CELLINK AB (publ)

559050–5052

Interim Financial Report 3

(Q3 & Q1-Q3)

1 September 2017 - 31 May 2018 (Q1-Q3)

1 March 2018 – 31 May 2018 (Q3)

Growth, increased gross margins and profit

Interim Financial Report 9 months, 1 September 2017 – 31 May 2018

The first 9 months in summary

- Operating revenues amounted to SEK 39,724 thousand (SEK 12,750 thousand), an increase of 212% against the previous accounting year
- Net turnover of SEK 28,656 thousand (SEK 8,465 thousand), an increase of 239% against the previous accounting year
- Operating profit before depreciation, EBITDA amounted to SEK 1,914 thousand, which corresponds to
  an EBITDA margin of 4.8% (-8%)
- Operating profit totalled SEK -88 thousand (-1,205 thousand)
- Profit before tax amounted to SEK 414 thousand (-1,319 thousand)
- Earnings per share amounted to SEK 0.00 for the first 9 months (SEK -0.20)
- Cash flow from ongoing activities during the first 9 months amounted to SEK 4,534 thousand (SEK -389 thousand)

Quarter 3 (Q3), 1 March 2018 – 31 May 2018

Third quarter in summary

- The company's operating revenues amounted to SEK 16,375 thousand (SEK 4,876 thousand), an increase of 236% against the previous accounting year
- Net turnover of SEK 12,202 thousand (SEK 3,024 thousand), an increase of 304% against the previous accounting year
- Operating profit before depreciation, EBITDA amounted to SEK 1,044 thousand, which corresponds to
  an EBITDA margin of 6.4% (-20.7%)
- Operating profit totalled SEK 399 thousand (SEK -1,105 thousand)
- Profit before tax amounted to SEK 626 thousand (SEK -1 139 thousand)
- Profit per share amounted to SEK -0.048 in the quarter (SEK -0.17)
- Cash flow from ongoing activities in the quarter amounted to SEK -1,202 thousand (SEK - 2,581 thousand)

Significant events during the period

Events during the third quarter (March 2018 - May 2018)

- On 19 March CELLINK published an article on bioink together with researchers, the article was published in Bioprinting and dealt with the different features of bioink
- On 9 April CELLINK won the Red Dot Award for BIO X
- On 13 April CELLINK launches 7 new bioinks, 3 new kits of GelMA and enables the 3D bioprinting of multifaceted vascular networks
- On 19 April CELLINK entered into a partnership with ARMI BioFab USA, and the UNH Manchester for events dealing with regenerative production
- On 23 April CELLINK appointed Carnegie Investment Bank AB (publ) as its financial advisor
- On 2 May CELLINK launched a new pedagogic platform for bioprinting: CELLINK GO – developed to revolutionise training
- On 3 May CELLINK changed its Certified Adviser to Erik Penser Bank AB
- On 4 May CELLINK published news of a cooperating partner that 3D bioprints human heart valve disease models with nanoindentation-based biomechanics
- On 11 May CELLINK received an order for SEK 3.5 million from a distributor in Germany

Events after the end of the period

- On 1 June CELLINK published news on the ground-breaking 3D-bioprinting of the first human corneas by customer and technology users at Newcastle University
- On 4 June CELLINK completed a targeted new emission of SEK 100,259,570

Events during the first 9 months (September 2017 - May 2018)

- On 25 September CELLINK was awarded a registered design for its product BIO X
- On 27 September CELLINK announced a collaboration agreement with the Massachusetts Institute of Technology
- On 6 October a targeted new share issue of SEK 30 million was made to Handelsbanken Funds
- On 15 November CELLINK announced a collaboration on development with Takara Bio
- On 27 November the company advised that it had been granted project funding from the EU
- On 8 January the company announced a collaboration agreement with CTIBIOTECH to print human cancer tumour tissues
- On 17 January the company announced its establishment of a research and development laboratory in AstraZeneca's BioVentureHub
- On 1 February CELLINK advised it would be opening an office at Kyoto University in Japan
- On 8 February CELLINK advised it would be launching CELLINK X Bioinks
- On 19 March CELLINK published an article on bioink together with researchers, the article was published in Bioprinting and dealt with the different features of bioink
- On 9 April CELLINK won the Red Dot Award for BIO X
- On 13 April CELLINK launched 7 new bioinks, 3 new kits of GelMA and enabled the 3D bioprinting of multifaceted vascular networks

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A MESSAGE FROM THE CEO

Growth, customer validations of technology, product launches and skills acquisition

CELLINK continues its journey with continued financial growth, validation and verification of our technology platform, and scaling-up/expanding the team. The company's revenues increased during the third quarter, net turnover amounted to SEK 12.2 million, and the operating revenues totalled SEK 16.4 million. This is equivalent to a growth in net turnover of 304% compared with Q3 of the previous year, and a growth of 39% on the previous quarter. The profit for the third quarter amounted to SEK 0.6 million before tax.

Continued growth

Demand on CELLINK's technology platform continued to increase globally during the third quarter. The introduction of a new structure for the sales department and new staff have resulted in good profits. A Global Sales Manager has been added, and the global market has been divided up into three regions; North America, Europe and Asia, to enable us to get closer to our customers and increase the value of our product range by being able to apply our technology platform based on the specific requirements of each market. Further strategic distributor agreements have been signed at an international level. The company has now reached a position where we can be more selective as to what partners we cooperate with to maximise growth, brand familiarity and customer benefit. Our Collaborative Partnership Programme has continued to enjoy a positive development, and new customers have joined. The purpose of the programme is to create further value for customers working within the same area of research.

The sales work has focused on identifying new areas of application amongst pharmaceutical companies and cancer research, where new applications are starting to emerge. CELLINK has been working closely with customers who have acquired the technology platform and several new areas of application have arisen when the products start to be used.

Customer validations

A number of leading customers published their research work with the company's technology during the quarter, which is a positive step in a process of maturity for the technology and our technology platform. We are convinced that this will generate further growth and more validated areas of application in the future.

- *Leading researcher from the Wake Forest University and the University of California Los Angeles/MIT*

The publication "A perspective on the physical, mechanical and biological specifications of bioinks and the development of functional tissues in 3D bioprinting" was composed together with the world-famous opinion leader in the field Prof. David Williams of the Wake Forest Institute of Regenerative Medicine, USA and Prof. Ali Khademhosseini of the University of California - Los Angeles, USA, and has recently been published in the Bioprinting journal. The Bioprinting journal is an interdisciplinary periodical that covers all aspects of 3D production technology including biological tissues, organs and cells for medicine - and biotechnology. The article is the first in its class to identify the position for leading bioinks and to suggest their classification based on their role in a 3D bioprinted construction, so as to provide biological functionality, serve as a support material or to shore up and consolidate the complex constructions.

- *Leading researchers from the MIT, Harvard, ETH Zurich, Utrecht University, and Eindhoven University*

CELLINK's partners for collaboration at the MIT, along with the leading research institutes of Harvard, ETH Zürich, Utrecht and Eindhoven University of Technology, have 3D bioprinted a tissue model of human heart valve models by using the company's technological platform for producing successful results.

- *Leading researchers from Newcastle University*

Researchers at Newcastle University have made a breakthrough in resolving the global shortage of eye-tissue donors. CELLINK's bioprinting technology platform has proved to be particularly useful for the application. Newcastle has used the technology for the bioprinting of human corneas for the first time. This technology can be used potentially to create an unlimited supply of corneas in the future. Newcastle University researcher Professor Che J. Connon and Dr. Stephen Swiokolo, together with Abigail Isaacson, a postgraduate of the Institute for Genetic Medicine, were the researchers behind this work. Together they have published their results in the publication "3D Bioprinting of a Corneal Stroma Equivalent" in the journal Experimental Eye Research. The research describes how the stem cells from a fresh donor's cornea is printed within under 10 minutes through concentric circles in order to create the form of a human cornea. After the print-out, the stem cells were found to show good growth. In the future this technology may be used on humans.

Product launches

During the quarter CELLINK launched an entirely new pedagogical bioprinting platform, specifically targeted at younger generation researchers and the training market. The CELLINK GO platform has been launched in order to revolutionise the bioprinting training market and introduce the technology in the earlier stages of secondary and higher education. The strategy behind the launch is to broaden the areas of application, and to prepare and introduce younger researchers to CELLINK's innovative products. The first CELLINK GO system was sold shortly after the launch and the potential for the platform increases the company's addressable market.

Recruitment of skills

The company's organisation has continued to grow during the third quarter. The number of employees now amounts to 52 throughout the group. We can see that our strategic position has given us greater opportunity to choose from the world's talents. The company received almost a thousand applications for various positions from a variety of strategic backgrounds during the quarter, which has resulted in several appointments within bioink and the software and hardware teams. CELLINK's unique corporate culture plays a vital role in the growth, and the constant work between the various departments ensures that the whole company is moving towards the same unified vision.

I would like to thank the entire CELLINK team for their good work and all shareholders who have shown continued confidence in the company. We are now entering the final stretch of the fourth quarter of the accounting year.

Gothenburg, 11 June 2018

Erik Gatenholm, CEO

FINANCIAL INFORMATION AND COMMENTS

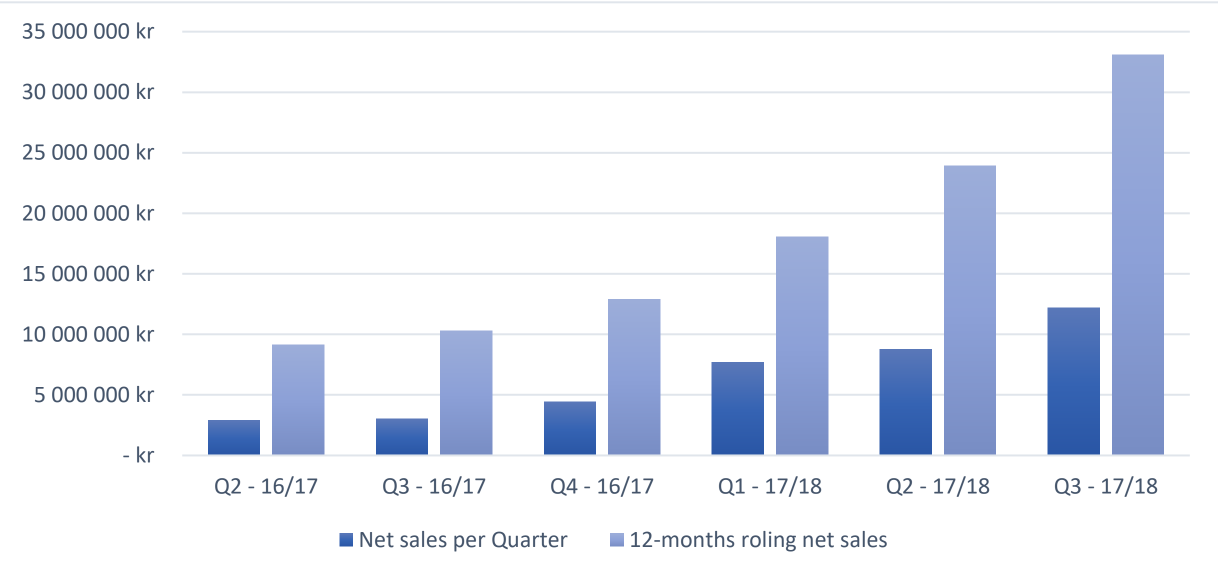
This interim annual report is the first consolidated interim annual report for CELLINK AB. It is also the first report to be drawn up in accordance with the International Financial Reporting Standards (IFRS), such as they have been adopted by the EU. For further information, read the accounting principles at the end of the report.

The group's net turnover in Q3 amounted to SEK 12,202 thousand (SEK 3,024 thousand). The group's reported total income amounted to SEK 16,375 thousand (SEK 4,876 thousand) and also includes: SEK 2,238 thousand (SEK 761 thousand) attributable to grant-funded projects, SEK 2,015 thousand (SEK 1,091 thousand) in capitalised work for its own account and SEK -79 thousand (SEK 0 thousand) in inventory changes. The largest market for the quarter was the USA, followed by Asia, Europe and the rest of the world. The cost of raw materials and consumables amounted to SEK -4,806 thousand (SEK -1,281 thousand). Operating profit amounted to SEK 399 thousand (SEK -1,105 thousand) and the result after financial expenses amounted to SEK 626 thousand (SEK 1,139 thousand).

The net growth in turnover against the third quarter of the previous year was 304%. This growth is applicable to the increase in demand for the company's products. The company's margins improved during the quarter thanks to better costs control, more efficient production and an improved product mix.

The cash flow from ongoing activities in Q3 was SEK -1,202 thousand (SEK -2,581 thousand) and the total cash flow for the quarter was SEK -5,836 thousand (SEK -6,691 thousand). The company had SEK 59,160 thousand (SEK 21,669 thousand) in cash and cash equivalents at the end of the quarter.

In the first nine months of the 2017/2018 year of operation, revenues totalled SEK 39,724 thousand (SEK 12,750 thousand) and the net turnover amounted to SEK 28,656 thousand (SEK 8,465 thousand). The result for the period (9 months) came to SEK 29 thousand (SEK -1,321 thousand).



CELLINK IN FIGURES

Figures for the Group (SEK thousand)	01.03.2018 31.05.2018 Q3 (3 mon)	01.03.2017 31.05.2017 Q3 (3 mon)	01.09.2017 31.05.2018 (9 mon)	01.09.2016 31.05.2017 (9 mon)
Total income	**16,375**	**4,876**	**39,724**	**12,750**
Net sales	12,202	3,024	28,656	8,465
EBITDA	**1,044**	**-991**	**1,914**	**-995**
EBITDA margin %	6.4%	-20.3%	4.8%	-7.8%
Operating profit/loss (EBIT)	**399**	**-1,105**	**-88**	**-1,205**
Operating margin %	2.5%	-20.6%	-0.2%	-9.5%
Profit/loss for the period	**361**	**-1,139**	**29**	**-1,321**
Net margin %	2.2%	-23.4%	0.0%	-10.4%
Solidity %	89.3%	78.9%	89.3%	78.9%
Profit/loss per share SEK	0.048	-0.17	0.000	-0.20
Average number of shares in the period (A&B shares)	7,566,763	6,895,847	7,524,957	6,679,870
Number of shares at end of period (A & B shares)	7,566,763	6,895,847	7,566,763	6,895,847
Number of employees at end of period (FTE)	52	20	52	20

PROFIT AND LOSS ACCOUNT FOR THE GROUP

Profit and loss account (SEK thousand)	01.03.2018 31.05.2018 Q3 (3 mon)	01.03.2017 31.05.2017 Q3 (3 mon)	01.09.2017 31.05.2018 (9 mon)	01.09.2016 31.05.2017 (9 mon)
Operating revenue, inventory changes, etc.				
Net sales	12,202	3,024	28,656	8,465
Changes in inventory	-79	-	1,291	-
Capitalised work for own account	2,015	1,091	4,750	2,137
Other operating income	2,238	761	5,028	2,147
Total income	**16,375**	**4,876**	**39,724**	**12,750**
Operating expenses				
Raw materials and supplies	-4,806	-1,281	-13,099	-3,277
Other external expenses	-4,160	-2,114	-9,545	-4,598
Personnel costs	-6,316	-2,218	-14,880	-5,213
Depreciation and amortisation of fixed assets	-645	-114	-2,002	-210
Other operating expenses	-49	-254	-286	-656
Operating profit/loss	**399**	**-1,105**	**-88**	**-1,205**
Total net financial items				
Income from interest and similar items of profit/loss	229	8	528	9
Interest costs and similar items of profit/loss	-2	-42	-26	-123
Profit/loss after financial items	**626**	**-1,139**	**414**	**-1,319**
Net profit before tax	626	-1,139	414	-1,319
Tax for the period	-265		-385	-2
Profit/loss for the period	**361**	**-1,139**	**29**	**-1,321**
Other comprehensive income for the Group				
Profit/loss for the period	361	-1,139	29	-1,321
Other comprehensive income that cannot be re-classified to the profit and loss account in subsequent periods				
Translation differences	51	10	118	24
Other comprehensive income for the period	**412**	**-1,129**	**147**	**-1,297**

BALANCE SHEET FOR THE GROUP

Balance Sheet (SEK thousand)	*31.05.2018*	*31.05.2017*	*31.08.2017*
ASSETS			
Fixed assets			
Intangible fixed assets			
Concessions, patents, licences, trade marks and similar rights	3,845	3,900	3,894
Capitalised expenditure for development work	21,745	6,060	10,551
	25,590	9,960	14,445
Tangible fixed assets			
Closed expenses incurred on another person's property	69	50	50
Equipment, tools and installations	952	277	305
	1,021	327	355
Financial assets			
Deferred tax receivables	665	-	847
	665	-	847
TOTAL FIXED ASSETS	27,277	10,287	15,646
Current assets			
Raw materials and supplies	3,606	900	2,315
	3,606	900	2,315
Current receivables			
Customer receivables	9,647	2,275	3,426
Other receivables	2,231	892	2,737
Prepaid expenses and accrued income	3,962	1,374	709
	15,840	4,541	6,872
Short-term investments, cash and bank balances			
Short-term investments	40,306	19,401	34,556
Cash and bank balances	13,018	2,298	10,675
	53,324	21,699	45,231
TOTAL CURRENT ASSETS	72,770	27,139	54,418
TOTAL ASSETS	100,047	37,426	70,064

BALANCE SHEET FOR THE GROUP

Balance Sheet (SEK thousand)	31.05.2018	31.05.2017	31.08.2017
EQUITY AND LIABILITIES			
Equity			
Share capital	757	690	724
Other contributed capital	88,692	30,073	60,019
Retained profit or loss including profit/loss for the period	-237	-1,262	-412
Translation reserve	142	24	24
TOTAL EQUITY	89,355	29,525	60,355
Liabilities			
Provisions			
Other provisions	279	89	99
	279	89	99
Long-term liabilities			
Debts to credit institutions	600	3,000	3,000
	600	3,000	3,000
Short-term liabilities			
Advances from customers	882	277	683
Supplier payables	4,808	2,045	3,246
Other tax liabilities	-	2	2
Other short-term liabilities	1,057	401	258
Accrued expenses and prepaid income	3,072	2,086	2,422
	9,813	4,811	6,611
TOTAL LIABILITIES	10,692	7,900	9,710
TOTAL EQUITY AND LIABILITIES	100,047	37,426	70,064

CELLINK

CASH-FLOW ANALYSIS FOR THE GROUP

Cash-flow analysis (SEK thousand)	*01.03.2018 31.05.2018 Q3 (3 mon)*	*01.09.2017 31.05.2017 Q3 (3 mon)*	*01.09.2017 31.05.2018 (9 mon)*	*01.09.2016 31.05.2017 (9 mon)*
Ongoing activities				
Operating profit/loss	399	-1,105	-88	-1,205
Adjustments for items not included in the cash flow:				
Depreciation and write-downs	646	114	2,002	210
Changes in provisions	96	19	180	40
Interest received	229	9	528	9
Interest paid	-2	-42	-26	-123
Profit/loss from exchange rates	212	93	118	379
Tax paid	-140	-	-203	-2
CASH FLOW FOR ONGOING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL	**1,440**	**-912**	**2,511**	**-692**
Cash flow from changes in working capital:				
Decrease (+) / Increase (-) of inventory	79	-315	-1,291	-550
Decrease (+) / Increase (-) of customer receivables, prepaid expenses and other short-term receivables	-6,035	-1,277	-8,956	-3,108
Increase (+) / Decrease (-) in supplier payables, other short-term liabilities, provisions and accrued expenses,	3,315	-77	3,203	3,961
CASH FLOW FROM ONGOING ACTIVITIES	**-1,202**	**-2,581**	**-4,534**	**-389**
Investment activities				
Acquisition of tangible fixed assets	-316	-3	-795	-368
Acquisition of intangible fixed assets	-3,925	-4,107	-13,027	-8,196
CASH FLOW FROM INVESTMENT ACTIVITIES	**-4,241**	**-4,110**	**-13,822**	**-8,564**
Financing activities				
New issue	-1,136	-	28,705	27,596
Borrowings	600	-	600	-
Option premiums	143	-	143	-
Loan amortisation	-	-	-3,000	-
CASH FLOW FROM FINANCING ACTIVITIES	**-393**	**-**	**26,448**	**27,596**
CASH FLOW FOR THE PERIOD	**-5,836**	**-6,691**	**8,093**	**18,643**
Cash and cash equivalents and short-term investments at the start of the period	59,160	28,389	45,231	3,056
Cash and cash equivalents at the end of the period	53,324	21,699	53,324	21,699

CHANGES IN EQUITY FOR THE GROUP

Change in equity	*Share capital*	*Other contributed capital*	Translation reserve	*Retained profit or loss including profit/loss for the period*	*Total equity*
CLOSING BALANCE as at 31 August 2017	724	60,019	24	- 413	60,355
Opening balance as at 1 September 2017	724	60,019	24	-413	60,355
Profit/loss for the period	-	-	-	29	29
Other comprehensive net income	-	-	118	-	118
Share-based payments	-	-	-	146	146
Total changes in value	-	-	118	175	293
New issue	33	29,967	-	-	30,000
Transaction costs, net after tax	-	-1,295	-	-	-1,295
Total transactions with owners	33	28,673	-	-	28,705
CLOSING BALANCE as at 31 May 2018	757	88,692	142	-237	89,355

As at 31 May 2018, the company's registered share capital amounted to SEK 756,676.3 consisting of 7,566,763 shares of which 375,000 are A-shares and 7,191,763,676 B-shares with a quota value of 0.1 SEK.

PROFIT AND LOSS ACCOUNT FOR PARENT COMPANY

Profit and loss account (SEK thousand)	01.03.2018 31.05.2018 Q3 (3 mon)	01.03.2017 31.05.2017 Q3 (3 mon)	01.09.2017 31.05.2018 (9 mon)	01.09.2016 31.05.2017 (9 mon)
Operating revenue, inventory changes, etc.				
Net sales	11,672	3,310	27,723	8,752
Changes in inventory	-79	-	1,291	-
Capitalised work for own account	2,015	1,091	4,750	2,137
Other operating income	2,238	761	5,028	2,147
Total income	**15,845**	**5,162**	**38,791**	**13,036**
Operating expenses				
Raw materials and supplies	-4,806	-1,281	-13,099	-3,277
Other external expenses	-3,658	-2,055	-8,594	-4,120
Personnel costs	-5,851	-2,142	-13,724	-5,138
Depreciation and amortisation of fixed assets	-645	-96	-1,919	-187
Other operating expenses	-49	-264	-286	-716
Operating profit/loss	**835**	**-676**	**1,168**	**-402**
Total net financial items				
Income from interest and similar items of profit/loss	229	8	528	9
Interest costs and similar items of profit/loss	-2	-42	-26	-123
Profit/loss after financial items	**1,062**	**-710**	**1,670**	**-515**
Net profit before tax	1,062	-	1,670	-515
Tax for the period	-265	-	-385	-
Profit/loss for the period	**797**	**-710**	**1,285**	**-515**

BALANCE SHEET FOR PARENT COMPANY

Balance Sheet (SEK thousand)	*31.05.2018*	*31.05.2017*	*31.08.2017*
ASSETS			
Fixed assets			
Intangible fixed assets			
Concessions, patents, licences, trade marks and similar rights	3,845	3,900	3,894
Capitalised expenditure for development work	22,020	6,072	10,563
	25,865	9,072	14,457
Tangible fixed assets			
Closed expenses incurred on another person's property	69	50	50
Equipment, tools and installations	489	117	159
	558	167	208
Financial assets			
Deferred tax receivables	665		847
Shares in Group companies	1,470	1,273	1,273
	2,135	1,273	2,120
TOTAL FIXED ASSETS	28,557	11,412	16,786
Current assets			
Raw materials and supplies	3,606	900	2,315
	3,606	900	2,315
Current receivables			
Customer receivables	5,313	1,524	3,787
Receivables from Group companies	8,017	1	-
Other receivables	1,844	875	1,000
Prepaid expenses and accrued income	3,962	1,374	709
	19,136	3,774	5,495
Short-term investments, cash and bank balances			
Short-term investments	40,306	19,401	34,556
Cash and bank balances	8,888	2,035	10,062
	49,194	21,436	44,618
TOTAL CURRENT ASSETS	71,936	26,110	52,429
TOTAL ASSETS	100,493	37,522	69,215

BALANCE SHEET FOR PARENT COMPANY

Balance Sheet (SEK thousand)	31.05.2018	31.05.2017	31.08.2017
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	757	690	724
Fund for development expenses	22,020	6,072	10,563
	22,777	6,762	11,287
Unrestricted equity			
Share premium account	88,692	30,073	60,019
Retained profit or loss	-22,605	-6 607	-11,414
Profit/loss for the period	1,285	-515	155
	67,372	22,951	48,760
TOTAL EQUITY	90,148	29,713	60,047
Liabilities			
Other provisions	279	89	99
	279	89	99
Long-term liabilities			
Debts to credit institutions	600	3,000	3,000
	600	3,000	3,000
Short-term liabilities			
Advances from customers	882	277	683
Supplier payables	4,694	1,987	2,743
Other tax liabilities	-6	-	-
Other short-term liabilities	823	370	443
Accrued expenses and prepaid income	3,072	2,086	2,200
	9,465	4,720	6,069
TOTAL LIABILITIES	13,207	7,965	9,168
TOTAL EQUITY AND LIABILITIES	100,493	37,522	69,215

CASH-FLOW ANALYSIS FOR THE PARENT COMPANY

Cash flow analysis (SEK thousand)	*01.03.2018 31.05.2018 Q3 (3 mon)*	*01.03.2017 31.05.2017 Q3 (3 mon)*	*01.09.2017 31.05.2018 (9 mon)*	*01.09.2016 31.05.2017 (9 mon)*
Ongoing activities				
Operating profit/loss	835	-676	1,168	-402
Adjustments for items not included in the cash flow:				
Depreciation and write-downs	645	96	1,919	187
Provisions	97	19	180	40
Interest received	227	-34	528	-114
Interest paid	-	-	-26	-
Profit/loss from exchange rates	99	152	310	-
Tax paid	-140	-	-203	-
CASH FLOW FOR ONGOING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL	**1,763**	**-443**	**3,876**	**-288**
Cash flow from changes in working capital:				
Increase (-) / Decrease (+) of inventory	79	-315	-1,291	-550
Decrease (+) / Increase (-) of customer receivables, prepaid expenses and other short-term receivables	-9.685	-608	-16,503	-2,192
Increase (+) / Decrease (-) in supplier payables, other short-term liabilities, provisions and accrued expenses	4,745	-1,304	6,058	2,209
CASH FLOW FROM ONGOING ACTIVITIES	**-3,097**	**-2,670**	**-7,859**	**-821**
Investment activities				
Acquisition of tangible fixed assets	-254	-	-398	-185
Acquisition of shares in subsidiaries	-144	-	-196	-
Acquisition of intangible fixed assets	-4,188	-4,119	-13,276	-8,209
CASH FLOW FROM INVESTMENT ACTIVITIES	**-4,585**	**-4,119**	**-13,870**	**-8,394**
Financing activities				
New issue	-1,136	-	28,705	27,596
Borrowings	600	-	600	-
Loan amortisation	-	-	-3,000	-
CASH FLOW FROM FINANCING ACTIVITIES	**-536**	**-**	**26,305**	**27,596**
CASH FLOW FOR THE PERIOD	**-8,219**	**-6,789**	**4,576**	**18,381**
Cash and cash equivalents and short-term investments at the start of the period	57,412	28,225	44,618	3,056
Cash and cash equivalents at the end of the period	49,194	21,436	49,194	21,436

CHANGES IN EQUITY FOR THE PARENT COMPANY

Change in equity	Share capital	Fund for development expenses	Share premium account	Retained profit or loss	Profit/loss for the period	Total equity
CLOSING BALANCE as at 31 August 2017	724	10,563	60,019	-10,491	-511	60,305
Opening balance as at 1 September 2017	724	10,563	60,019	-11,002	-	60,305
Profit/loss for the period	-	-	-	-	1,285	1,285
Fund for development expenses	-	11,457	-	-11,457	-	-
Total changes in value	**-**	**11,457**	**-**	**-11,457**	**1,285**	**1,285**
New issue	33	-	29,967	-	-	30,000
Transaction costs, net after tax	-	-	-1,295	-	-	-1,295
Shareholder contributions received	-	-	-	-146		- 146
Total transactions with owners	33	-	28,673	-146	-	28,560
CLOSING BALANCE as at 31 May 2018	757	22,020	88,691	-22,605	1,285	90,148

DECLARATIONS AND INFORMATION

Company information

CELLINK AB, organisation registration number 559050-5052, is a limited company registered in Sweden, with its registered office in Gothenburg. The address of its headquarters is Arvid Wallgrens Backe 20, SE-413 46 Gothenburg. The company's operations include the development and sale of 3D Bio-printers, Bio-ink and services in 3D Bioprinting.

In this report, CELLINK AB (publ.) is referred to by its full name, or as the 'company' or as 'CELLINK'. All amounts are expressed in SEK thousands, unless otherwise stated.

Transactions with related parties

There have not been any significant transactions with related parties.

Accounting principles

NOTE 1 Basic accounting principles

This interim annual report has been drawn up for the group in compliance with IAS 34 Interim Annual Reporting and the Swedish accounting law. The accounting principles comply with the International Financial Reporting Standards (IFRS), and the interpretations of the applicable standards, the International Financial Reporting Interpretations Committee (IFRIC) as approved by the EU.

The Parent Company applies the same accounting principles as the group except in the cases mentioned in the section 'Accounting principles of the Parent Company'. The Parent Company applies the Swedish accounting law and RFR 2 Accounting for legal persons. The deviations arising are caused by the limited opportunities to use the IFRS in the Parent Company as a consequence of the Swedish accounting law and applicable taxation regulations.

The Group has adopted the IFRS for the first time. In compliance with IFRS 1, the company has analysed the effects of the transition from K3 to the IFRS. In its analysis of the transition to the IFRS, the company has taken into consideration that the it is also the first time group accounting is applied. Universal principles have been applied for the comparative figures. No essential differences regarding the reporting of activated development costs have been identified as the parent company has previously chosen to report such assets also as a legal person. Furthermore, there are no differences regarding the application of accounting principles to the company's income flows, i.e. sales of products and services. The company has no benefits-defined pension plans and the company's financial instruments are reported at acquisition value, which corresponds to the actual value, taking the brief duration of short-term investments into account. As the transition to IFRS has not resulted in any recalculation effect for the calculation of the balance sheet or the profit and loss account, no presentation of the financial position as at the date of the transition to the IFRS, i.e. 1 March 2018 has been made.

1.1 Grounds for drawing up the report

The group report has been drawn up on the assumption that the group is a going concern. Assets and liabilities are valued at their historical cost values. The group report is drawn up in accordance with the purchase method and all subsidiary companies in which there is a controlling influence are consolidated from the date this influence is acquired.

Drawing up reports in compliance with the IFRS requires several estimations to be made by the management for accounting purposes. The areas requiring a high degree of assessment, that are complex or such areas where the assumption and estimations are crucial for the group report are given in note 1.3. These assessments and the assumption are based on historical experiences as well as other factors which are considered to be reasonable under the present circumstances. Actual outcomes may differ from assessments made if assessments made are changed or if other conditions exist.

Gross reporting is applied thoroughly with regard to the reporting of assets and liabilities, apart from in cases where both a receivable and a liability exist in respect of the same counter-party and these are invoiceable on legal grounds and the intention is to do this. Gross reporting is also applied in regard to revenues and expenses, unless otherwise stated.

Classification of assets and liabilities

Fixed assets, long-term liabilities and provisions are expected to be recovered or become due for payment later than twelve months after the balance sheet date. Fixed assets and short-term liabilities are expected to be recovered or become due for payment within less than twelve months after the balance sheet date.

1.2 Summary of important accounting principles

1.2.1 Group reporting

1.2.1.1 Subsidiary companies

Subsidiary companies are all those companies where the group is entitled to a return on the holdings and the opportunity to have an influence on the return in a way that is usually determined by the share holdings amounting to more than half of the voting rights. The presence and effect of potential voting rights that may currently be exercised or converted are taken into account in the assessment of whether the group exercises a controlling influence over another company. Subsidiary companies are consolidated from the date when the controlling influence is achieved and they are de-consolidated from the date when the controlling influence ends.

1.2.1.1.1 Subsidiary companies within the Group

Subsidiary company	Registered Company No.	Head Office	Capital share
Cellink LLC	81-3033020	Virginia, USA	100 %
CELLINK Options AB	559144-2008	Göteborg	100 %

1.2.1.2 Acquisition of subsidiary company/business combination

Business combinations are reported in accordance with the acquisitions method. The purchase price is set at the actual value of assets and liabilities transferred and share issued. The purchase price also includes the actual value of all assets or liabilities that are a consequence of the agreed conditional purchase price. Acquisition-based costs are recognised as an expense when they arise. Identifiable acquired assets and assumed liabilities are initially valued at the actual value on the date of acquisition.

For each acquisition, the group determines whether all holdings without controlling influence in the acquired company are reported at the actual value (so-called full goodwill) or at the holding's proportional part of the acquired company's net assets. The amount by which the purchase price, any holdings without controlling influence and the actual value of the previous share holdings exceed the actual value of the group's share of identifiable acquired net assets is reported as goodwill.

If the amount is lower than the actual value of the acquired subsidiary company's assets, in the event of a so-called 'bargain purchase', the difference is reported direct in the report over comprehensive net income. Goodwill does not depreciate but is tested for depreciation at least annually.

Group-internal transactions and balance sheet items as well as unrealised profits and losses on transactions between the group companies are eliminated. The accounting principles for subsidiary companies have been changed in the present case in order to guarantee a consistent application of the group's principles.

1.2.1.3 Acquisition of companies that is not regarded as a business combination

When the acquisition of subsidiaries involves the acquisition of assets that do not constitute a business operation, the acquisition costs are divided up into the individual assets and liabilities based on their relative actual value at the time of acquisition. For the classification of acquisitions, see note 1.3.3.1.

1.2.2 Conversion of foreign currency

1.2.2.1 Functional currency and reporting currency

Items that are included in the financial reports for the various units of the group are reported in the currency that is used in the primary financial environment in which the respective unit operates its main activity (functional currency). In the group report, all amounts are converted into Swedish kronor (SEK), which is the parent company's functional currency and reporting currency.

1.2.2.2 Transactions and balance sheet items

Transactions in foreign currency are converted in the respective unit to the unit's functional currency at the currency exchange rates applicable on the date of the transaction. Monetary items denominated in foreign currency are converted at the prevailing exchange rate on the balance sheet date. Non-monetary items that are valued at the actual value in a foreign currency are converted to the currency exchange rate for the date on which the actual value is determined. Non-monetary items that are valued at historical cost in a foreign currency are not converted.

Exchange rate differences are reported in the profit and loss account for the period in which they arise, except for hedging transactions that meet the terms of hedge accounting for cash flows or net investments, as profits and losses are otherwise reported in the comprehensive income.

In drawing up the group accounts, the assets and liabilities of a foreign subsidiary are converted into Swedish kronor at the rate applicable on the balance sheet date. Income and expense items are converted at the average rate for the period, unless the exchange rate has fluctuated significantly during the period, in which case the exchange rate applicable on the date of the transaction is used instead. Any translation differences arising are otherwise reported in the comprehensive net income and transferred to the group's translation reserve. If a foreign subsidiary is sold off, such translation differences are reported in the profit and loss account as part of the sales profits.

Goodwill and adjustments of actual value that arise as a result of an acquisition of a foreign activity.

1.2.3 Revenue

Revenue is reported at the actual value of the remuneration received or that will be received, minus VAT, discounts, returns and similar deductions. The group's revenue consists mainly of sales of 3D Bio-printers and services within 3D printing and Bio-ink.

1.2.3.1 Sale of goods

Revenues from the sale of goods are reported when the goods have been delivered and the ownership has been transferred to the customer, whereby all of the following conditions are fulfilled:

- The group has transferred the significant risks and benefits associated with the ownership of the goods.
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of the revenue can be calculated reliably.
- The financial benefits associated with the transaction are likely to go to the company, and
- The costs that are incurred or expected to be incurred as a result of the transaction can be calculated reliably.

1.2.3.2 Sale of services

Revenue from services charged at current account is reported as revenue when the work has been performed and materials are delivered or consumed.

1.2.4 Dividends and interest income

Dividends are reported when the owner's right to receive payment has been determined.

Interest income is reported as distributed over the period using the effective interest rate method. The effective interest rate is the interest rate that causes the present value of all future incoming payments and outgoing payments during the fixed interest period to be equal to the reported amount of the receivable.

1.2.5 Borrowing costs

Borrowing costs are reported in the income statement for the period in which they arise.

1.2.6 Payments to employees

Payments to employees in the form of salaries, bonuses, paid holidays, paid sick leave, etc., as well as pensions, are reported as they are earned. Regarding pensions and other post-employment payments, these are classified as defined-contribution or defined-benefit pension plans. The group has defined-contribution plans.

1.2.6.1 Defined-contribution plans

For defined-contribution plans, the group pays the defined contribution to a separate, independent legal entity and has no obligation to pay further fees. Expenses are charged to the group's profit as the benefits are earned, which usually coincides with the time when premiums are paid.

1.2.6.2 Share-based payments

CELLINK AB has issued an equity-regulating personnel options programme.

1.2.6.2.1 Reporting the equity-regulating programme

The actual value of the allocated personnel options and shares programme is calculated at the time of issuance with Black & Schole’s valuation model, which takes account of conditions relating to shares. The value is reported as a personnel expense distributed over the earning period, with a corresponding increase of equity. The expense reported corresponds to the actual value of an estimation of the number of options and shares that are expected to be earned. This expense is adjusted in subsequent periods in order to reflect the actual number of earned options and shares. There is no adjustment, however, when options and shares are forfeited because share price-related conditions are not fulfilled to an extent that gives the right to redemption.

Shares are delivered to the employee upon redemption within the scope of an equity-regulated programme. Shares that are delivered are the employee’s own shares that are repurchased when the programme is issued. The payment of the exercise price from the employee is reported as equity.

1.2.6.2.2 Equity-regulated programme issued to employees

The calculated and reported value of equity-regulated programmes issued to employees is reported in the Parent Company as a contribution of capital to the subsidiary company. The value of shares in the subsidiary increases at the same time as the Parent Company reports an increase of equity. The costs for employees in the companies concerned are passed on to the respective subsidiary companies and regulated in cash, whereby the increase of shares in the subsidiary is neutralised.

1.2.7 Current and deferred tax

Income tax in the profit and loss account of the group report consists of current tax based on taxable income for the current period and changes relating to deferred tax. Tax is reported in the profit and loss account with the exception of when it relates to items reported in other comprehensive net income or direct in equity, in which case the tax cost is also reported in other comprehensive net income or against equity.

The reasons for the calculation of current income tax are the tax rates and taxation laws that are adopted or notified on the balance sheet date. Current tax assets and tax liabilities for the present period and earlier periods are determined at the amount that is expected to be returned from or paid to the tax authorities.

Deferred tax is reported at the balance sheet date in accordance with the balance sheet calculation method for temporary differences between the taxable and reportable values of assets and liabilities.

Deferred tax assets are reported for all deductible temporary differences, including unused tax losses to the extent that a taxable profit is likely to be available against which the deductible temporary differences may be used.

1.2.8 Tangible fixed assets

Tangible fixed assets are physical assets that are used in the group's operations and have an expected useful life exceeding one year. Tangible fixed assets are valued at their respective purchase values and depreciate evenly during their estimated useful life. When tangible fixed assets are reported, any residual value of the asset is taken into account in determining the depreciable amount. The depreciation is initiated when the asset is ready to be brought into service.

Tangible fixed assets are removed from the balance sheet when it is sold off or when it cannot be expected to bring any financial advantage in the future by being either utilised or sold. Profit and loss are calculated as the difference between the sales price and the asset's reported value. Profit or loss is reported in the profit and loss account for the reporting period in which the asset is sold off, such as other costs or other income.

The residual value, useful life and depreciation method of assets are examined at the end of each accounting year and adjusted prospectively, if required, at the end of each reporting period. Usual expenses for maintenance and repair are costed as they arise, but expenses for significant renovations and improvements are reported on the balance sheet and depreciated during the remaining period of use for the underlying asset.

Estimated useful life and depreciation methods are reconsidered if there are indications that these have changed to any significant extent compared with the estimate on the previous balance sheet date. When the company changes the assessment of useful life, the asset's residual value will also be reviewed. The effect of these changes is reported prospectively.

1.2.9 Intangible assets

Internally generated intangible assets - Activated expenses for product development

Internally generated intangible assets attributable to the group's product development are only reported if the following conditions are met:

- it is technically possible to complete the intangible asset and use it or sell it,
- the company intends to complete the intangible asset and use it or sell it,

- conditions exist for the use or sale of the intangible asset,
- the company shows how the intangible asset is likely to generate future financial benefits,
- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- the expenses attributable to the intangible asset during its development can be reliably calculated.

If it is not possible to report any internally generated intangible asset, the expenses for development are reported as a cost in the period in which they arise.

After the first accounting event, the internally generated intangible fixed assets are reported at cost, minus accumulated depreciation and any accumulated impairment losses. The estimated useful life is 5-10 years. The estimated useful life and depreciation methods are reconsidered at least at the end of each quarter, and the effect of any changes in the estimation is reported prospectively.

1.2.10 Depreciation and amortisation of tangible and intangible fixed assets

The group analyses the reported values of tangible and intangible fixed assets on each balance sheet date in order to determine whether there is any indication that these assets have decreased in value. If so, the asset's recoverable amount is calculated in order to determine the value of any write-down. Where it is not possible to calculate the recoverable amount of an individual asset, the group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indeterminable useful lives and intangible assets that are not yet ready for use shall be checked annually for any need for write-down, or where there is an indication of a reduction in value.

The recoverable amount is the highest value of the actual value minus sales costs and their value in use. When calculating the value in use, the estimated future cash flow is discounted at the present value with a discount rate before tax, reflecting the current market assessment of the money's value over time and the risks associated with the asset.

If the recoverable amount of an asset (or cash-generating unit) is determined at a lower value than the reported amount, the reported amount of the asset (or cash-generating unit) is written down to the recoverable amount. A write-down loss shall be reported immediately in the profit and loss account.

When a write-down is then reversed, the asset’s (the cash-generating unit’s) reported value increased to the revalued recoverable value, but the raised reported value may not exceed the reported value that would be determined if no write-down has been made of the asset (the cash-generating unit) during previous years. The reversal of a write-down is reported directly in the profit and loss account.

1.2.11 Acquisition as part of a business combination

Intangible assets that are acquired in a business combination are identified and reported separately from goodwill when they fulfil the definition of an intangible asset and their actual values can be calculated in a reliable manner. The acquisition value for such intangible assets constitutes their actual value at the time of acquisition. The intangible assets depreciate throughout their expected useful life, which is 5-10 years.

After the first reporting occasion, intangible assets acquired in a business combination are reported at acquisition value, minus accumulated depreciations and any accumulated impairment losses, in the same way as for separately acquired intangible assets.

1.2.12 Financial instruments

A financial instrument is each form of agreement that gives rise to a financial asset in a company and a financial liability or another company's own capital instrument.

1.2.12.1 Financial assets

The group's financial assets are divided into four categories:

- Financial assets valued at the actual value via the annual result.
    - Financial assets that are held for trade.
    - Financial assets that are identified on the first reporting occasion as an item valued at actual value.
- Receivables from loans and customers valued at the accrued acquisition value according to the effective interest model.
- Financial assets that are held to maturity valued at the accrued acquisition value according to the effective interest model.
- Financial assets that can be sold valued at actual value against other comprehensive net income.

Financial instruments are initially classified on the basis of one of the above four categories. CELLINK AB only holds financial assets in the form of customer receivables and cash and cash equivalents, valued at the accrued acquisition amount.

Customer receivables

Customer receivables are financial assets that are not derived from fixed or determinable payments that are not noted on an active market. They are valued initially at the actual value and thereafter at the accrued acquisition value by applying the effective interest method and after deductions for any write-down. The accrued acquisition value is calculated by taking any discounts, fees and advance payments that form part of the effective interest rate into account.

The value of the customer receivables is checked regularly to see whether there is any objective evidence that the reported value will not have any influence. If a customer receivable is considered to be insecure, a provision is made for the difference between the reported amount and the expected cash flow. Losses attributable to insecure rental receivables are reported in the profit and loss account under other operating expenses.

Cash and cash equivalents

Cash and cash equivalents include cash and balances with banks, as well as other short-term liquid investments that can easily be converted into cash and are subject to an insignificant risk of value fluctuations. To be classified as cash and cash equivalents, the maturity may not exceed three months from the date of acquisition. Cash funds and accounts in banks are categorised as 'loan receivables and customer receivables', which means they are valued at the accrued acquisition amount. Since funds on bank accounts are payable on request, the accrued acquisition amount is equivalent to a nominal amount. Short-term investments are categorised as 'holdings for trade' and are valued at the actual value with changes in the value reported in the profit and loss account.

Financial liabilities

- Financial liabilities valued at the actual value via the annual result.
- Other financial liabilities valued at the accrued acquisition value.

Financial instruments are initially classified on the basis of one of the above two categories. CELLINK AB only holds financial liabilities in the form of other financial liabilities, valued at the accrued acquisition amount.

1.2.12.2 Inventories

Inventories are reported at the lowest acquisition cost and net sale value, where the acquisition amount is calculated by applying the FIFO method ('first in - first out'). The inventory acquisition value includes expenses for purchase, manufacturing and other expenses to bring the goods to their current location and condition. The acquisition value of a proprietary asset includes, in addition to costs directly attributable to the production of the asset, a reasonable share of indirect manufacturing costs.

1.2.12.3 Customer receivables

Customer receivables refer to receivables for goods and services sold in the normal business activity. If the payment due date is expected to be one year or less (or within the normal business cycle if this is longer), they are classified as short-term receivables. Otherwise, they are classified as long-term receivables. The costs of any customer losses are reported under other operating expenses in the group profit and loss account.

1.2.12.4 Cash and cash equivalents

Cash and cash equivalents include cash and balances with banks, as well as other short-term liquid investments that can easily be converted into cash and are subject to an insignificant risk of value fluctuations. To be classified as cash and cash equivalents, the maturity may not exceed three months from the date of acquisition.

1.2.12.5 Supplier liabilities

Supplier liabilities are categorised as 'Other financial liabilities', which means they are valued at the accrued acquisition value. The expected duration of supplier liabilities is, however, short, which is why the liability is reported at a nominal amount without discount.

1.2.12.6 Liabilities to credit institutions and other loan liabilities

Interest-bearing bank loans, current account credits and other loans are categorised as 'Other financial liabilities' and are valued at the accrued acquisition amount according to the effective interest rate method. Any differences between a loan amount received (net after transaction costs) and the repayment or amortisation of the loan are reported over the loan period.

1.2.12.7 Provisions

Provisions are reported when the group has an existing obligation (legal or informal) as a result of an event occurring and when it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The amount that is set aside is the best estimate of the amount required to settle the existing obligation on the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the outgoing payments that are expected to be required to settle the obligation, the reported amount must be equivalent to the current value of these payments.

Where part or all of the amount required to settle a provision is expected to be replaced by a third party, the redemption shall be reported separately as an asset in the report on the financial situation when it is as good as certain that it will be obtained if the company settles the obligation and the amount can be reliably calculated.

1.2.13 Share capital

Ordinary shares are classified as equity. Costs that are directly attributable to issuances of new ordinary shares or options are reported net as equity.

1.2.14 Public contributions

Revenue from public contributions that are not linked to future performance requirements is reported as revenue when the conditions for receiving the contribution and the financial benefits associated with the transaction are likely to accrue to the company and income can be calculated reliably. Public contributions have been valued at the actual value of the asset the company has received.

Revenue from public contributions that are linked to future performance requirements is reported as revenue when the performance is completed and the financial benefits associated with the transaction are likely to accrue to the company and income can be reliably calculated. Public contributions have been valued at the actual value of the asset the group has received.

Contributions received before the conditions for reporting them as income have been met are reported as liabilities. Public contributions relating to the acquisition of a fixed asset reduce the asset's acquisition value.

1.2.15 Reporting of cash flow

Cash and cash equivalents consist of available cash, funds on bank accounts and other cash investments with an original date of maturity of fewer than three months which are subject to insignificant fluctuation in value. Incoming and outgoing payments are reported in cash flow analyses. Cash flow analyses are prepared in accordance with the indirect method.

1.2.16 New and future standards

1.2.16.1 New and amended standards that have entered into force

A number of new and amended IFRS have entered into force. The IFRS that may have influenced the group's or parent company's financial reports are described below. None of the other new standards, amended standards or IFRIC interpretations is expected to have any effect on the group's or the parent company's financial reports.

IFRS 9 entered into force on 1 January 2018 and replaces IAS 39 as compared with 2017. Amendments compared with earlier standards relate to, among other things, new views on classification and another model for write-downs, where reserves for insecure customer receivables are not only to be based on events that have occurred but also on events that are expected to occur. CELLINK's customer receivables consist essentially of short-term customer receivables without any elements of financing, and the company has historically had low customer losses. On this basis, the company has concluded that the transition to the new accounting standard will not have any essential effects on the group's financial reports.

IFRS 15 entered into force on 1 January 2018 as compared with 2017. The vast majority of CELLINK's sales consist of products, which clearly represents separate performance commitments. CELLINK also sells services in the form of services linked to products. The services are invoices predominantly in advance, and revenue is recognised as the service agreement progresses. Revenue from services not recognised is reported as prepaid revenue on the balance sheet. CELLINK also considers that these services constitute a separate performance commitment. On this basis, there is not believed to be any significant differences between the current reporting and the reporting in compliance with the IFRS, and CELLINK makes the conclusive assessment that the transition to the IFRS will not have any significant effect on the group's financial reports.

1.2.16.2 New and amended standards that have not entered into force

A number of new and amended IFRS have not yet entered into force and have not been pre-applied in drawing up the group's and the parent company's financial reports. The IFRS that may influence the group's or parent company's financial reports are described below. None of the other new standards, amended standards or IFRIC interpretations is expected to have any effect on the group's or the parent company's financial reports.

IFRS 16 Leasing was approved by the EU in 2017 and replaces the IAS 17 from 1 January 2019. Reporting in accordance with the IFRS will mean that in principle all leasing agreements will be reported on the balance sheet as assets and liabilities. This reporting is based on the point of view that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for this right. No assessment of the effects of the standard has not yet been begun.

Other amended standards that have not yet entered into force have no effect on the group's financial reports.

1.3 Significant accounting assessments, estimations and assumptions

When the management board draws up financial reports in accordance with applied accounting principles, certain estimations and assumptions must be made, which affect the reported value of assets, liabilities, revenue and costs. The areas where the estimations and assumptions are of great significance for the group and that may affect the profit and loss account and balance sheet if they change are described below.

1.3.1 Assessment of the valuation of intangible assets.

Intangible assets are reported at acquisition value minus accumulated depreciation and impairment. An assessment is made every balance sheet date of whether there is any indication of a reduction in the value of the group's intangible assets. Losses attributable to impairment are reported in the profit and loss account under other operating expenses.

1.3.2 Assessment of insecure customer receivables

Customer receivables are reported initially at actual value and thereafter at the expected realisable value. An evaluation of insecure customer receivables based on an objective evaluation of all outstanding amounts is made on each balance sheet date. Losses attributable to insecure customer receivables are reported in the profit and loss account under other operating expenses.

1.3.3 Assessments of the application of accounting principles

When the corporate management board applies accounting principles, assessments are made apart from those that include estimates which may have a significant effect on the amounts the group reports in its financial reports.

1.3.3.1 Classification of acquisitions

An assessment must be made as to whether it concerns a business combination or an asset acquisition. An operation consists of resources and processes that can result in production. When a company is acquired, an assessment is made as to how the reporting of the acquisition should be made on the basis of, among other things, the following criteria: whether there are any employees, the company's assets and the complexity of the internal processes. Furthermore, account is taken of the number of activities and whether there is an agreement with various grades of complexity. A high presence of these criteria means the acquisition is classified as a business combination and a low presence as an asset acquisition.

When the acquisition of subsidiaries involves the acquisition of assets that do not constitute a business operation, the acquisition costs are divided up into the individual assets and liabilities based on the their relative actual value at the time of acquisition. If the assessment were to have resulted in a classification as a business combination instead, this would have led to the initially reported property value being higher, such as accrued tax liability and probably also goodwill.

1.3.4 Calculation of the actual value of financial instruments

Financial instruments valued at actual value are classified either as at actual value over the annual result or as being available for sale. The valuation may be based on one of the following conditions:

- Quoted prices (unadjusted) on active markets for identical assets or liabilities (level 1)
- Other observable data for the asset or liability than quoted prices either directly (i.e. as quotations) or indirectly (i.e. attributable to quotations) (level 2).
- Data for the asset or liability that is not based on observable market data (level 3)

The actual value of financial instruments traded on an active market is based on quoted market prices on the balance sheet date. A market is regarded as active if the quoted prices from a stock exchange, broker, industry group, pricing service or supervisory authority are easily and regularly available and these prices represent actual and regular market transactions at arm's length. The group has short-term investments in the form of interest relief funds. The group reports the short-term investments at the actual value. Changes in the value, i.e. the unrealised profit/loss, are reported as interest revenue/cost in the profit and loss account.

The actual value of financial instruments that are not traded on an active market (i.e. OTC derivative) are determined by means of valuation techniques. For this purpose, market information is used as far as possible, as this is available while company-specific information is used as little as possible. If all essential input data that is required for the valuation is observable, the instruments are classified as a level 2 valuation. The actual value of interest swaps is calculated at the current value of assessed future cash flows based on observable yield curves and is therefore categorised as level 2. CELLINK AB currently reports no financial instruments belonging to this category.

In the event that one or more pieces of input data is not based on observable market information, the instrument concerned is classified at level 3. CELLINK AB currently reports no financial instruments belonging to this category.

The estimated actual value of the group's financial instruments is based on market prices and valuation methods that are described below.

Cash and cash equivalents

The actual value is assumed to be the same as the reported value.

Interest-bearing liabilities

The group reports interest-bearing liabilities at the accrued acquisition value. The actual value of interest-bearing liabilities is regarded as being approximate to the reported value, as all interest-bearing liabilities are based on floating rates, and the group does not see any indications that the margin has changed since borrowing.

Customer receivables, supplier liabilities and other liabilities

These items are initially reported at actual value and in the following periods at the accrued acquisition value. Discounting is not normally considered to have any significant effect on this type of assets and liabilities

OTHER INFORMATION

Publication date for financial information

11 July 2018	Quarterly Report 3 (Q3)
24 October 2018	Q4 and Year-end Report
November 14, 2018	Annual Financial Statements
13 December 2018	Annual General Meeting

The information in this interim report is such as CELLINK shall publish in accordance with the Securities Market Act. The information was submitted for publication on 11 July 2018. This interim report, as well as any additional information, is available on the CELLINK website, www.cellink.com.

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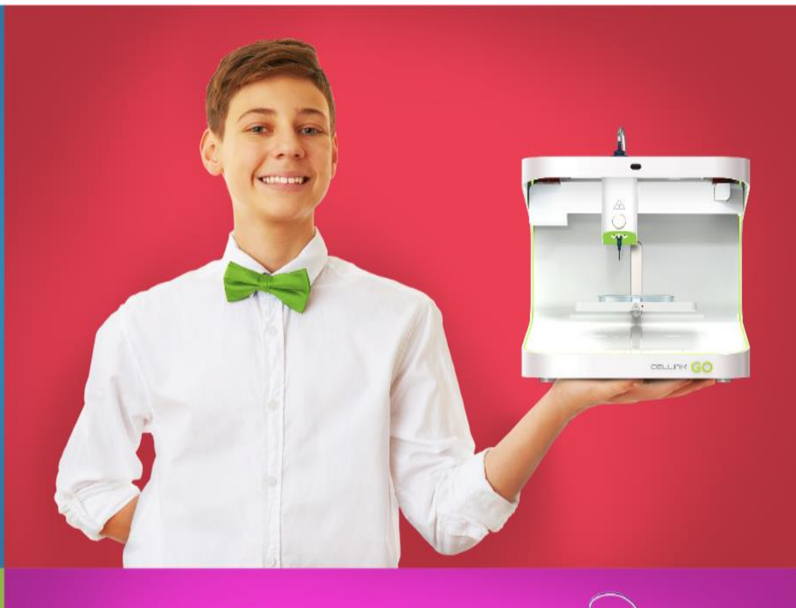
Certified Adviser

Erik Penser Bank AB, tel: +46 8 463 80 00, is the company’s Certified Adviser.

Review of the Interim Report

This interim report has not been the subject of a review by the company's auditors.



Definition of key indicators

EBITDA

Operating profit/loss before depreciation and write-downs.

Average number of shares

Weighted average of the number of outstanding shares during the period.

Net sales

Invoicing during the period.

Profit per share

Profit/loss for the period attributable to the company shareholders in proportion to the average number of shares.

Operating margin

Operating profit/loss as a percentage of the operating revenue.

Operating profit/loss (EBIT)

Profit/loss before financial items and tax.

Solidity

Adjusted equity as a percentage of the balance sheet total.