



Year-end Report 2020/21

Phase Holographic Imaging PHI AB (publ)

Lund, June 24, 2021

FEBRUARY 2021 – APRIL 2021

Net sales	1 910 (557) KSEK
Operating result before depreciation (EBITDA)	-5 559 (-4 589) KSEK
Net result	-6 784 (-6 538) KSEK
Earnings per share	-0.47 (-0.45) SEK
Gross margin	66 (60) %

MAY 2020 – APRIL 2021

Net sales	3 637 (3 803) KSEK
Operating result before depreciation (EBITDA)	-16 773 (-18 692) KSEK
Net result	-23 509 (-26 313) KSEK
Earnings per share	-1.63 (-1.83) SEK
Gross margin	63 (61) %

IN SHORT

- The strategic shift to focus on digital sales & marketing has been successful, reflected in the sales increase during the latter part of the fiscal year.
- The North American market accounted for 2/3 of net sales during the quarter and nearly half during the year.
- The development work of providing HoloMonitor with fluorescence capability is proceeding according to plan.
- The strategic focus on digital sales & marketing led to organizational changes during the year.

CEO COMMENTARY

The conventional way of selling advanced scientific instrumentation has been for independent distributors to market, resell and service the product in an agreed geographical market. Until the pandemic, nobody in the industry really questioned this business model. It was simply how capital equipment was sold. However, the model is costly and resource-demanding, and sales will only be as good as the distributors.

Therefore, as soon as they can muster the investment, larger companies establish subsidiaries in the important markets to not remain dependent on the whims of independent distributors. The way out for smaller companies that cannot afford subsidiaries across the globe is to make themselves attractive for the larger companies. However, the larger companies know their value and ask a lot in return to channel products through their distribution network, no matter how novel and exciting the product is.

The “New Normal”

As we all know, digital sales & marketing have been around for some time. However, until the pandemic, it had a limited impact on the traditional distributor business model, as it remained unthinkable for customers to purchase advanced technical equipment “over the Internet”.

The widespread use of video communications during the pandemic has changed this. Now when we have gotten used to it and realized how much more efficient and climate-friendly it is, more and more people prefer that product demonstrations and training occur online rather than in physical meetings. This small but significant change in behavior is likely to transform our industry and how capital goods are sold.

Together with advanced digital marketing, the change allows smaller companies to more efficiently sell, distribute and service advanced equipment over a large geographical area without a traditional distribution network.

In other words, a consequence of the pandemic is that innovative smaller companies such as PHI can establish their products on the market on their own. With a well-established product, these companies can then and on more equal terms negotiate partnerships with the major players to further expand the market reach.

The Fluorescence Project

The development work of providing HoloMonitor with fluorescence capability is proceeding according to plan. Recently the project entered the second and possibly the final internal testing phase. For more information concerning the project, see [Interim Report 3 2020/21](#).

The Organization

The strategic decision first outlined in [Interim Report 3 2019/20](#) to focus on digital sales & marketing led to organizational changes during the year. In particular, digital marketing requires a different skill set than marketing through tradeshows and other traditional marketing activities. For an overview of the new organization, see [PHI Management and Board](#).



Sales

The strategic shift has been a success, reflected in the sales increase during the latter part of the fiscal year. Unless lockdowns are reinstated in the major markets, we see that sales will continue to grow over the foreseeable future, not least in the North American market.

Peter Egelberg, CEO

In the spirit of doing everything online that can be done online, this report has been written online and directly in HTML. This and future reports can be comfortably read on any device, including the financial tables. Those who prefer to print and read the report on paper can do so by pressing the button below.

NET SALES AND RESULT

Net sales for the fourth quarter amounted to 1 910 (557) KSEK and operating result before depreciation (EBITDA) to -5 559 (-4 589) KSEK. Net result amounted to -6 784 (-6 538) KSEK.

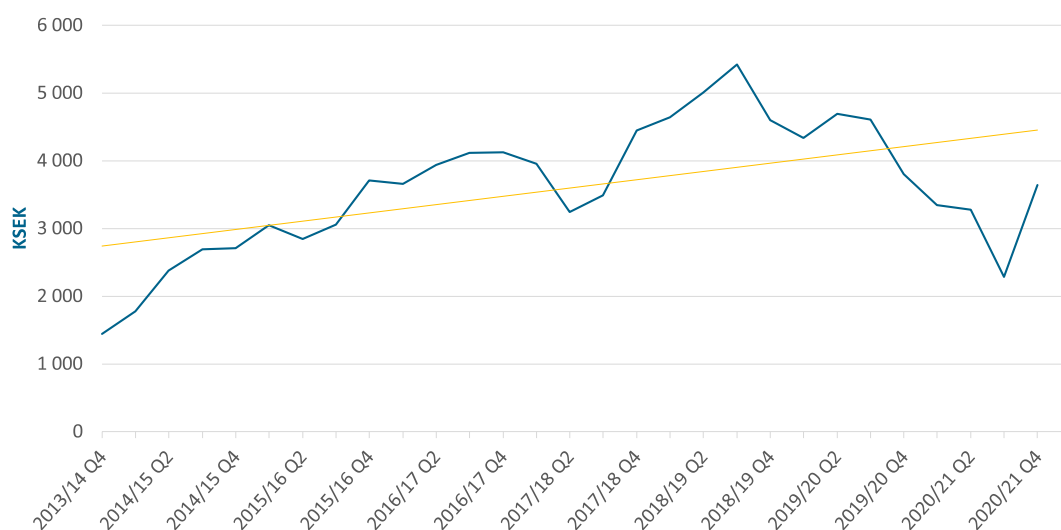
INVESTMENTS

With an emphasis on application development and development of fluorescence capability, the company invested 4 261 (3 192) KSEK in the product, patent, and application development during the financial year.

FINANCING

Cash, cash equivalents, and unutilized granted credits amounted to 35 506 (16 484) KSEK by the end of the period. The equity ratio was 25 (80) %.

Rolling 12-month sales with trendline



RISKS

The company may be affected by various factors, described in the 2019/20 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 2021, Annual report 2020/21

ABOUT PHI

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. 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)

	Q4 2020/21	Q4 2019/20	FY 2020/21	FY 2019/20
Net sales	1 910	557	3 637	3 803
Cost of products sold	-647	-225	-1 346	-1 500
Gross profit	1 263	332	2 291	2 303
Gross margin	66%	60%	63%	61%
Selling expenses	-3 511	-2 211	-8 773	-8 756
Administrative expenses	-1 775	-1 576	-7 084	-6 428
R&D expenses	-2 571	-3 388	-11 720	-13 538
Operating income	0	367	1 972	367
Operating result (EBIT)	-6 594	-6 476	-23 314	-26 052
Financial net	-190	-62	-195	-261
Result before tax (EBT)	-6 784	-6 538	-23 509	-26 313
Net Result (EAT)	-6 784	-6 538	-23 509	-26 313

Balance sheet (KSEK)

	FY 2020/21	FY 2019/20
ASSETS		
Non-current assets		
Intangible assets	14 823	16 735
Tangible assets	337	704
Total non-current assets	15 160	17 439
Current Assets		
Inventory	1 334	1 530
Short-term receivables	2 938	2 590
Cash and equivalents	2 256	14 484
Total current assets	6 528	18 604
Total assets	21 688	36 043
EQUITY AND LIABILITIES		
Equity	5 384	28 896
Financial liabilities	7 400	1 125
Operating liabilities	8 904	6 022
Total equity and liabilities	21 688	36 043

Changes in equity (KSEK)

	FY 2020/21	FY 2019/20
Opening Balance	28 896	37 653
Equity issues, net	0	17 487
Net profit	-23 509	-26 313
Translation difference	-3	69
Closing balance	5 384	28 896
Equity ratio	25%	80%

Cash flow analysis (KSEK)

	Q4 2020/21	Q4 2019/20	FY 2020/21	FY 2019/20
Operating activities				
Net result	-6 784	-6 538	-23 509	-26 313
Depreciation	1 035	1 839	6 541	7 360
Translation difference	-7		-4	79
Operating cash flow	-5 756	-4 699	-16 972	-18 874
Increase (-)/decrease (+) in inventories	327	190	196	-148
Increase (-)/decrease (+) in operating receivables	-392	-190	-348	-9
Increase (+)/decrease (-) in operating liabilities	3 100	-935	2 882	-1 272
Change in working capital	3 035	-935	2 730	-1 429
Cash flow from operating activities	-2 721	-5 634	-14 242	-20 303
Investing activities				
Development expenses	-1 384	-714	-4 091	-2 729
Patents	-170	-62	-170	-266
Tangible assets	0	-197	0	-197
Cash flow after investments	-4 275	-6 607	-18 503	-23 495
Financing activities				
Net proceeds from equity issues	0	53	0	17 566
Increase (+)/decrease (-) in borrowings	3 150	375	6 275	-750
Cash flow from financing activities	3 150	428	6 275	16 816
Cash flow for the period	-1 125	-6 179	-12 228	-6 847
Cash and cash equivalents at the beginning of the period	3 381	20 663	14 484	21 331
Cash and cash equivalents at the end of the period	2 256	14 484	2 256	14 484
Incl. unutilized credits	35 506	16 484	35 506	16 484

Data per share

	Q4 2020/21	Q4 2019/20	FY 2020/21	FY 2019/20
Earnings per Share, SEK	-0.47	-0.45	-1.63	-1.83
Equity per share, SEK	0.37	2.01	0.37	2.01
Number of Shares, end of period	14 394 971	14 394 971	14 394 971	14 394 971
Average number of shares	14 394 971	14 394 971	14 394 971	14 386 521
Share price at end of the period, SEK	25.00	31.80	25.00	31.80

PARENT COMPANY

Income statement (KSEK)

	Q4 2020/21	Q4 2019/20	FY 2020/21	FY 2019/20
Net sales	1 405	557	2 991	3 716
Cost of products sold	-676	-227	-1 358	-1 502
Gross profit	729	330	1 633	2 214
Gross margin	52%	59%	55%	60%
Selling expenses	-2 898	-2 211	-6 617	-8 756
Administrative expenses	-1 775	-1 074	-7 084	-5 814
R&D expenses	-2 571	-3 388	-11 720	-13 538
Other Income	0	367	1 972	367
Operating result (EBIT)	-6 515	-5 976	-21 816	-25 527
Financial net*	-1 132	-62	-1 137	-261
Result before tax (EBT)	-7 647	-6 038	-22 953	-25 788
Net Result (EAT)	-7 647	-6 038	-22 953	-25 788

*Effected by 942 KSEK in write-down PHI inc share capital

Balance sheet (KSEK)

	FY 2020/21	FY 2019/20
ASSETS		
Non-current assets		
Intangible assets	14 823	16 735
Tangible assets	337	704
Financial assets*	0	942
Total non-current assets	15 160	18 381
Current Assets		
Inventory	1 334	1 530
Short-term receivables	4 578	2 648
Cash and equivalents	1 711	13 940
Total current assets	7 623	18 118
Total assets	22 783	36 499
EQUITY AND LIABILITIES		
Equity	6 399	29 352
Financial liabilities	7 400	1 125
Operating liabilities	8 984	6 022
Total equity and liabilities	22 783	36 499

*942 KSEK write-down PHI inc share capital