

2014-10-06

## Interim Report May-July, 2014

### Result in thousand SEK (previous year)

Net sales:	541 (209)
Operating result, EBIT:	-1 733 (-1 778)
Result before tax:	-1 778 (-1 842)
Net result:	-1 778 (-1 842)
Earnings per share, SEK:	-0.34 (-0.53)
Equity per share, SEK:	1.47 (2.09)

Number of shares by the end of the period: 5 162 900 (3 782 400)

Average number of shares during the period: 5 162 900 (3 490 302)

*For a correct comparison, the number of shares during the comparative period has been recalculated to adjust for share split.*

### Important events

- 5 instruments were sold during the first quarter, a significant increase compared to the first quarter of prior years.
- The average distributor transfer price increased from approximately 76 000 to 108 000 SEK/instrument.
- Researchers at Malmö University published a scientific article in which they propose HoloMonitor technology to assess the reduction of cancer cell growth.
- A cooperation agreement with Northeastern University of Boston has been signed. PHI will provide Northeastern with HoloMonitor technology to establish new applications and methods for non-destructive cell analysis.
- A strategic cooperation has been initiated with the Israeli stem cell company Biological Industries.

### CEO commentary

Researchers at the Biological Research Center of the Hungarian Academy of Sciences recently published that unsaturated fatty acids improve radiation treatment of radiation resistant brain tumors. This was the 6<sup>th</sup> scientific article during 2014 that publish results based on HoloMonitor technology, making 2014 the most productive year in PHI's history. For a full list of scientific publications by customers see [www.phiab.se/publications/articles](http://www.phiab.se/publications/articles).

Independent scientific articles are essential for market acceptance and to build substantial value for shareholders. The planned Centers of Excellence aim to increase the number of publications and their *impact factor*, which is an accepted measurement of the expected impact of a scientific article.

In parallel with the ongoing rights issue, the work to increase the profitability of HoloMonitor M4 has proceeded according to plan. The aim of this work has been to increase the net margin and to improve production efficiency by

- simplifying handling to such an extent that potential customers can evaluate the M4 on their own and without any prior training ("plug & play"),
- optimizing component costs and by
- eliminating components which have long delivery time or are of varying quality.

The completion of this work allows the company's engineering resources to increasingly focus on add-on products and the 5<sup>th</sup> generation product – HoloMonitor M5.

In September one of PHI's founders and shareholders, Viktor Öwall, was elected dean of Lund Technical Institute. Öwall and the department of Electrical and Information Technology played a key role in PHI's development during the initial years.

**Interim Report MAY-JULY 2014**

Phase Holographic Imaging PHI AB (publ)

Company reg. number 556542-7811

**Business**

PHI leads the ground-breaking development of 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 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.

**Accounting principles**

The accounts have been prepared in accordance with the Annual Accounts Act and the general advice of the Accounting Board, with the exception of BFNAR 2008:1 regarding annual reports in small limited companies. Thus K2 is not applied. BFNAR 2007:1 is applied in the preparation of interim reports. The same accounting principles have been applied as in the latest annual report.

**Information for shareholders**

December 1, 2014 – Interim Report May-October

**Review**

This 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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**Income statement**

Amounts in SEK thousands	May 2014 -July 2014	May 2013 -July 2013
<i>Revenues</i>		
Net sales	541	209
Development expenditures capitalized	601	272
Other income	<u>78</u>	<u>0</u>
Total revenues	1 220	481
<i>Operating expenses</i>		
Raw material	-355	-61
Other operating expenses	-924	-681
Personnel expenses	-1 143	-991
Scheduled depreciation	<u>-531</u>	<u>-526</u>
Total operating expenses	-2 953	-2 259
Operating result (EBIT)	-1 733	-1 778
Financial net	<u>-45</u>	<u>-64</u>
Result before tax	-1 778	-1 842
Net result	-1 778	-1 842

**Balance sheet**

Amounts in SEK thousands	July 31, 2014	July 31, 2013
<i>Assets</i>		
<i>Non-current assets</i>		
Intangible assets	11 348	11 200
Tangible assets	<u>0</u>	<u>0</u>
	11 348	11 200
<i>Current assets</i>		
Inventory	448	790
Current receivables	570	857
Cash and equivalents	<u>686</u>	<u>83</u>
	1 704	1 730
TOTAL ASSETS	13 052	12 930
<i>Equity and liabilities</i>		
Equity	7 567	9 345
Long-term liabilities	4 212	1 578
Short-term liabilities	1 273	2 007
TOTAL EQUITY AND LIABILITIES	13 052	12 930