>(9,153)</i>	<i>(67)</i>	<i>(1,700)</i>
	8,845	889	1,730
Total assets	20,832	11,881	12,930
<b>EQUITY AND LIABILITIES</b>			
Equity	18,409	6,746	9,345
Financial liabilities	1,165	3,330	1,578
Operating liabilities	1,258	1,804	2,007
Total equity and liabilities	20,832	11,881	12,930