CELLINK

Increased revenue of

131%

Net sales

105 MSEK

"CELLINK's journey of expansion has been focused on global growth and driven by passion for the customer and their research."

ANNUAL REPORT 2018/2019

09.01.2018 - 08.31.2019

CONTENTS

The year in brief

- The company's position on the world market has been strengthened as a result of continued investment in product development, two strategic acquisitions and the efficient work of our global sales team.
- Direct sales during the year make up 50% of the company's revenue and have increased from 40% to over 60% compared to the previous year.
- During the past year, CELLINK and its subsidiaries have successfully progressed within the pharmaceutical industry and sold their technology platform to the majority of the world's 25 largest pharmaceutical companies.
- During the past year, the group completed two strategic acquisitions to expand the product offering and provide more value for our end users. The acquisition of the German single-cell printing company cytena GmbH was completed in August and the acquisition of the German dispensing company Dispendix GmbH finished in December.

Net sales

105 MSEK

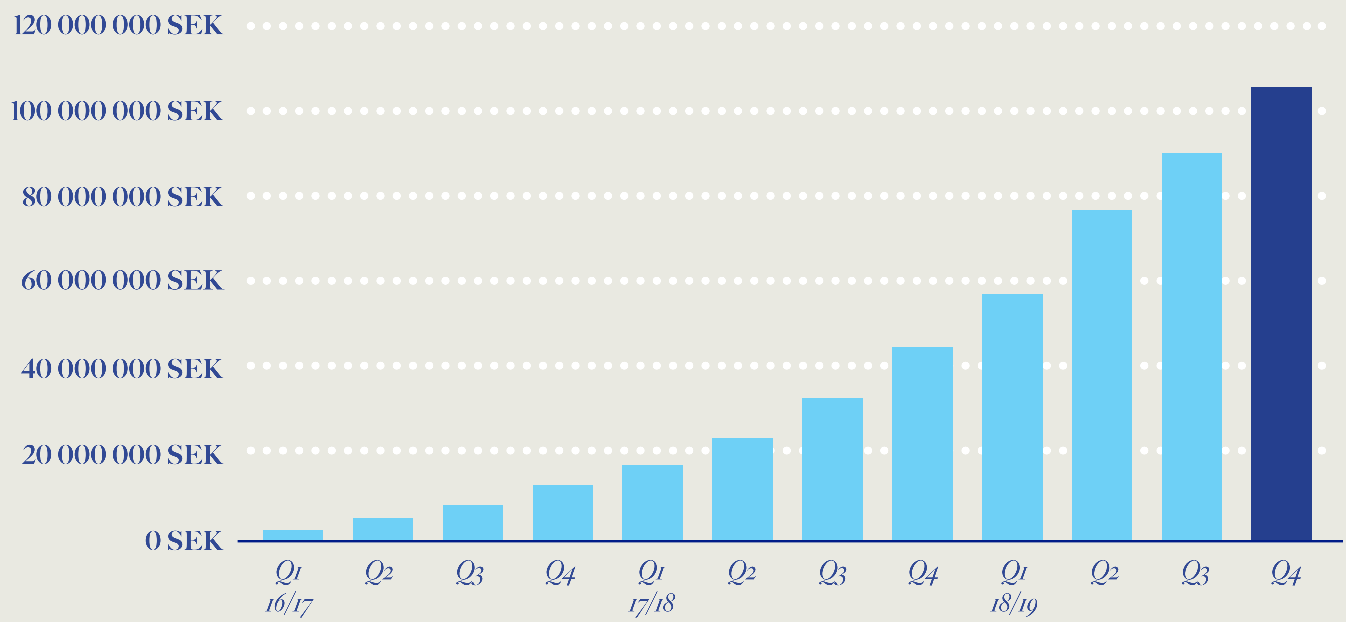
Increased revenue of

131%

Number of employees

157

Net sales rolling 12 months



LETTER FROM THE CEO

The year has resulted in a growth of 131%, sales of 105MSEK, strategic acquisitions, key partnerships, and global expansion.

Growth, acquisitions and continuing global expansion
It's with joy and pride that I share CELLINK is finishing its fourth quarter and third year as a public company with continued growth, newly completed acquisitions and continued global expansion. During the fourth quarter, net sales increased to 32 MSEK and total operating revenue to 47 MSEK, resulting in a 94% growth in net sales compared to last year. The net sales during the fiscal year increased to 105 MSEK and total operating revenue to 148 MSEK, corresponding to a growth of 131% compared to last year. The company's position in the global market has strengthened as a result of our continued focus on product development, two strategic acquisitions and the effective work of our global sales team. Our employees do a fantastic job every day and it is rewarding to see our company culture scale up with our incredible growth the past year. CELLINK is now beginning a new and exciting year with expanded markets through acquired and developed products, the implementation of our growth and acquisition strategy and global expansion through new sales channels and active customer work. Since the founding of the company, CELLINK has gone from being the world's first bioink company to a leading bioprinting company that delivers entire workflows and helps pharmaceutical companies accelerate the development process for new drugs and treatments. Today, the company operates in more than 50 countries with instruments and reagents to study everything from genetics and individual cells to whole tissues. The company's strength lies in the development, research, and commercialization of the leading medical solutions that make future drug research and tissue development possible.

Growth
Demand for CELLINK's products continues to increase globally partly because the market is growing; according to research from BCC (Business Communications Company), the market is expected to grow by 43.9% per year in the next few years. But it's also growing thanks to the company's sales work. Our sales team has developed extremely well this year. Our digital presence also strengthens our impact and generates a lot of visibility.

CELLINK's sucess today and in the future is dependent on how well and closely we work with our customers. Since the beginning, we have emphasized good customer relations in the way we develop products, offers and technologies that are then well received by the market.

This is best done with your own sales force. We have succeeded well in this in the US. To reach the world market, CELLINK also work through the most reputable distributors for medical equipment. During the fourth quarter the company has started to build its own sales organization in Europe, for example by preparing an establishment of its own subsidiaries in France and the UK. These offices are expected to be up and running during the first and second quarters of 2019/2020.

During the year, direct sales have constituted 50 % of the company's revenue (40% during Q1; 60% in Q4) and the plan is to continue to build a global sales team for strategically important markets and continue working with good distributors on the markets that are relevant to business. This is done best with our own sales team. During the year, the company managed to attract investments of 148.5 MSEK from institutional investors, as well as securing new project funding of about 8 MSEK from the European Union, where the company's technology will be further developed. We are grateful for the continued support of both investors and the European Union.

This year, the company has supported a complete product portfolio in more than 50 countries around the world, with the United States as its largest market, followed by Europe and Asia. As our user base increases, so do sales of bioink, for which margins are higher. CELLINK has worked to internally develop a large product portfolio of tissue-specific bioinks to generate high value both for CELLINK and its customers.

During the year, CELLINK and its subsidiaries successfully entered the pharmaceutical market and sold technology platforms to the majority of the world's 25 largest pharmaceutical companies. Demand for CELLINK's total product offering in pharmaceutical research increased significantly during the year with the help of new research areas being explored by our current academic customers and scientific publications that describe leveraging CELLINK's products. Today, pharmaceutical companies make up 15% of our global sales, compared to 5% 12 months ago. The plan is to continue expanding our work in this market, where there is a significant need for our products.

Acquisitions
In the fourth quarter, we finished acquiring the German

company cytena GmbH, which produces single-cell printing technologies. The focus this quarter has been on achieving sales synergies as identified during the acquisition process. Acquiring cytena can expand the use of CELLINK's technologies in the pharmaceutical industry, which has been a communicated strategy for CELLINK since 2018. The majority of cytena's customers are pharmaceutical companies. Many of the customers who use cytena's products are also potential customers for CELLINK's products. CELLINK offers bioinks, bioprinters, fast dispensing solutions and a live-cell imaging system to enable creation and monitoring human tissues and 3D cell models. cytena's single-cell-printing platform not only enables pharmaceutical companies to develop antibodies and cell lines – it also offers an excellent complementary technology to our bioprinting platform and the workflow that pharmaceutical companies need for printing functional tissues. The acquired companies are expected to contribute to the company's continued growth in the coming fiscal years and we expect organic additional sales via the synergies of a more complete product range.

Global expansion

CELLINK focuses on expanding globally, and our efforts are driven by passion for our customers and their research that is, in many cases, revolutionary. This year, the company went from 74 full-time employees to 157. This rate of growth and expansion is only possible thanks to our talented team and company culture. When delivering products, we focus on ensuring the highest quality and lowest lead times possible. The company increased the production level and production capacity during the financial year to maintain our delivery rate.

During the year, the company continues with its talent recruitment with a strong focus on qualified sales executives and application specialists. We are a global company and we recruit the best talent from all over the world. From an employer-branding perspective, we can say that today, we have received thousands of applications to our advertised positions. We pride ourselves on sourcing top talent from all around the globe and having built a team that represents more than 30 different nationalities. We have created a diverse and open workplace where everyone can thrive, grow professionally and do their best. CELLINK's entrepreneurial company culture plays a vital role in the company's growth and success. The constant synergistic energy between the departments ensures that the entire company is working toward the same, unified vision.

During the year, preparations were made for the company's listing at NASDAQ Nordic Mid Cap. The goal is to list the company on the main list in the first half of 2020. Through this move, we hope to increase visibility, liquidity of the share and shareholder value.

I want to thank the entire CELLINK team for their fantastic work, the board for their support and all of the shareholders and investors who have showed continued confidence in the company and in me. Now it's time for the start of a new and exciting year.

Gothenburg, Sweden

November 14

Erik Gatenholm, CEO

"During the financial year, total operating income amounted to 148 MSEK and net sales to 105 MSEK, corresponding to a growth of 131% compared to the previous year."

CELLINKs year in pictures:

CELLINK's founders win the prestigious Entrepreneur of the Year award.

Prince Daniel visits CELLINK's headquarters in Gothenburg.

Groundbreaking research on the cover of Science Magazine is now being commercialized in Lumen X Powered by Volumetric.

CELLINK's annual Collaborative Partnership Conference in Miami, Florida.

BIO X wins the Stora Designpriset 2019 award.

Erik Gatenholm held a TED Talk.

CELLINK acquires cytena, a German company focusing on single-cell printing technologies.

CELLINK is awarded an innovation award from ForumLabo.

CELLINK acquires Dispendix, a German company developing liquid-handling technologies.

THIS IS CELLINK

CELLINK is a global leader in developing and delivering life-science solutions, equipping hundreds of labs and thousands of scientists worldwide with cutting-edge technologies that fuel groundbreaking scientific breakthroughs. With a commitment to quality and innovation, our bioprinters, imaging systems and bioinks have contributed to revolutionary advancements in academic and clinical medicine. CELLINK's solutions advance and accelerate the discovery process for customers in more than 50 countries, including university, hospital, pharmaceutical, public and commercial laboratories. Our domain knowledge, dedication to innovation and passion for excellence has positioned us as the driving market force in the fields of bioprinting and 3D cell culturing. We strive to push the limits of what is possible in regenerative medicine and pharmaceutical development, inspiring and empowering collaborators to expand their horizons and overcome any challenge they face.

Customers in countries

50+

Number of labs

800+

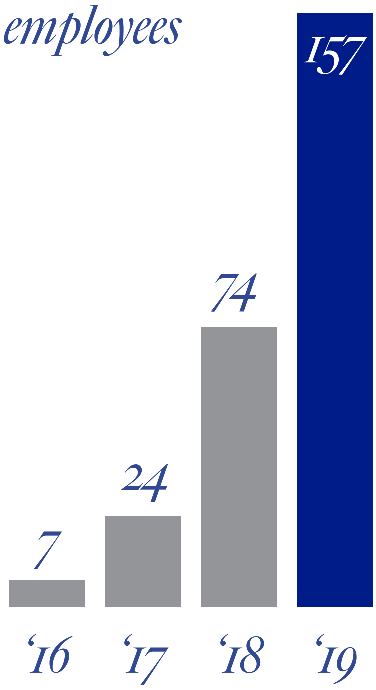
Number of bioinks

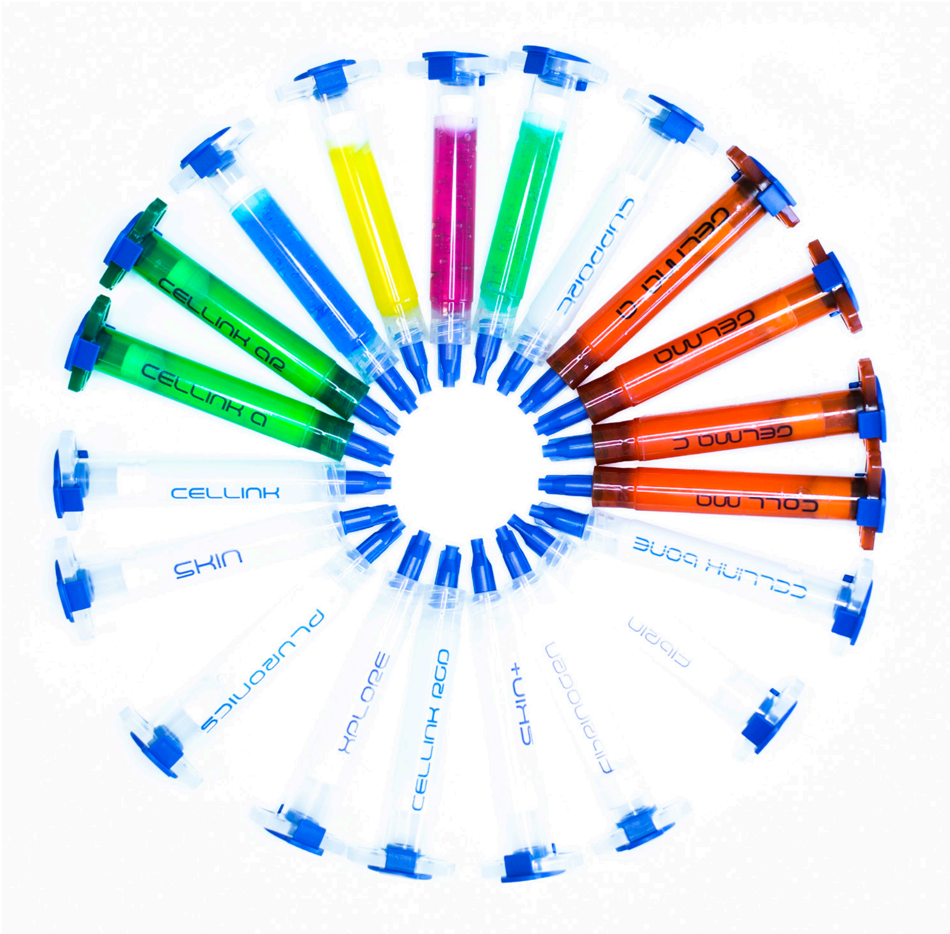
40+

Publications with CELLINK

80+

Number of employees





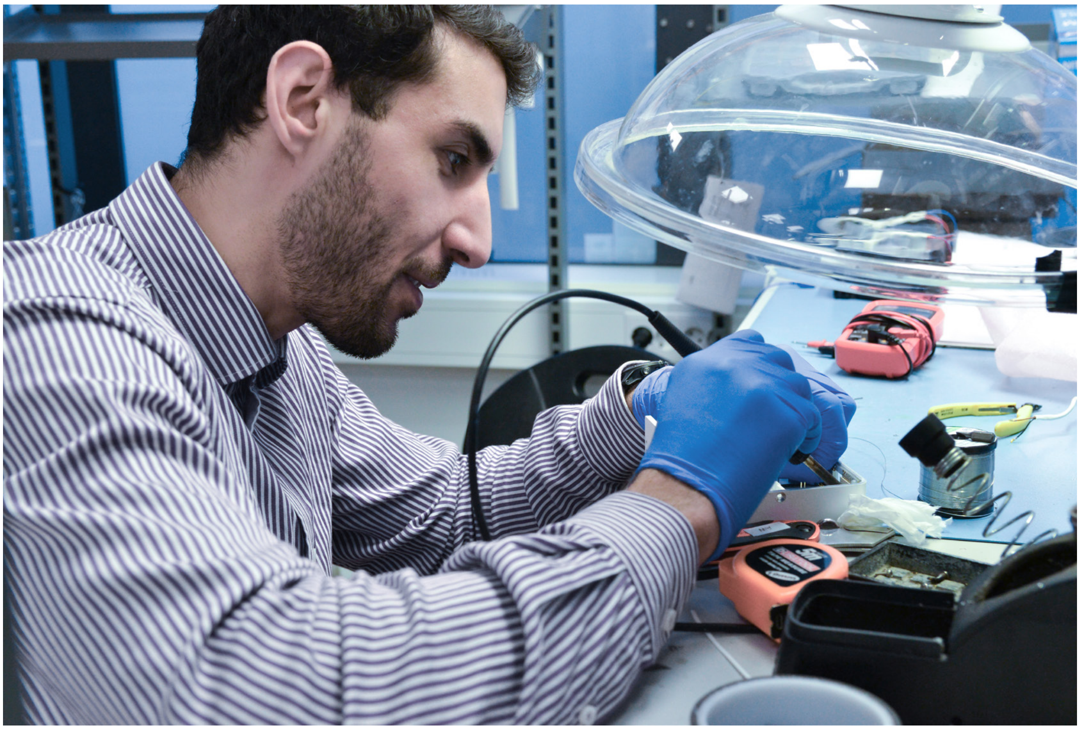
CELLINK
Distributor
Dispedix
cytena

THE YEAR IN SUMMARY

Increase in employees

The number of employees has increased as the company and demand for its products grow. This year, the company went from 74 to 157 full-time employees. This is a growth of over 100%, and this rate of expansion is only possible thanks to our talented team and company culture. When delivering products, we focus on ensuring the highest quality and lowest lead times possible. The company increased the production level and production capacity during the financial year to maintain our delivery rate. We want to thank all of our suppliers for their excellent work and their ability to deliver according to our needs.
We are a global company and we recruit the best talent from all over the world. From an employee-branding perspective, we can say that today, we have received thousands of applications to our advertised positions. We pride ourselves on sourcing top talent from all around the globe and having built a team that represents more than 30 different nationalities. We have created a diverse and open workplace where everyone can thrive, grow professionally and do their best. CELLINK's entrepreneurial company culture plays a vital role in the company's growth and success. The constant synergistic energy between the departments ensures that the entire company is working toward the same, unified vision.

This year the company went from 74 to 157 full-time employees.



New offices

During the year, the company has been expanding its office in Boston. The Boston office has grown from five to 22 employees during the year and has quickly outgrown its location. To support the growing team, CELLINK is planning to move the Boston office to a new location in the Seaport, an innovation hub in downtown Boston. The new office is slated to open in February 2020 with custom lab and office space. The company opened offices in France and the United Kingdom this year, and these offices are expected to be up and running by late 2019 or early 2020.

New distributors

CELLINK introduced several new distributors in the past fiscal year to keep up with and expand its operations globally. Its newest partners include Interlux supporting the Baltics, Izasa Scientific supporting Spain and Portugal and Terralab supporting Turkey.
The company has always focused on working closely with customers to develop and improve its products – based on the benefits of this focus, CELLINK is shifting from distributors to a direct sales strategy in larger parts of Europe.

Product launches

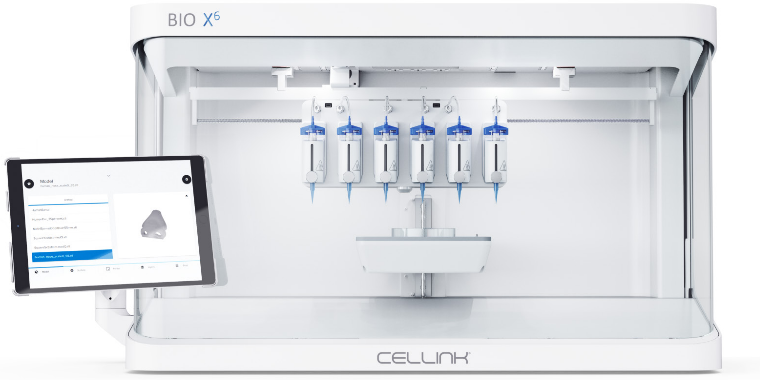
CELLINK works to stay on the frontline of quality and innovation to continue providing researchers with the cutting-edge capabilities needed to enable groundbreaking results. As of this year, the company's diverse product portfolio supported more than 700 labs in more than 50 countries.

BIO X6

In Sept. 2019, CELLINK launched the BIO X6, a six-printhead bioprinting platform enabling users to combine more materials, cells and tools than any other system on the market. The product is the only bioprinter that combines six printheads with CELLINK's patented Clean Chamber Technology and intelligent exchangeable printhead technology.

CELLCYTE X

CELLINK launched the CELLCYTE X in Feb. 2019. CELLCYTE X is a live-cell imaging system that combines size, power and intuitive design to equip every incubator with user-friendly live-cell microscopy. The platform remains stationary in the incubator, removing the risk of disturbing cells. Unlike other systems, CELLCYTE leverages cloud-based software to analyze results continuously and provide researchers maximum insight on their experiments.



CELLINK supplies the largest portfolio of high-quality bioinks in the world to offer value to a wide range of scientists.

Lumen X

Lumen X, powered by Volumetric, was launched by CELLINK in March 2019. Lumen X is a DLP bioprinter that enables users to print larger vascular structures. Lumen X is an excellent entry-level platform that uses stereolithography technology and patent-pending bioinks to print high-resolution structures in cell-friendly material.

Holograph X

In collaboration with Prellis Biologics, CELLINK launched Holograph X in Dec. 2018. The system is the first to enable bioprinting of prevascularized tissue structures demonstrated to support tissue growth ten times larger than standard spheroid cultures. Holograph X works with any researcher-developed CAD file, enabling in-lab manufacturing of capillary-containing organ structures and tissues for transplantation, therapeutic screening and complex 3D culture development.

Bioinks

CELLINK supplies the largest portfolio of high-quality bioinks in the world to offer value to a wide range of scientists. For labs fortunate enough to have the resources and expertise to produce their own bioinks, the time spent mixing bioink is still time spent away from experiments, grant writing and preparing publications. They face additional challenges like maintaining reproducibility when producing the same bioink over time. With our bioinks, scientists can regain that lost time and trust CELLINK knowing that all bioink we supply undergoes a rigorous quality control process.

We continue to develop tissue-specific bioinks to enable scientists to culture cells in a tailored environment and achieve robust results. This year, the company launched CELLINK LAMININK, a new tissue-specific formulation that provides all the benefits of our existing product line with a modification to support the culture of many cell types. The company also launched the GelXA Series, which combines the benefits of GelMA with xanthan gum and alginate to make it even more user friendly.

Company acquisitions

CELLINK has seized opportunities to acquire companies that share the company's vision and complement the bioprinting workflow. The acquisitions made in the past fiscal year will enable more upselling opportunities upstream and downstream of bioprinting, and will lay the foundation for CELLINK's technologies breaking further into the pharmaceutical industry.

cytena

CELLINK has finished acquiring German company cytena GmbH, which produces single-cell printing technologies. Acquiring cytena can expand the use of CELLINK's technologies in the pharmaceutical industry, which has been a communicated strategy for CELLINK since 2018. The majority of cytena's customers are pharmaceutical companies. Many of the customers who use cytena's products are also potential customers for CELLINK's products. CELLINK offers bioinks, bioprinters, fast dispensing solutions and a live-cell imaging system to enable creation and monitoring human tissues and 3D cell models. cytena's single-cell-printing platform not only enables pharmaceutical companies to develop antibodies and cell lines – it also offers an excellent complementary technology to our bioprinting platform and the workflow that pharmaceutical companies need for printing functional tissues.

"We are looking forward to being part of the CELLINK family. In CELLINK we have found a great partner that shares our company vision and will help us further accelerate cytena's growth. Our customers and partners will benefit from an extended product offering and a stronger global presence." Jonas Schoendube, CEO, cytena.

Dispendix

CELLINK signed the agreement to acquire the company Dispendix GmbH on December 1, 2018. Dispendix is a German company focusing on biodispensing technology. Dispendix technologies enable faster testing in drug development. Their patented "Immediate Drop-on-Demand Technology" (I-DOT) technology comes from approximately ten years of development at the German research institute Fraunhoffer. They launched their first commercially available product in 2017 – the I-DOT One has applications in qPCR, Matrigel and cell dispensing, IC50 studies, array generation, single-cell dispensing and more. Dispendix technology combines with both CELLINK and cytena's platforms to enable a simplified and improved workflow for the group's customers.

"Our innovative products for non-contact, high throughput dispensing and CELLINK´s comprehensive bioprinting technologies will extend applications for researchers in the life science industry. Customers will benefit from a unified company with a shared commitment to outstanding service and support." Harry Boeltz, CEO and co-founder of Dispendix.

Collaborator work

CELLINK regularly works with top collaborators in the field to push the limits of what's possible in medicine. Academic institutions, medical organizations and space agencies make up just a few of the partners CELLINK teamed with in the past fiscal year.

In collaboration with Uppsala University and the Swedish Space Agency, CELLINK sent neural crest cells to space.

CELLINK conducted collaborative research with Uppsala University to study the influence of microgravity and hypergravity on living systems. CELLINK's BIO X bioprinter and bioinks were used to bioprint boundary cap neural crest stem cells that were successfully launched to space on

June 24. The cells were supplied by Uppsala University and printed using CELLINK Bioink and CELLINK GelMA. The samples were launched to space on Maser14 by the Swedish Space Agency.

The first 3D-printed cornea in the United States

Using a BIO X bioprinter, a research team at Florida A&M created the first 3D print of a human cornea in the United States. The scientific breakthrough — created in two research laboratories in the Dyson Pharmacy Building on campus — could lead to far-reaching advancements in the medical field, from transplants to testing of new cornea-relief products to cornea wound treatment.

Development of bioprinted skin for burn patients with Umeå University and GE Healthcare

Working with Umeå University and GE Healthcare, CELLINK is developing transplantable skin constructs to give burn patients a better quality of life. Traditionally, patients with severe burns have received keratinocyte-based epidermal sheet transplants. However, these transplants cannot replace sweat glands, nerves or vasculature, and does not cure them. Patients need to moisturize twice daily and stay inside when it's too warm, and they experience pain and itching with no treatment option.

CELLINK is combining expertise with Umeå University and GE Healthcare to develop alternative transplants that promote nerve regeneration and reduce patient suffering. The new transplants will contain sebaceous glands – cells that can regenerate dermal layers, nerves and vasculature, providing an innovative solution to improve patients' quality of life.

Awards and patents

CELLINK is honored to receive praise and recognition for its innovative work. Additionally, the company regularly seeks out patents in different regions in order to distinguish and protect its unique technology. Below is a summary of the awards and patents the company received during the past fiscal year.

CELLINK regularly collaborates with the best partners in industry to push the limits of what is possible in medicine.

CELLINK and Prellis Biologics awarded Merck Innovation Award for empowering pharmaceutical research.

CELLINK began collaborating with Prellis Biologics to develop the Holograph X bioprinter in 2018, and the technology was recognized for enabling innovative capabilities for the pharmaceutical industry. The Holograph X, a bioprinter that leverages high-resolution holographic stereolithography to bioprint small structures, earned CELLINK a top honor as an innovative medical device with the potential to change what's possible in pharmaceutical medicine.

In the award announcement, Merck senior investigator Tim Rhodes recognized CELLINK and California-based development partner Prellis Biologics for their "cutting-edge technology." The award was announced at Merck Tech Symposium 2019, a forum focused on new technologies that provide decision-making insight in medicine development. The event is a meeting for more than 1,000 Merck scientists with talks and posters, as well as a supplier trade show with more than 70 exhibitors.

Stora Designpriset 2019

CELLINK's BIO X bioprinter, which prints human tissue, won the Stora Designpriset 2019. This prize is awarded to technology companies that pay attention to design as a decisive factor for competitiveness and profitability. In the annual prestigious design competition, the winner is selected by a jury composed of leading experts in design in Sweden.

Entrepreneur of the Year (Arets foretagare)

Erik Gatenholm, Héctor Martínez, Jockum Svanberg and Gusten Danielsson became Entrepreneur of the Year in Sweden in 2019. They were awarded the prize during a crowded gala at Stockholm's City Hall on Oct. 11 together with 600 guests. The jury said CELLINK left them "speechless."

Entrepreneur of the Year is Sweden's largest and most prestigious award for entrepreneurs. The award is awarded to business leaders with very good profitability, who show strong innovation and are role models in their industry. The prize is distributed locally and regionally throughout Sweden as well as nationally since 2006.

BIO X design (U.S. patent)

CELLINK received a patent from the U.S. Patent and Trademark Office for the design of the company's BIO X bioprinter.

The patent granted by the U.S. Patent and Trademark Office demonstrates the uniqueness and innovation of CELLINK's BIO X. BIO X is a standalone bioprinter designed to maximize user-friendliness and functionality.

The new patent protects the product's unique design and further distinguishes CELLINK from new and existing competitors in the bioprinting field.

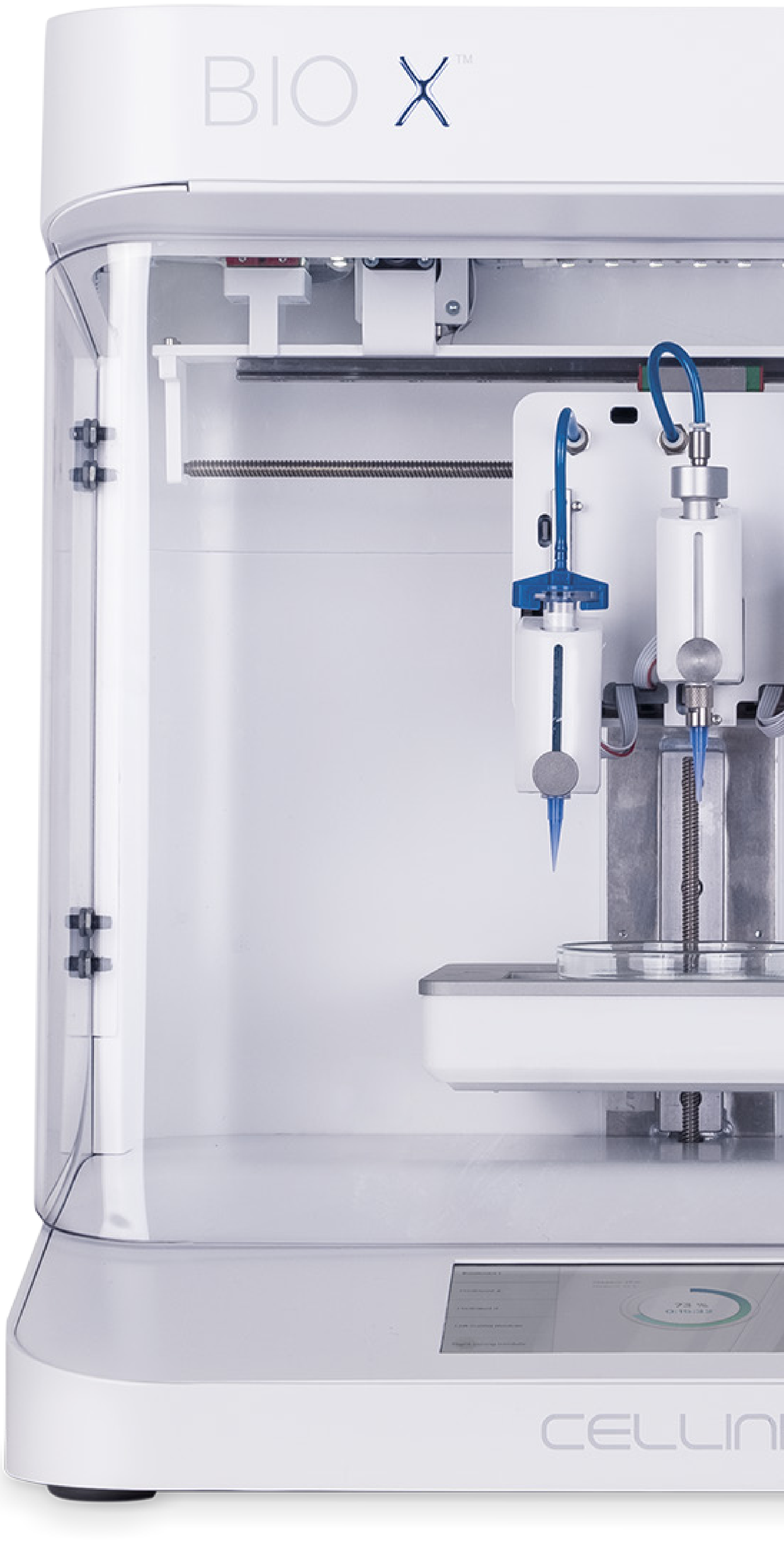
Temperature-controlled printbed (Swedish patent)

CELLINK was granted a patent from the European Patent Office for a new technology for controlling the temperature of a printbed. The patent protects the technology in the European market. The invention leverages the Peltier effect, resulting in a compact standalone system that is smaller and more robust than systems that use conventional thermoregulation methods.

For research involving temperature sensitive bioinks like collagen and GelMA, CELLINK's temperature-controlled printbed promises reliable and precise control during the bioprinting process – which is good news for users bioprinting retinal cells, heart cells, liver cells, cancer models and disease models.

Clean Chamber technology (Korean patent)

CELLINK was granted a patent for a unique technology enabling bioprinting in a clean environment. The patent protection from the Korean Intellectual Property Office demonstrates the technology's uniqueness and innovation. This technology is used in CELLINK's BIO X and INKREDIBLE+ to enable true desktop printing and ensure sterility during the printing process.



MANAGEMENT

CEO
Erik Gatenholm, Chief Executive Officer

"We are enormously proud of our global growth, the financial result and the technological progress we've made the past year. We are so thankful for the work done by our competent team, the continued trust of our investors and shareholders as well as the guidance received from the board. This financial year has established CELLINK on the global pharmaceutical market where we have increased our presence with our products. We can proudly say that we have successfully achieved that goal, as our products are now used by the majority of the top 25 pharmaceutical companies in the world. The year has been filled with successful collaborations, award-winning products, strategic acquisitions and brilliant, newly recruited colleagues.

In the next year, we will continue to grow with the help of innovative product development, strategic acquisitions and close relationships with our end-users so we can offer the best solutions and treatments to patients all over the world."

Hardware and production
Héctor Martínez, Chief Technology Officer

"To keep up with our customers' expectations, the R&D and production teams always prioritize quality and innovation. These commitments enabled us to release several groundbreaking products in the last year – like the BIO X6, CELLCYTE X, Holograph X and all the companion software. In the next fiscal year, we plan to keep up the pace as we ramp up integration of new platforms to support the companies CELLINK has acquired, cytena and Dispendix."

Finance
Gusten Danielsson, Chief Financial Officer

"During the past fiscal year, our focus has been on continuing to build a global 3D cell culturing company. The work has progressed according to plan through investments in product development and investments in the global sales organization. These investments create additional costs during the year that will affect the next fiscal year, but we believe that they are the right efforts to maximize the company's potential in the market.

This year stands out through product releases that will generate revenue in the next fiscal year and through two acquisitions that we accomplished during the year. It is rewarding to see how our products together with the acquired companies' products enable better workflows and processes for our customers. Our strategy is to continue growing the organization both internally and through strategic acquisitions in the coming year."

Bioink and tissue engineering
Itedale Redwan, Chief Scientific Officer

“Our mission is to develop the best bioinks possible. We do this by using the best sources of raw material, investing heavily in product development and continuing to refine our strict quality control process. Thanks to our efforts this year, we successfully launched several new bioinks, biomaterial kits, tissue model kits and all the related protocol.

In the next fiscal year, we plan to continue listening to customer feedback as we design new products. Our goal is to provide researchers with the tools and capabilities needed to continue advancing the fields of tissue engineering and 3D cell culture.”

Sales
Torben Thölix, Head of Global Sales

“We continued our fantastic sales growth in the last fiscal year. Establishing direct sales forces in key markets and extending our reach through strategic partnerships will help us continue this trend in the next fiscal year.

The addition of capabilities like live-cell imaging with the CELLCYTE X, liquid handling with the I-DOT and single-cell dispensing with cytena’s range of products means we are able to discuss an extended workflow with new customers, and offer our current customers new solutions upstream and downstream of bioprinting.”

Human resources
Karin Danielsson, Global Human Relation Manager

“We are proud of the growth of our fantastic team – often called our family. We have gone from 74 to 157 employees in the past year.

We have increased the number of employees through our acquisitions, but we’ve also employed over 60 employees internally. All our recruitment is done with the same goal: attracting candidates with the sharpest skills and focusing on those who will thrive in our culture and strategy.

We strive to improve continuously and for us it is incredibly important that employees thrive in our culture and work environment.”

MULTIYEAR OVERVIEW*

kSEK	2019-08-31	2018-08-31	2017-08-31	2016-08-31
INCOME				
Net sales	105 457	45 337	13 159	3 618
Change in inventory	7 816	1 697	1 965	-
Own work capitalized	15 938	10 474	4 012	-
Other operating income	18 402	6 935	2 740	135
Gross profit	**75 423**	**29 085**	**8 966**	**2 301**
Other operating income	-113 517	-46 122	-16 604	-2 690
Operating profit	-3 754	372	-887	-255
Net income	**3 808**	**695**	**160**	**-595**
Profit before tax	54	1 068	-728	-852
Tax	527	116	21	-
NET PROFIT OF THE YEAR	**581**	**1 183**	**-707**	**-852**
Currency translation difference	5 080	-86	60	-
TOTAL RESULTS	5 661	1 097	-647	-852

kSEK	2019-08-31	2018-08-31	2017-08-31	2016-08-31
BALANCE SHEET				
Fixed assets	404 353	33 137	15 645	3 205
Current assets	198 770	161 845	53 319	4 829
Total assets	**603 123**	**194 982**	**68 964**	**8 034**
Equity	549 642	186 160	59 659	2 315
Long-term liabilities	16 989	600	2 700	4 907
Current liabilities	36 492	8 221	6 605	812
Total equity and liabilities	**603 123**	**194 982**	**68 964**	**8 034**
Summary of cash flow analyzes				
Cash flow from operating activities	-15 818	-12 263	-1 491	-1 179
Cash flow from investing activities	-110 198	-97 394	-47 587	-3 790
Cash flow from financing activities	140 334	121 777	56 748	8 024
This year's cash flow	14 318	12 141	7 669	3 056
Cash and cash equivalents at the beginning of the year	23 038	10 664	3 056	0
Exchange rate differences in cash and cash equivalents	2 489	233	-60	0
Cash and cash equivalents at year-end	39 845	23 038	10 664	3 056

** The financial years 2018/19 and 2017/18 are reported in accordance with IFRS. 2016/17 and 2016 are reported according to K3. The fiscal year 2016 was for 7 months.*

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board

Göran Nordlund
Chairman of the board since 2016
Selected experience:
Entrepreneur, private investor and professional board member with extensive experience in helping startups become well-established companies, including Opus, Hexatronic and Transtema.
Shareholding in CELLINK: B-stock: 724,808 (through company)

Erik Gatenholm
Board member since 2016
Selected experience:
Erik has a background in business administration, an MBA from the University of Gothenburg and documented success in biotechnology entrepreneurship. His honors include Young Entrepreneur of the Year and Innovator of the Year, and he has been listed in Shortcut Magazine's 100 Under 40 as well as Forbes' 30 Under 30.
Shareholding in CELLINK: A-stock: 207,031, B-stock: 2,507,009

Artur Aira
Board member since 2017
Selected experience:
Medical engineer and MBA through training. Prior to his role as Deputy CEO of AddLife, Artur held various leadership roles at Organon Teknika, bioMerieux and AddTech Life Science
Shareholding in CELLINK: Options: 20,000

Carsten Browall
Board member since 2018
Selected experience:
Extensive experience in medical equipment and healthcare sectors in leading positions within fast-growing companies like Mölnlycke, Nobel Biocare, Capio, Vitrolife and Unfors RaySafe.
Shareholding in CELLINK: Options: 20,000

Ingela Hallberg
Board member since 2017
Selected experience:
Doctor through training. After years of working as a physician, she spent more than 20 years in leadership roles for various pharmaceutical industry leaders such as Bayer Healthcare, Lundbeck, Quintiles, Merck and Otsuka..
Shareholding in CELLINK: Options: 20,000

Bengt Sjöholm
Board member since 2016
Selected experience:
President of several Swedish companies, including Tylö, where he was CEO from 2004 to 2009. In the 1990s, Sjöholm was CEO of a business area of Getinge.
Shareholding in CELLINK: B-stock: 47,069, Options: 20,000

Senior executives

Erik Gatenholm
CEO

Selected experience: Erik has a background in business administration, an MBA from the University of Gothenburg and documented success in biotechnology entrepreneurship. His honors include Young Entrepreneur of the Year and Innovator of the Year, and he has been listed in Shortcut Magazine's 100 Under 40 as well as in Forbes' 30 Under 30.
Shareholding in CELLINK: A-stock: 207,031, B-stock: 2,507,009

Héctor Martínez
CTO

Selected experience: A mechanical and biomedical engineer by training, Héctor earned his doctorate in bridge-tissue engineering at Chalmers University of Technology and has eight years of experience in biomaterials, tissue engineering and 3D bioprinting technology.
Shareholding in CELLINK: A-stock: 136,719, B-stock: 1,661,821

Gusten Danielsson
CFO

Selected experience: Gusten has a bachelor's and master's degree from the University of Gothenburg. He founded Castlemaine Consulting, Food Friends and Escape House. His career involves work in corporate finance and positions such as CEO of Handels Capital Management.
Shareholding in CELLINK: A-stock: 15,625, B-stock: 182,308

Corporate governance

”Good corporate governance is about ensuring that the company is governed by the shareholders and other stakeholders in an effective way. The board’s responsibilities include, among other things, setting strategies and goals for the team together with the company management. To support this mission, the board maintains a direct dialogue with CELLINK’s customers and subsidiaries to understand their needs and priorities. This year, the board visited Dispendix, the group’s newly acquired company in Germany.

Another responsibility of the board is ensuring satisfactory internal control of the company’s assets. During the past financial year, an audit committee was established along with newly improved procedures for internal control. During the year, the company’s audit committee took note of reports from the company’s auditor and worked to follow up with improvement measures in the group.

The board has also started working on sustainability by establishing new policies and goals that will help the company grow with sustainability in mind.”

Göran Nordlund, Chairman

Governance structure

OWNER	A-SHARE	B-SHARE	OWNERSHIP	VOTING RIGHT
Gatenholm, Erik	207 031	2 507 009	29,9%	36,8%
Martinez Avila, Hector Daniel	136 719	1 661 898	19,5%	24,1%
Handelsbanken Fonder		873 380	9,0%	6,7%
Fore C Investment Holding AB		724 808	8,0%	5,8%
Fjärde AP-Fonden		433 788	5,3%	3,9%
Carl Bennet AB		433 599	4,8%	3,5%
Dinkelspiel, Claes		227 662	2,5%	1,8%
Danielsson, Gusten	15 625	182 308	2,2%	2,7%
Svanberg, Jockum	15 625	182 008	2,2%	2,7%
Biofluidix GmbH		144 594	1,7%	1,3%
Other owners		1 953 642	14,9%	10,7%
TOTAL	**375 000**	**9 371 194**	**100,0%**	**100,0%**

Annual General Meeting (AGM)

CELLINK's highest decision-making body is the AGM. The AGM is held within 6 months after the end of the fiscal year. A notice of the Annual General Meeting is distributed between four and six weeks before the meeting. All registered shareholders who have confirmed participation in the time allotted are entitled to attend the meeting and vote. Shareholders who are unable to attend can be represented by delegates.

Board of directors

General

The board is responsible for managing the company's affairs and organization. At the Annual General Meeting in December 2018, six members with expertise in both medical technology and financial strategy were elected. The company's CFO Gusten Danielsson was the board's secretary during the year. In 2018/2019, the board held 22 meetings (16), all of which were minuted.

The CEO and the company's CFO have been presenters at the board meetings. Remuneration and other benefits to the board are described in Note 5. The board members' shareholdings in CELLINK are shown on page 18.

The work of the board

The board of directors meets annually for at least six ordinary meetings and one statutory meeting during the year. Meetings take place both in-person and by telephone. The chairman directs and organizes the work of the board. Prior to each meeting, agenda proposals and dossiers are sent in advance to determine the issues discussed at the meeting. The draft agenda is prepared by the president in collaboration with the chairman. Matters preferred by the board are for information, discussion or decision. Decisions are only made after thorough discussion and once all the members present have been given an opportunity to comment. The board's broad experience in various areas supports a constructive and open discussion. No member has reserved any decision this year. Open questions are addressed on an ongoing basis.

Remuneration committee

CELLINK's remuneration committee assists in the board's decision-making concerning remuneration issues for senior executives. The remuneration committee's area of responsibility is defined in the board's rules of procedure and in the remuneration committee's instructions.
The group's guidelines for remuneration to senior executives can be found in the directors' report.
Göran Nordlund was appointed chairman of the committee and Bengt Sjöholm was appointed as member of the committee. All members are considered to be independent in relation to the company and company management.

Audit committee

CELLINK's audit committee helps the board monitor the company's and group's financial reporting and internal control. The audit committee's area of responsibility is defined in the board's rules of procedure and in the audit committee's instructions. Göran Nordlund was appointed chairman of the committee and Carsten Browall was appointed to the committee. All members are considered to be independent in relation to the company and company management.

During the year, the audit committee touched on issues including internal control, external auditing, accounting principles, significant valuation issues, external reporting, financial risk management, regulatory compliance and significant estimates and assessments in the financial reporting.
Senior executives

Senior executives

For personal information on senior executives, including shareholdings, see page 19.

Election of auditor

The 2018 AGM resolved the nomination committee's proposal for reelection of Deloitte AB with the authorized public accountant Fredrik Jonsson as the auditor in charge. The auditor in charge Fredrik Jonsson has reported his observations from the audit work to the board and the audit committee. Within the framework of the aforementioned work, the annual report, accounts and administration of the board and CEO have been reviewed.

In addition to the audit assignment, which is remunerated in accordance with customary billing standards, Deloitte AB has provided services of approximately SEK 0.6 million (consisting of consultations and auditing services) during the financial year.

KEY FIGURES AND DEFINITIONS

Key figures	2019-08-31	2018-08-31	2017-08-31	2016-08-31
Margin measures				
Gross margin, %	72%	64%	68%	64%
Operating margin before depreciation (EBITDA), %	2,3%	6,6%	3,0%	neg
Operating margin (EBIT), %	neg	0,8%	neg	neg
Other measures				
Development costs, kSEK **	25 328	16 740	10 882	0
Average number of employees	108	48	18	7
Net debt *, kSEK	-109 718	-135 906	-41 618	-56
Solidity	91%	95%	87%	29%
Share data				
Average number of shares outstanding	8 726 831	7 716 352	6 729 037	10 000
Number of shares outstanding on the balance sheet date	9 746 194	8 323 439	7 240 676	10 000
Earnings per share before dilution, SEK	0,07	0,15	0,02	-85,20
Earnings per share after dilution, SEK	0,07	0,15	0,02	-85,20
Share price on balance sheet date, SEK	265	146	94	N/A

** Negative value means net claim.*
*** Development work that does not meet the criteria for capitalization, and which is carried out as a result of government subsidies such as EU grants, is expensed during the financial year. The reported costs for such projects for the year amount to 18 MSEK.*

Gross margin
Net sales minus raw materials and supplies reduced by inventory changes as a percentage of net sales for the period.

Operating margin before depreciation
Operating profit before depreciation as a percentage of the period's net sales (EBITDA).

Operating margin
Operating profit after depreciation as a percentage of the period's net sales (EBIT).

Net debt
Interest-bearing liabilities minus interest-bearing receivables, short-term investments, cash and cash equivalents.

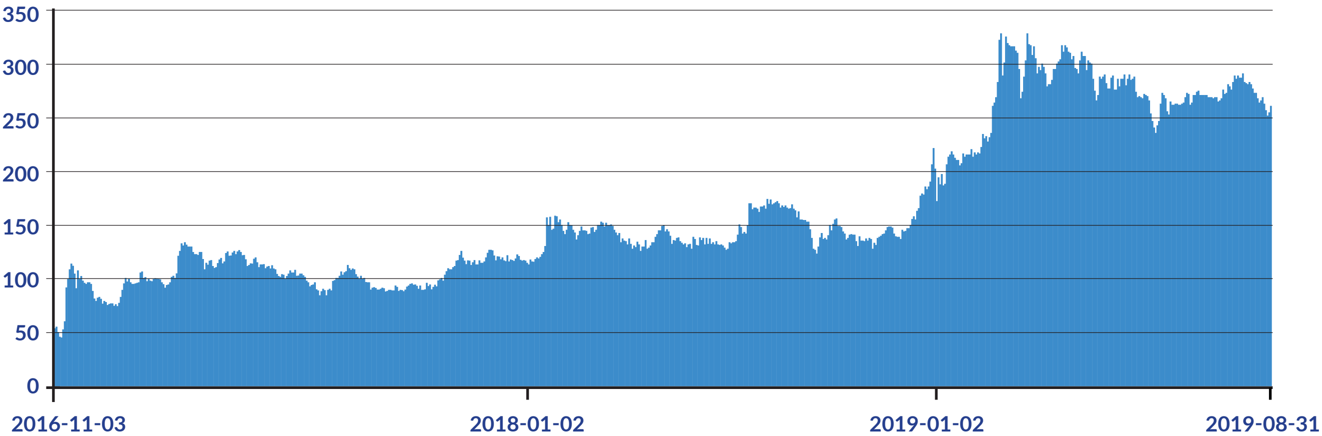
Solidity
Equity and holdings without controlling influence as a percentage of total assets.

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

Earnings per share before dilution
Profit for the period in relation to the average number of shares outstanding during the period.

Earnings per share after dilution
Profit for the period in relation to the adjusted average number of shares to include all potential dilution of shares.

DEVELOPMENT OF THE SHARE OVER THREE YEARS



Share performance in the financial year

On August 31, 2019, the stock price was 265.00 SEK per share last paid (146.00), representing an increase of 81.5% compared to last year. At the end of the financial year, CELLINK's market capitalization amounted to 2,583 MSEK (1,215) based on the latest payment price. The highest price during the year was 340.00 SEK (184.50), listed on February 15, 2019 (July 12, 2018). The lowest price during the year was 121.50 SEK (88.75), listed on September 6, 2018 (September 7, 2017).

The number of traded CELLINK shares on NASDAQ First North Growth Market during the year amounted to 1,496,754 (844,303), worth 327 MSEK (111). The number of completions was 17,862 (9,155).
The number of shares traded corresponds to 15.4 percent (10.1) of the number of shares outstanding at the year's end.

MANAGEMENT REPORT

The board of directors and the Managing Director of CELLINK AB (publ), organization number 559050-5052, are hereby submitting the annual accounts and consolidated accounts for the 2018/2019 financial year.

Operations

The company is active in bioprinting. The purpose of the company is to develop, produce and sell bioink, 3D bioprinters for printing cell cultures, as well as related equipment and services. The company also intends to manage subsidiaries and own solid, liquid and intellectual property in bioprinting and related areas.

The company is based in Gothenburg and conducts parts of its operations from its premises at Arvid Wallgrens Backe 20 in Gothenburg.

Trade and market cap

Share capital

As of August 31, 2019, the share capital of CELLINK AB (publ) amounted to 974,619.4 SEK (832,343.9), divided into 9,746,194 shares (8,323,439). Trading takes place on the NASDAQ First North Growth Market. CELLINK's market capitalization as of August 31, 2019 was 2,612 MSEK (1,215). There are two types of shares, 375,000 class A shares and 9,371,194 class B shares, with 10 and 1 vote per share respectively, but with the same capital share per share.

Ownership structure

The company is listed on the unregulated Nasdaq First North trading site. The company has just over 3,000 shareholders, and approximately 85.1% of the shares are controlled by the company's 10 largest shareholders. The company's 5 largest shareholders (capital) are; Erik Gatenholm 29.9%, Héctor Martínez 19.5%, Handelsbanken funds 9.0%, Fore C Investment Holding AB, 8.0%, and the Fourth AP Fund, 5.3 % of capital.

Dividend and dividend policy

The company currently has no dividend policy. The board of directors proposes that no dividend be paid for the financial year 2018/2019, considering the company's current growth phase which is expected to continue during 2019/2020.

Equity-related incentive programs

CELLINK AB has issued two equity-regulated stock option programs' one employee stock option program and one stock option program.

The employee stock option program comprises a maximum of 378,338 options, each of which can be redeemed for one share at a price of 177.5 SEK. The program expires in 2021.

The stock option program comprises a maximum of 400,000 options, each of which can be redeemed for one share at a price of 297.35 SEK. The program expires in 2022.

Sales and profit development

Sales continued to increase during the fiscal year and amounted to 105.5 MSEK (45.3). The increase in sales during the year was mainly driven by demand for the company's technologies, even though the fastest growing products were bioink and consumables. Profit for the year amounted to 0.6 MSEK (1.2).
Consolidated net sales for the full year amounted to 105.5 MSEK (45.3). The largest market for the year was Europe, followed by North America, Asia and the rest of the world. Costs for raw materials and supplies amounted to -37.9 MSEK (-17.9). Operating profit was -3.8 MSEK (0.4) and profit after financial items amounted to 0.1 MSEK (1.1). Cash flow from operating activities during the year amounted to -15.8 MSEK (-12.3) and the total cash flow for the year was 14.3 MSEK (12.1).

Balance sheet

CELLINK's total assets increased by 209 percent during the financial year compared with 2017–2018 to 603.1 MSEK (195.0). The increase is mainly explained by the acquisitions of Dispendix and cytena, a capital raising of 148.5 MSEK and through the company's growth and expansion, resulting in more development projects and higher accounts receivable, inventory and more. At the end of the year, the company had 109.1 MSEK (136.5) in liquid funds and short-term investments.

Investments

Total investments in intangible and tangible fixed assets (excluding acquisitions) amounted to 35.7 MSEK (19.2) during the year. Gross investments in property, plant and equipment amounted to 3.6 MSEK (0.7) and consisted mainly of equipment. Gross investments in intangible fixed assets amounted to 32.2 MSEK (18.5).

Significant events

- On August 13, CELLINK was granted a patent for temperature-controlled printbed technology.
- On August 5, CELLINK acquired single-cell dispensing company cytena GmbH.
- On July 11, CELLINK was granted a "Clean chamber technology for 3D printers and bioprinters" patent from the Korean Patent Office.
- On June 18, CELLINK completed a capital raising of 148.5 MSEK. The issue was directed towards institutional investors to quickly and effectively finance a potential acquisition.
- On March 18, CELLINK launched a new product called Lumen X for digital light processing 3D bioprinting.
- On February 19, CELLINK was granted a patent for "3D printer and a method for 3D printing of a construct."

- On February 4, CELLINK launched a new product for real-time cell microscopy.
- On January 28, CELLINK was granted project funding of 5 MSEK from the EU.
- On December 5, CELLINK signed a partnership with Prellis Biologics Inc. to commercialize holographic bioprinting technology.
- On December 4, CELLINK announced the company would collaborate with MedImmune in order to utilize CELLINK's 3D bioprinting technology for new drug discoveries.
- On December 1, the acquisition of the German company Dispendix GmbH was made for a purchase price of 5 MEUR.

Sustainability

CELLINK's sustainability work aims to strengthen the company's long-term competitiveness and growth. Employees are the single most important asset for the company. Retaining and developing employees are important ambitious goals and the company celebrates together when they are met. CELLINK works actively on individual development plans for employees and individual and group performance is rewarded.

The most important sustainability goals as determined by the board and management are based on materiality and risks which consist of:

- Competent employees.
- Quality-assured products.
- Responsible business.
- Reduced animal testing.

CELLINK's management and board work actively to ensure that operations comply with the company's sustainability goals. This year, the company worked on staff development to ensure that its staff possess the right skills for their roles today and in the future.
To ensure the quality of the company's products and processes, the company works actively with ISO 9001:2015 and works to ensure the entire group follows these processes. During the year, several products received new certifications regarding their safety, such as the UL certification of BIO X.

The company distances itself from questionable business and players and always chooses to renounce a business rather than conducting business that is contrary to the company's policies and principles.

The actively works to offer more sustainable solutions to pharmaceutical companies than animal-subject-based experiments. The US Environmental Protection Agency recently came out with a goal to completely remove laboratory animals from drug development, and CELLINK's work is a natural way to achieve this.

Risks and risk management

Risks

A risk is defined as an uncertainty before an event should occur that may affect the company's ability to achieve set goals. Risks are a natural feature of all operations and must be managed effectively. Risk management aims to prevent, reduce and limit risks to the business. CELLINK conducts an annual risk assessment where the company identifies and assesses risks that threaten CELLINK's goal fulfillment. CELLINK defines risk as a possible future event that threatens the organization's ability to achieve its goals.
The identified risks are assessed based on the following two criteria:

- The likelihood that the risk will occur.
- Consequences for CELLINK if the risk should occur.

Risk management

CELLINK's management has identified plausible events that could have an impact on the company's operations. The events have been evaluated and reduced to a net list composed of what is considered to be the most relevant risks. Risks have been graded according to low, medium and high probability that the risk will occur and subsequent consequence if the risk should occur. In order to manage and mitigate identified risks, a number of control activities (risk mitigation measures) have been established. For each identified risk, there are activities to counter, limit, control and manage the risk. An evaluation of the effectiveness of the control activities shall be carried out annually. CELLINK has a group-wide monitoring process where the effectiveness of the controls is evaluated and reported to the CFO of CELLINK. The CFO is responsible for presenting the results of the evaluation to the audit committee and the board.

OVERALL RISK AREAS

Through its operations, the group is exposed to various types of risks. Risks can be grouped into four different categories:

- Industry and market-related risks.
- Business-related risks.
- Financial risks.
- Regulatory risks.

Significant risks and uncertainties
The risks are presented in the following categories:

- External risks.
- Operational risks.
- Financial risks.

External risks

Changes in the business cycle

A change can affect the demand for the company products through reduced funding for universities or shrinking budgets at pharmaceutical companies.

Legal and regulatory environment
Changes in legislation or policy decisions may affect CELLINK's ability to conduct or develop its business. Demand for the company's products is also affected by changes in research grants.

Market
CELLINK operates in competitive areas. New products and improved research methods are continuously developed and can affect the company's competitiveness. CELLINK continuously invests in research and development and acquires companies to ensure that the company can offer a competitive product offering in the market.

Operational risks
CELLINK's strategy includes both organic growth and growth through acquisitions. Risks associated with acquisitions are primarily related to integration, such as challenges in integrating new staff into the company's existing operations and challenges in incorporating acquired technology, products and expertise, which can lead to difficulties in achieving expected synergies with acquisitions.
During the financial year 2018/19, the company acquired the German subsidiaries cytena GmbH and Dispendix GmbH with the aim of supplementing the company's existing single-cell analysis and liquid-handling operations and with the intention of increasing sales in the company and opportunities to reach the global pharmaceutical industry. These acquisitions represents an aggregate of approximately 20 percent of CELLINK's total sales for the 2018/19 financial year and therefore constitute important components for the Company's growth. There is a risk that the business completions that are expected to come through the acquisitions cannot be achieved, which means that expected sales synergies are at risk of not being achieved.

When acquiring companies with similar or complementary activities such as CELLINK's, such as the acquisitions of cytena GmbH and Dispendix GmbH, the risks are, among other things, linked to the acquisition companies' existing development projects not meeting expectations; that patents do not have the protection that can reasonably be expected; and that the acquisition companies' sales do not develop in the way that motivated the purchase price at the acquisition.
The company believes that these risks, if they occur, may result in significant unforeseen costs, reduced profits and hampering of the company's rate of development.

CELLINK is highly dependent on intellectual property protection to be able to pursue development, marketing and sales without obstructing competition. At the end of the 2018/19 financial year, the group's capitalized development costs corresponded to 46 MSEK and other intangible fixed assets amounted to 60 MSEK, which constitutes approximately 10 percent of the group's total balance sheet total. As CELLINK and its portfolio are in an expansive and early phase, there is a risk that some existing patent applications, which have not yet been granted or registered, will not be approved or the approved scope of protection for some patents will be narrowed. Protection of intellectual property and other proprietary rights is therefore an essential issue for CELLINK's business and the opportunity to develop new products.

Production
A risk relates to continuous deliveries from subcontractors that meet high-quality requirements. The risks are identified and substantially reduced to manageable levels through built-in safety margins in the production process and by ensuring the possibility of accessing the same components and materials through several suppliers. CELLINK's comprehensive quality program aims to ensure that the company meets its own, governmental and customer requirements.
Information
Information deals, among other things, with IT and the support systems that necessary for the business to be able to develop effectively. CELLINK works with major suppliers of cloud solutions for backups and for the operation of its important systems.
Furthermore, CELLINK works to process personal data in accordance with the Data Protection Regulation (GDPR) introduced in 2018.

Staff
Being able to attract and retain qualified staff and senior executives is important for CELLINK's strategy and success. CELLINK is particularly dependent on its senior executives who have been involved in the company since its founding and thus possesses extensive knowledge of the business, for example regarding customer relations, industry contacts and the company's products and development projects.

Insurance
CELLINK has regular reviews together with insurers both locally and globally to ensure that the operations and responsibilities are correctly insured.

Legal disputes
The company was not involved in any lawsuit during the year. However, there are no guarantees the company will not encounter litigation disputes in the future.

Financial risks
Currency risks
CELLINK's earnings are affected by exchange rate changes primarily by selling and purchasing in different currencies.
The group's sales and purchases are to a very large extent dependent on the relationship between SEK and US dollars (USD). A large part of the pricing of the group's products is calculated in USD, however, a large part of the company's purchases are made in SEK, which means that sales results are affected by fluctuations between the currencies.
Interest rate risk
As of the balance sheet date, CELLINK has no significant financial loans.

Credit
CELLINK has outstanding accounts receivable as of the balance sheet date of about 47 MSEK (17). Carried out in conjunction with the year-end work, the company performs an individual examination of the accounts receivable regarding the ability to pay and creditworthiness. CELLINK historically has not had any credit losses due to creditworthy and stable customers.

Seasonal effects

CELLINK's sales are partly affected by seasonal effects. During holiday periods (June-August) a decline in orders usually occurs. The reason why orders decrease during the holiday periods is that the universities' schedules affect purchases and budgets. Overall, the total demand will usually be slightly higher in the second half of the year than the first.

Risk lines for remuneration to senior executives

Fixed basic salary

Fixed basic salary for the CEO and others senior executives are reviewed annually. Distribution between basic salary and variable remuneration shall be proportionate to the responsibilities and powers of executives. Group senior executives consist of three people. Composition and the size of this group can change over the time due to the development of the business.

Other

The notice period for the CEO shall be maximum twelve months and for other senior executives, three to six months. In the event of termination on the part of the company, severance pay will have a maximum of twelve months' salary to the CEO. Other senior executives are paid no severance pay upon termination of their employment. The board may deviate from the guidelines for individual cases using special reasoning.

Outlook

The market in which the company operates is growing rapidly. Developments are driven by increased demand from pharmaceutical companies for better methods to test and develop new drugs, increased research in regenerative medicine as well as basic and applied research at universities. The company focuses on growing in that market organically as well as through acquisitions.

Events after the balance sheet date

- On September 3, the company launched the BIO X6.
- On October 1, the company announced that it was granted a design patent for BIO X.
- On October 2, the company announced that it was selected as the most innovative exhibitor by the pharmaceutical company Merck for the Holograph X.
- On October 14, the company announced that its founders were honored as founders of the year.
- On October 22, the company announced the news of KI's studies using the company's I-DOT technology.
- On October 25, the company announced the establishment of an office in France.

Parent

The parent company is both operationally active and owns and manages subsidiaries. In the parent company, the majority of the group's employees are active. Functions such as research, development, production and sales take place partly in the parent company.

Proposal for profit distribution

The board of directors and the president propose that unrestricted equity, 500,842,613 SEK, be carried forward as followed: in a new account, 500,842,613 SEK.
The financial statements were approved and issued by the parent company's board of directors on November 14, 2019.
Regarding the company's results and position in general, reference is made to subsequent income statements and balance sheets as well as cashflow analyses with accompanying financial statements and notes.

CONSOLIDATED INCOME STATEMENT

kSEK	Note	2018-09-01 - 2019-08-31	2017-09-01 - 2018-08-31
Operating income, inventory changes etc.			
Net sales	4	105 457	45 337
Change in inventory		7 816	1 697
Own work capitalized		15 938	10 474
Other operating income	6	18 402	6 935
Operating expenses			
Raw materials and consumables		-37 850	-17 949
Personnel expenses	5	-59 838	-26 668
Other external expenses		-45 879	-16 334
Amortization and depreciation of fixed assets	11, 12	-7 105	-2 625
Other operating expenses	7	-695	-495
Operating profit		**-3 754**	**372**
Financial income	9	3 920	737
Financial expenses	9	-112	-42
Profit after financial items		**54**	**1 068**
Tax for the year	10	527	116
Profit for the year		**581**	**1 183**
Attributable to			
Parent company shareholders		581	1 183
Earnings per share before dilution, SEK	17	0,07	0,15
Earnings per share after dilution, SEK	17	0,07	0,15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kSEK	Note	2018-09-01 - 2019-08-31	2017-09-01 - 2018-08-31
Profit for the year		**581**	**1 183**
Other comprehensive income			
Items that can later be reversed in the income statement			
Currency translation differences		5 080	-86
Sum of other comprehensive income		**5 661**	**1 097**
Total result		**5 661**	**1 097**
Attributable to			
Parent company shareholders		5 661	1 097

CONSOLIDATED BALANCE SHEET

kSEK	Note	2019-08-31	2018-08-31
ASSETS			
Fixed assets			
Intangible assets	11	389 850	30 406
Tangible fixed assets	12	8 584	998
Long-term receivables		543	-
Deferred tax assets		5 376	1 733
Total fixed assets		**404 353**	**33 137**
Current assets			
Inventory	13	28 678	4 012
Accounts receivable	14,21	46 796	16 834
Derivatives		-	9
Tax receivables		3 146	-
Other receivables	21	7 567	1 928
Prepayments and accrued income	15	3 465	2 555
Short-term investments		69 273	113 468
Cash and cash equivalents		39 845	23 038
Total current assets		**198 770**	**161 845**
TOTAL ASSETS		**603 123**	**194 982**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	975	832
Other contributed capital	16	541 853	184 133
Currency translation reserve	16	5 080	40
Retained earnings including profit for the year		1 735	1 154
Total equity attributable to		**549 642**	**186 160**
The parent company's owner		549 642	186 160
Long-term liabilities			
Other interest-bearing liabilities		600	600
Other provisions		980	445
Deferred tax liabilities		15 408	-
Total long-term liabilities		16 989	1 045
Current liabilities			
Accounts payable	21	14 113	3 756
Advance payments from customers		260	639
Tax liabilities		-	2
Other current liabilities		11 078	933
Accrued expenses and prepaid income		11 041	2 446
Total short-term liabilities		**36 492**	**7 776**
TOTAL EQUITY AND LIABILITIES		**603 123**	**194 982**

CONSOLIDATED CASHFLOW REPORT

kSEK	Note	2019-08-31	2018-08-31
The ongoing business			
Operating profit		-3 754	372
Adjustments for items that are not included in the cash flow			
Depreciation and write-downs of fixed assets		7 087	2 625
Change in provisions		-18	346
Fair value adjustments short-term investments		0	-727
Share-based compensation		609	335
Interest received		2 470	737
Interest paid		-112	-42
Paid tax		433	-31
Cash flow from operating activities before changes in working capital		**6 715**	**3 615**
Increase (-) / Decrease (+) of inventory		-11 670	-1 697
Increase (-) / Decrease (+) of operating liabilities		-20 846	-15 018
Increase (+) / Decrease (-) of operating debt		9 983	838
Cash flow from operating activities		**-15 818**	**-12 263**
Investment			
Investments in intangible fixed assets		-32 150	-18 469
Investments in tangible fixed assets		-3 597	-721
Acquisition of subsidiaries / operations, net cash effect		-120 096	-
Changes in short-term investments		45 646	-78 184
Cash flow from investing activities		**-110 198**	**-97 374**
Financing activities			
Issuance of shares		148 500	130 290
Transaction costs for issues		-7 493	-6 803
Option premiums		2 637	690
Borrowings		-	600
Amortization of loans		-3 310	-3 000
Cash flow from financing activities		**140 334**	**121 777**
The year's cash flow		**14 318**	**12 141**
Cash and cash equivalents at the beginning of the year		23 038	10 664
Exchange rate difference in cash and cash equivalents		2 489	233
Cash and cash equivalents at year-end		**37 356**	**23 038**

CONSOLIDATED REPORT ON CHANGE IN EQUITY

kSEK	Share capital	Other contrib-uted capital	Translation reserve	Retained results including the period results	Total equity
Opening balance per on September 1, 2017	724	60 019	-30	-1 055	59 659
The result of the period	-	-	-	1 183	1 183
Other comprehensive income	-	-	70	-	70
Issuance of shares	108	130 182	-	-	130 290
Transaction costs, net after tax	-	-6 068	-	-	-6 068
Share-based compensation	-	-	-	335	335
Option premiums	-	-	-	690	690
Total transactions with the owner	**108**	**124 114**	**70**	**2 208**	**126 500**
CLOSING BALANCE as of August 31, 2018	**832**	**184 133**	**40**	**1 154**	**186 160**
Opening balance as of September 1, 2018	832	184 133	40	1 154	186 160
The result of the period	**-**	**-**	**-**	**581**	**581**
Other comprehensive income	-	-	5 040	-	5 040
Sum total profit	**-**	**-**	**5 040**	**581**	**5 621**
Issuance of shares	55	148 445	-	-	148 500
Contribution in kind	87	211 979	-	-	212 066
Transaction costs, net after tax	-	-5 950	-	-	-5 950
Share-based compensation	-	609	-	-	609
Option premiums	-	2 637	-	-	2 637
Total transactions with owners	**142**	**357 720**	**5 040**	**581**	**363 483**
CLOSING BALANCE as of August 31, 2019	**975**	**541 853**	**5 080**	**1 735**	**549 642**

PARENT COMPANY INCOME STATEMENT

kSEK	Note	2018-09-01 - 2019-08-31	2017-09-01 - 2018-08-31
Operating income, stock changes etc.	**1**		
Net sales	1	77 644	43 660
Change in inventory	1	8 078	1 697
Own work capitalized		5 337	7 222
Other operating income	6	15 374	6 709
Operating expenses			
Raw materials and consumables		-32 062	-17 949
Personnel expenses	5	-40 650	-22 094
Other external expenses		-30 879	-13 844
Amortization and depreciation of fixed assets	11, 12	-4 876	-2 587
Other operating expenses	7	-666	-495
Operating profit		**-2 699**	**2 318**
Financial income	9	3 981	737
Financial expenses	9	-20	-42
Profit after financial items		**1 261**	**3 014**
Tax for the year	10	-469	-
Profit for the year[1]		**792**	**3 014**

[1] Net Income and Total Comprehensive Income for the year in the parent company are equivalent for both the fiscal year 2017/2018 and 2018/2019 .

PARENT COMPANY BALANCE SHEET

kSEK	Note	2019-08-31	2018-08-31
ASSETS			
Fixed assets			
Intangible assets	11	56 581	30 949
Tangible fixed assets	12	1 937	502
Financial assets			
Shares in Group companies	23	364 859	1 659
Long-term receivables		259	-
Other fixed assets			
Deferred tax assets		3 005	1 613
Total fixed assets		**426 641**	**34 723**
Current assets			
Inventory	13	11 913	4 012
Receivables	14, 21		
Accounts receivable		22 214	11 930
Receivables from Group companies		20 603	8 239
Derivatives		-	9
Other receivables	21	4 833	1 798
Prepayments and accrued income	15	2 739	2 504
Sum of current receivables		*50 389*	*24 480*
Short-term investments		69 273	113 468
Cash and bank balances		11 707	19 615
Total current assets		**143 282**	**161 577**
TOTAL ASSETS		**569 924**	**196 300**

PARENT COMPANY BALANCE SHEET

kSEK	Note	2019-08-31	2018-08-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	16	975	832
Fund for capitalized development expenditures		44 942	24 958
Unrestricted equity			
Contributed surplus		538 607	184 133
Balanced results		-38 555	-24 832
The result for the period		792	3 014
Total equity		**546 760**	**188 106**
Provisions			
Deferred tax liability		317	-
Other provisions		402	445
Total provisions		*719*	*445*
Long-term liabilities			
Other interest-bearing liabilities		600	600
Total long-term liabilities		*600*	*600*
Current liabilities			
Advance payments from customers		156	639
Accounts payable	21	10 895	3 663
Other current liabilities		781	630
Accrued expenses and prepaid income	20	10 013	2 217
Total short-term liabilities		*21 844*	*7 149*
TOTAL EQUITY AND LIABILITIES		**569 924**	**196 300**

PARENT COMPANY CASHFLOW REPORT

kSEK	Note	2019-08-31	2018-08-31
The ongoing business			
Operating profit		-2 699	2 318
Adjustments for items that are not included in the cash flow			
Depreciation and write-downs of fixed assets		4 876	2 587
Change in provisions		-43	346
Market value change short-term investments		0	-727
Share-related remuneration		609	335
Interest received		2 531	737
Interest paid		-20	-42
Paid tax		-	-31
Cash flow from operating activities before changes in working capital		**5 253**	**5 524**
Increase (-) / Decrease (+) of inventory		-7 901	-1 697
Increase (-) / Decrease (+) of operating receivables		-26 168	-18 986
Increase (+) / Decrease (-) of operating debt		14 696	877
Cash flow from operating activities		**-14 120**	**-14 283**
Investment			
Investments in intangible fixed assets		-30 097	-18 996
Investments in tangible fixed assets		-1 846	-378
Acquisition of subsidiary / business		-151 134	-385
Changes in short-term investments		45 645	-78 184
Cash flow from investing activities		**-137 432**	**-97 942**
Financing activities			
Issuance of shares		148 500	130 290
Transaction costs for issues		-7 493	-6 803
Option premiums		2 637	690
Borrowings		-	600
Amortization of loans		-	-3 000
Cash flow from financing activities		**143 644**	**121 777**
The year's cash flow		**-7 908**	**9 552**
Cash and cash equivalents at the beginning of the year		19 615	10 062
Cash and cash equivalents at year-end		**11 707**	**19 615**

PARENT COMPANY REPORT ON CHANGE IN EQUITY

kSEK	Share capital	Fund for Development expenditure	Premium fund	Retained results including the period results	Total equity
Opening balance per on September 1, 2017	724	10 563	60 019	-11 462	59 844
The result of the period	-	-	-	3 014	3 014
Fund for capitalized development expenditures	-	14 395	-	-14 395	-
Issuance of shares	108	-	130 182	-	130 290
Transaction costs, net after tax	-	-	-6 068	-	-6 068
Share-based compensation	-	-	-	335	335
Option premiums	-	-	-	690	690
Total transactions with the owner	**108**	**14 395**	**124 114**	**-10 356**	**128 261**
CLOSING BALANCE as of August 31, 2018	**832**	**24 958**	**184 133**	**-21 818**	**188 106**
Opening balance per on September 1, 2018	832	24 958	184 133	-21 818	188 106
The result for the period	**-**	**-**	**-**	**792**	**792**
Fund for capitalized development expenditures	-	19 984	-	-19 984	-
Issuance of shares	55	-	148 445	-	148 500
Non-cash rights issue	87	-	211 979	-	212 066
Transaction costs, net after tax	-	-	-5 950	-	-5 950
Share-based compensation	-	-	-	609	609
Option premiums	-	-	-	2 637	2 637
Total transactions with the owner	**142**	**19 984**	**354 474**	**-15 946**	**358 653**
CLOSING BALANCE as of August 31, 2019	**975**	**44 942**	**538 607**	**-37 763**	**546 760**

NOTES

CELLINK AB (the parent company) and its subsidiaries are an international biotechnology group. CELLINK develops, produces and sells bioprinters, bioink and bioprinting services. The parent company CELLINK AB (publ), corporate identity number 559050-5052, is a limited liability company registered in Sweden headquartered in Gothenburg at Arvid Wallgrens Backe 20, 413 46. The parent company's shares are listed on First North.

On November 14, the board of directors approved these consolidated financial statements for publication.

NOTE 1. ACCOUNTING PRINCIPLES

The following consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and interpretations of applicable standards, the International Financial Reporting Interpretation Committee (IFRIC) approved by the EU. The Annual Accounts Act and RFR 1 "Supplementary accounting rules for the Group" have been applied.

The parent company applies the same accounting principles as the group except in the cases stated below in the section "Parent Company's accounting principles." The discrepancies that exist between the principles of the parent company and the group are caused by limitations in the possibilities of applying IFRS to the parent company as a result of the Swedish Annual Accounts Act, the Insurance Act and occasionally for reasons concerning tax.

Classification

Fixed assets, long-term liabilities and provisions essentially consist of amounts expected to be recovered or paid twelve months after the balance sheet date. Current assets and liabilities consist only of amounts expected to be recovered or paid within twelve months of the balance sheet date.

Consolidation principles

The consolidated financial statements include the parent company CELLINK AB (publ) and the subsidiaries in which the parent company has controlling influence at the end of the year. Intra-group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions are eliminated in their entirety in the preparation of the consolidated financial statements.

Functional currency and reporting currency

Items included in the financial statements of the group's subsidiaries are valued using the currency used where the respective companies are primarily active (functional currency). The parent company's functional currency is the Swedish kronor, which is also the reporting currency for the parent company and the group. This means that the financial reports are presented in Swedish kronor. All amounts, unless otherwise stated, are rounded to the nearest thousand.
Assets and liabilities in foreign subsidiaries, including goodwill and other consolidated surplus and deficit values, are translated into Swedish kronor at the exchange rate observed on the balance sheet date. Income and expenses in foreign subsidiaries are translated into Swedish kronor at an average rate for each year. Translation differences arising from currency translation of foreign subsidiaries are recognized in other comprehensive income.

Foreign currency

Foreign currency transactions are recorded using the functional currency at the exchange rate observed on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate observed on the balance sheet date. Exchange rate discrepancies arising between conversions are reported in the income statement. Nonmonetary assets and liabilities that are recognized at historical cost are recognized at the exchange rate observed at the time of the transaction. Noncurrent assets and liabilities reported at fair value are converted to the functional currency using the observed rate at fair value at the time of measurement. The calculated exchange rate change is reported in the same way as other value changes regarding assets and liabilities.

The following exchange rates were used in the financial statements:

Currency	*Average rate*		*Closing rate*	
	2019*	**2018***	**2019-08-31**	**2018-08-31**
EUR	9,2513	8,4332	9,7905	9,1044
USD	10,4842	10,0484	10,8078	10,6372

* Refers to the period 2018-09-01 - 2019-08-31
**Refers to the period 2017-09-01 - 2018-08-31
Source: The Riksbank

New accounting principles

IFRS 9 and IFRS 15 became effective for companies with January 1, 2018 as the start of the financial year and have therefore been applied as of September 1, 2018 for CELLINK. IFRS 9 "Financial Instruments" handles the classification, valuation and recognition of financial assets and liabilities. Changes compared to previous standards relate to, among other things, a new approach to classifications and a new model for write-offs where the reserve for expected credit losses on accounts receivable and contract assets must not only be based on events that have occurred but also on expected events. CELLINK's accounts receivable are short-term accounts receivable without financing elements. The company has historically had low customer losses. Based on this, the company has concluded that transitioning to the new accounting standard did not have any significant effects on the group's financial reports at the time of the transition. The comparative figures for the 2017/2018 financial year reflect the requirements in accordance with IFRS 9, with the exception of new disclosure requirements.
IFRS 15 "Revenue from agreements with customers" has

been applied since September 1, 2018. The vast majority of CELLINK's sales consist of products, which clearly represent separate performance commitments. Sales of products are recognized as revenue upon delivery to the customer in accordance with applicable delivery terms. CELLINK also sells services linked to its products. The services are largely invoiced in advance, and are recognized as revenue as the service contracts expire. Unrecognized service income is reported as prepaid income (contractual liabilities) in the balance sheet. CELLINK believes that these services also clearly represent separate performance commitments. Based on this, no significant differences are considered to exist between previous accounting and accounting in accordance with IFRS 15, and the standard has had no material impact on the group's financial reports. For information regarding IFRS 15, see Note 6.
No other standards, amendments and interpretations that became effective during the 2018/2019 financial year are considered to have had a material impact on the group's financial reports below.

Future accounting principles
IFRS standards and IFRIC interpretations that have not yet become effective or have been applied by CELLINK, but which are deemed to have an impact on the group's financial reporting:

IFRS 16
IFRS 16 "Leasing" includes changes in how leasing contracts are reported. The standard came into effect on January 1, 2019. Accounting in accordance with IFRS 16 means that all leasing agreements will be recognized in the balance sheet as assets and liabilities. This accounting is based on the 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. For CELLINK, the standard will have a major impact on the local leases in the group. CELLINK will report the transition to IFRS 16 in accordance with the modified retroactive method, which means that an asset and liability are booked at the same value as of September 1, 2019. Subsequently, paid leasing fees are distributed on depreciation and interest expense, instead of as at present an external cost. This is expected to result in a slightly higher operating profit, but a substantially unchanged profit before tax in 2019/2020, compared with previous accounting principles. The introduction of IFRS 16 is expected to affect the balance sheet total in the group by approximately 27.9 MSEK on the transition date, September 1, 2019.

The parent company's accounting principles
The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995: 1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 - Accounting for legal entities. RFR 2 means that in the annual report for the legal entity, the parent company must apply all IFRS-approved statements and statements within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies exceptions and supplements to be made from IFRS. The differences between the group's and parent company's accounting principles are shown below. The accounting principles set out below for the parent company have been applied consistently to all periods presented in the parent company's financial reports. The accounting principles are unchanged compared to the previous year.

Stocks and shares
Shares and participations in the group's companies are reported as cost and impairment testing is done annually. Dividends are identified in the income statement.

Shareholder contributions
Unconditional shareholder contributions are made directly to the equity of the recipient and are capitalized in shares and participations of the donor, to the extent that no write-down is required.

Equity-regulated programs issued to employees
In the parent company, the calculated and reported value of equity-regulated programs issued to employees is recognized as a personnel expense and is credited to equity.

Description of accounting principles
The accounting principles have been applied consistently to all periods presented in the group's financial reports unless otherwise stated. The group's accounting principles have been applied consistently to the reporting and consolidation of subsidiaries.

In order to increase the understanding of the accounting choices made by the group within the framework of the current IFRS principle, CELLINK reports these in connection with each note.

NOTE 2. FINANCIAL RISK MANAGEMENT
CELLINK's operations are exposed to various types of financial risk that can affect the company's earnings and cashflow; this is primarily a result of potential exchange rate fluctuation, but also credit and counterparty risks and liquidity, refinancing risks and, to a certain extent, interest rate risks.

The group's financial risks are managed in accordance with the financial policy adopted by the board of directors. The CEO is responsible for conducting business in accordance with the policies adopted by the board and approving deviations in accordance with the mandate set by the board. The CEO participates in meetings with the audit committee and is responsible for reporting on policies and potential risks together with the CFO. The CFO is responsible for the company's financial reporting and for following the mandate the board has given to the CEO and senior executives in relation to risk and reporting. The CFO participates in the audit committee meetings and is responsible for following up and reporting on the company's internal control and financial risks to the audit committee and the board. The group's financial risks are monitored and reported by the CFO to the board of directors, the audit committee and the CEO.

Currency risk
Exchange rate fluctuations affect the group's earnings and equity in various ways, including as translation exposure and as transaction exposure.

Transaction exposure constitutes of commercial flows in foreign currency. For the group, this mainly arises as a result of the parent company invoicing the majority of its customers in EUR and USD. In this way, a change in EUR and USD against SEK affects the group's earnings.

When translating foreign subsidiaries' earnings and net assets, there is a translation exposure that, in the event of currency exchange rate changes, affects the group's other comprehensive income respective equity. The exchange rate difference, which is reported in other comprehensive income, is attributable to changes in the exchange rates USD/SEK (for US subsidiaries) and EUR/SEK (for German subsidiaries and associated surplus values). Due to the acquisitions of the German companies Dispendix and cytena, translation exposure to the EUR increased during the financial year.

The group's purchases of goods during the financial year were mainly in Swedish kronor. The subsidiary cytena was acquired on the closing date, so the purchase (which is mainly in EUR) did not reach a significant level during the current year.

The most important currencies at the end of the financial year are EUR and USD, which at 10% change in value gives the following transaction exposure effects:

	2018/2019	2017/2018
EUR	985	394
USD	1 190	948

The net translation exposure (in thousands) for the group is divided into the following currencies:

	Local currency 2018/2019	SEK 2018/2019
EUR	33 771	364 991
USD	350	3 424
		368 416

The net translation exposure (in thousands) for the Group is divided into the following currencies:

	Local currency 2017/2018	SEK 2017/2018
EUR	0	0
USD	10	91
		91

Liquidity and refinancing risk

Financing risk refers to the risk that costs will be higher and funding opportunities will be limited when loans are to be turned over, and that payment obligations might not be fulfilled as a result of insufficient liquidity or difficulties in obtaining financing. The company must be an attractive borrower and have such an approach that the company can be offered financing on good terms. The company currently has external financing. The company has mainly financed its growth through equity raised from the company's shareholders.

Market risk

Excess liquidity arises when CELLINK has more liquid funds than the business needs, and that situation is handled as follows; The majority of the excess liquidity must be available within seven days and the remainder within 14 days. The historical volatility of the total surplus liquidity investment should be less than 2%; however, parts of the total surplus liquidity investment may have a historical volatility of 5%. See the table below for how the company's placement of excess liquidity should be weighted.

SRRI	Risk Category	Volatility interval	Maximum share of portfolio
1	Low risk	0% to 0,5%	65%
2		0,5% to 2%	30%
3	Moderate risk	2% to 5%	10%
4		5% to 10%	2%
5		10% to 15%	0%
6		15% to 25%	0%
7	High risk	Over 25%	0%

No individual placement may amount to more than 5% of the total investment. Investments in noncorrelating instruments are encouraged to reduce portfolio volatility. Investments in assets in foreign currency are allowed, but the currency risk must be considered. The purpose of investing surplus liquidity is to preserve values rather than generate significant capital gains. The company's liquidity must be available to support continued growth.

Interest rate risk

Interest rate risk is the risk that interest rate changes will affect the group's earnings and cash flow (cash flow risks). The company's external financing is low and the interest rate risk is therefore considered insignificant. However, the group is affected by changes in interest rates as a result of the capital managed within the framework of short-term investments.

Sensitivity analysis for interest rate risks

Changes in market interest rates affect the group's interest income and interest expenses. The summary below shows the effect of a change in market interest rates on the consolidated income statement.

	Change, %	2018/2019	2017/2018
Market interest rate	(+/-) 1	392	224

Credit and counterparty risks

Credit risk is the risk of losses resulting from the counterparty being unable to fulfill its obligations in an agreement. The risk is mainly linked to accounts receivable and other receivables. In order to control the risk, the company conducts thorough customer audits and continuously monitors developments regarding the customer's creditworthiness. The company requests payments in advance from new customers in case of doubt in the counterparty's ability to pay. There is no significant concentration of credit risk with any individual customer, counterparty or geographical region for CELLINK. The company has a broad customer portfolio where the majority of sales come from a large number of customers. The company also works with distributors in certain regions, which means that they have a somewhat greater significance for the company. The concentration risk that exists is limited thanks to creditworthy customers and partners. Historically, CELLINK has had low customer losses, and work to recover overdue receivables is ongoing. However, several of CELLINK's customers, such as universities and university hospitals, pay their claims relatively long after the due date. However, it is estimated that there is a low risk associated with these customers and they are constantly buying new products from CELLINK.

See Note 14 for further information on the group's accounts receivable.

Risk management of capital

The group's capital structure must be kept at a level that ensures the opportunity to continue operations that create returns for shareholders and benefits for other stakeholders, while maintaining an optimal structure to reduce capital costs. In order to maintain and adjust the capital structure, the group may, with shareholder approval when appropriate, vary the dividend to the shareholders, reduce the share capital for payment to the shareholders, issue new shares or sell assets to reduce the debt/equity ratio. The group continuously analyzes the relationship between debt and equity and the ratio between debt and equity net debt includes interest-bearing financial liabilities. The group's capital consists of the assets reduced by interest-bearing liabilities. The group has no internal or external capital requirements. From time to time, the group has more liquid assets than required to conduct the company's operations, on which occasions surplus liquidity is invested in interest-bearing funds in accordance with the group's finance policy. The purpose is to manage the group's capital at the lowest risk possible when the company needs the capital for, for example, acquisitions or other investments.

Contractual

Maturity structure for financial liabilities (including future interest payments) *:

Group

	<1 yr	2 yr	3 yr	4 yr	>4 yr	Total
2019-08-31						
Interest bearing liabilities	12	12	12	12	612	660
Accounts payable	14 113	-	-	-	-	14 113
Other debts	24 339	-	-	-	-	24 339

	<1 yr	2 yr	3 yr	4 yr	>4 yr	Total
2018-08-31						
Interest bearing liabilities	12	12	12	12	612	660
Accounts payable	3 756	-	-	-	-	375
Other debts	4 020					402

Parent company

	<1 yr	2 yr	3 yr	4 yr	>4 yr	Total
2019-08-31						
Interest bearing liabilities	12	12	12	12	612	660
Accounts payable	10 895	-	-	-	-	10 895
Other debts	10 949	-	-	-	-	10 949

NOTE 3. CRITICAL ESTIMATES AND ASSESSMENTS

The preparation of the financial statements in accordance with IFRS requires that company management make assessments and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and a number of other factors that seem reasonable in current circumstances. The results of these estimates and assumptions are then used to assess the reported values of assets and liabilities that are not otherwise clearly evident from other sources. The actual outcome may differ from these estimates and assessments.
Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects multiple periods. Assessments made by management that have a significant impact on financial reports and estimates that can lead to significant adjustments in future financial reports are described below.

Acquisitions

Business combinations are reported according to the acquisition method. The determination of fair value often requires management to make assumptions and estimates of future events. Assumptions and estimates relating to the determination of the fair value of patents, technologies, customer relationships and trademarks acquired generally require large assessments and include estimates of forecasted cashflows, growth and discount rates. Changes in any of these assumptions or estimates used to determine the fair value of acquired assets and liabilities may affect the amounts relating to assets, liabilities and goodwill as a result of the allocation of the purchase price. Future net gains may be affected as a result of changes in depreciation and impairment of assets including goodwill.

Impairment testing of goodwill and other intangible assets

In calculating the recoverable amount of cash-generating units for the assessment of possible impairment of goodwill and other intangible assets, several assumptions about future conditions and estimates of parameters have been made. A description of these can be found in Note 15.

Reserve for doubtful accounts receivable

CELLINK reports reserves for doubtful accounts receivable based on individual assessments of the respective accounts receivable, which are described in more detail in note 14.

Deferred tax

Deferred tax assets attributable to fiscal deficits have been capitalized based on the assessment that these can be used against future taxable profits. For further information, see the note classification of public grants.

An assessment must be made on whether the public grant is attributable to projects the company had planned to implement and whether the projects are expected to generate financial benefits or not. This affects whether the contribution should be identified in the income statement as income, or in the balance sheet as a decrease in assets.

When obtaining public grants, an assessment of the project in question is made using the following criteria: IAS criteria 38 regarding the activation potential of intangible assets, the ownership of the final product and whether the company considered if the project was relevant to implement without public contribution. EU grants are reported as revenue in the period when project costs arise.

NOTE 4. REVENUE

Accounting

Revenue recognition

As the company has previously stated, IFRS 15 has had no material impact on the group's financial reports. Below are accounting principles in accordance with IFRS 15; they are presented based on how they are applied by CELLINK.

The basic principle of IFRS 15 is that a company must report revenue to describe the transfer of promised goods or services to customers at an amount that reflects the compensation that the company expects to be entitled to in exchange for these goods or services. In order to fulfill accounting according to this principle, a five-step model is applied, which consists of the following parts; identify the agreement with the customer, identify the various performance commitments, determine the transaction price, allocate the transaction price to the different performance obligations and report revenue when performance commitments are met.

The group generally has a consistent payment term of 30 days from the date of invoice and the remuneration is never variable. The company does not apply a refund policy and applies only standard 12-month guarantees when the company is obliged to maintain the functioning of the products. The provisions made are deemed to reflect the actual cost of handling guarantees.

Revenue streams

CELLINK's net sales mostly derive from the sale of products in the form of bioprinters, bioinks and consumables. The company also sells product-related services in the form of maintenance, installations and "workshops."

Performance obligations and timing of revenue recognition

The vast majority of CELLINK's sales are comprised of products that clearly represent separate performance obligations .

Product sales are identified as revenue at the time of delivery to the customer. Billing is usually done with 30 days credit. The guarantees that come with CELLINK's products are standardized and are not defined as separate pperformance obligations. For more information about the company's guarantees, see Note 2 and Note 24. CELLINK also sells product-related services and in the form of further freight invoicing. Services are invoiced in advance and identified as revenue as the service contracts run. Unrecognized service income is reported as prepaid income (contract liabilities) in the balance sheet. CELLINK believes that these services also clearly represent separate performance obligations. CELLINK does not offer return rights. Freight forwarding is recognized as income in connection with the delivery performed.

Disclosures

Breakdown of revenue

CELLINK offers bioprinters, bioink and consumables. CELLINK consists of one operating segment. The company's products are in the same segment, and are measured and reported on an aggregated level. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing operating segment performance. In the group, the chief operating decision maker is the CEO. In the past two financial years, CELLINK had no customer who accounted for more than 10 percent of total sales.

Net sales by geographical region

kSEK	2018/19	2017/18
Europe	44 861	17 153
North America	32 289	16 461
Asia	23 986	11 309
Rest of the world	4 321	415
Total	**105 457**	**45 337**

Fixed assets distributed by country

kSEK	2018/19	2017/18
Sweden	60 780	32 641
Germany	336 563	-
USA	7 009	496
Total	**404 353**	**33 137**

Net sales divided between products and services

	Group		Parent company	
kSEK	Sep-Aug 2018/2019	Sep-Aug 2017/2018	Sep-Aug 2018/2019	Sep-Aug 2017/2018
Products - at a time	104 186	44 888	76 687	43 321
Services - over time	1 271	449	957	339
Total	**105 457**	**45 337**	**77 644**	**43 660**

Contract balances (contract assets and contract liabilities)

The company has no contract assets. The company does have contractual liabilities, which can be divided into two different types: (1) servicing services paid in advance, and (2) invoicing goods paid in advance. Prepaid revenues are reported as sales in the period in which service is delivered to customers. Advances from customers are reported as sales when the goods are delivered.

The tables below provides information on when existing contractual liabilities are expected to be recognized as revenue, as well as revenue reported during the period, which were included in contractual liabilities at the beginning of the period.

Group	2018/2019	2017/2018
Prepaid income	1 001	180
Advance payments from customers	260	639
Total	1 261	819

Parent company	2018/2019	2017/2018
Prepaid income	1 001	180
Advance payments from customers	156	639
Closing balance	1 157	819

Group	2019/2020	2020-	Sum
Expected timing of revenue recognition	1 261	-	1 261

Parent company	2019/2020	2020-	Sum
Expected timing of revenue recognition	1 157	-	1 157

NOTE 5. EMPLOYEES, STAFF COSTS AND BOARD FEES

Share-based compensation

CELLINK AB has issued two equity-regulated options programs; one employee stock option program and one warrants program. The employee stock option program has a maximum of 378,338 options, each of which can be redeemed for one share at a price of SEK 177.5. The program expires in 2021.
The warrants program has a maximum of 400,000 options, each of which can be redeemed for one share at a price of SEK 297.35. The program expires in 2022.

Defined contribution pension plans

For defined contribution plans, the group pays fixed fees to a separate independent legal entity and has no obligation to pay additional fees. The group's earnings are charged for costs as benefits are earned, which usually coincides with the time when premiums are paid.

Accounting for share-based compensation programs

The fair value of allotted employee stock options and share programs is calculated at the date of issue using the Black-Scholes valuation model considering conditions that are share price-related. The value is recognized as a personnel expense distributed over the vesting period, with a corresponding increase in equity. The cost reported corresponds to the fair value of an estimate of the number of options and shares that are expected to be earned. In subsequent periods, this cost is adjusted to reflect the actual number of options earned. In the event of redemption, equity-regulated program shares are delivered to the employee. Shares delivered are considered newly issued shares. In the case of redemption, the payment of the redemption price from the employee is reported as equity. Issued employee stock options are provided free of charge. For the warrants program, board members and employees who subscribe have paid market-based payment. Below is a summary of the options granted:

2019-08-31	Number of options	Weighted average exercise prices (in SEK)
Beginning of the year	275 000	177,5
Granted during the year	88 000	297,35
Forfeited during the year	-56 000	194,62
Redeemed during the year	0	
Overdue during the year	0	
Outstanding at the end of the year	307 000	208,73

2018-08-31	Number of options	Weighted average exercise prices (in SEK)
Outstanding at the beginning	0	
Granted during the year	291 000	177,5
Forfeited during the year	-16 000	177,5
Redeemed during the year	0	
Overdue during the year	0	
Outstanding at the end of the year	275 000	177,5

Outstanding options as of August 31, 2019 had a weighted average exercise price of SEK 208.73, with a weighted average remaining term of 1.76 years. In 2018/2019, the options were granted in January 2019 and the sum of the estimated fair value of allotted options at this time amounted to 1672 kSEK. In 2017/2018, the options were granted in January 2018 and the sum of the estimated fair value of allotted options at this date was 3346.5 kSEK. The fair value of the allotment date is calculated using the Black-Scholes valuation model. The input data in the model is presented below:

	2018/2019	2017/2018
Weighted average share price	198,23	118,38
Weighted average strike price	297,35	177,5
Expected volatility	33,30%	34,20%
The term of the option	3,1	3,6
Risk-free interest rate	-0,28%	-0,53%
Expected dividend	0%	0%

Average number of employees

	Total		Of which men	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Parent company Sweden	64	29	38	20
Subsidiaries				
USA	20	6	13	4
Germany	11	-	8	-
Sum	95	35	59	24

Percentage of women in senior positions

	2018/2019	2017/2018
Board	17%	29%
Senior executives	0%	0%

Salaries, other allowances and social costs

	Salaries and other remuneration		Social costs	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Parent company	28 567	15 865	9 628	4 058
- of which pension costs	-	-	1 952	860
Subdiaries	9 961	3 733	2 100	507
- of which pension costs	-	-	402	160
Sum	**38 528**	**19 598**	**11 728**	**4 405**
- of which pension costs	-	-	2 354	1 020

Of the group's pension costs, 30 kSEK (27) refers to the group's board of directors and the CEO, of which 30 kSEK (27) pertains to the CEO.

Salaries and remuneration distributed by country and between board members, CEO and other employees

	Board/CEO		Other employees	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Parent company, Sweden	1 312	904	27 288	14 961
Subdiaries				
USA	-	-	5 458	3 733
Germany	-	-	4 503	-
Sum	**1 312**	**904**	**37 249**	**18 694**
- of which variab-le remuneration	-	-	253	-

Board

In accordance with the resolution of the Annual General Meeting of 2018, 640 kSEK was paid in remuneration to the Board. The chairman of the board received 300 kSEK (225) and the other members together received 340 kSEK (120) each. There are no pension costs or pension commitments for the board. For information on related transactions conducted with the board, see Note 25. The board discusses and decides on the principles for remuneration to senior executives. Senior executives include CEO, CFO and CTO. Remuneration to senior management shareholders comprise basic salary.

Senior executives

During the financial year 2018/2019, senior executives consisted of 3 (3) people including the CEO and were paid a salary of 1,974 kSEK (1,764). No variable remuneration has been paid. Premiums for the usual occupational pension have been paid. In the event of termination of senior executives, the group, as well as senior executives, must observe a notice period of three months.

CEO

During the fiscal year 2018, a total of 672 kSEK (600) was paid to the CEO. No variable remuneration has been paid. The pension is defined contribution. The company must consider the 12-month notice period and the CEO must consider the six-month notice period. The CEO is entitled to six months severance pay upon termination of employment. If the CEO finds another employment that the company approves during the notice period, the company shall have the right to offset the remuneration received by the CEO from the new employment. In connection with either party's termination of the agreement, the company has the right to demand that the CEO leave his position with immediate effect.

NOTE 6. OTHER OPERATING INCOME

Accounting

Revenues from government grants that are not linked to future performance obligations are recognized as other operating income when the conditions for receiving the grant are met and the economic benefits associated with the transaction are likely to accrue to the group and the income can be reliably calculated. Government grants have been valued at the fair value of the assets acquired by the company.

Revenue from government grants associated with future performance obligations is recognized as revenue when the performance occurs, the associated economic benefits are likely to accrue to the company and the income can be reliably calculated. Government grants have been valued at the fair value of the assets received by the group.

Grants received before associated reporting conditions are reported as debt (prepaid income).
Receivables and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange differences on operating receivables and operating liabilities are included in operating profit.

	Group		Parent company	
	2018 /2019	**2017 /2018**	**2018 /2019**	**2017 /2018**
Exchange rate gains of an operating nature	3 120	1 582	2 468	1 582

EU grants	13 123	5 053	12 254	5 053
Others	2 159	300	652	74
Sum	**18 402**	**6 935**	**15 374**	**6 709**

NOT 7. OTHER OPERATING EXPENSES

Accounting

Receivables and liabilities in foreign currency are valued at the closing day rate. Exchange rate differences on operating receivables and operating liabilities are included in operating profit.

	Group		Parent company	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Exchange rate losses of an operating nature	666	495	666	495
Others	29	-	-	-
Sum	**695**	**495**	**666**	**495**

NOT 8. REMUNERATION TO AUDITORS

	Group		Parent company	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Deloitte				
Auditing services	270	210	270	100
Audit-related services	328	175	328	175
Tax advice	33	-	33	-
Other services	231		231	-
Sum	**862**	**385**	**862**	**385**

Audit assignment means review of the annual report and accounting, and the other duties of the board of directors and the managing director that it is incumbent upon the company auditor to perform, advise or provide other assistance caused by audit observations or in the performance of other duties. In addition to the audit assignment, audit activity describes quality assurance services, including assistance with observations in such audits, which must be carried out in accordance with the constitution, articles of association, statutes and agreements; these culminate in a report that is also intended for parties other than the client. Tax advice is reported separately if received. Everything else is considered other services.

NOTE 9. FINANCIAL ITEMS

Accounting

Interest income is distributed over the reporting term using the effective interest method. The effective interest rate is the interest rate that generates the present value of all future payments and disbursements during the fixed-interest period where it is equal to the carrying amount of the receivable. Dividends are reported when the owner's right to receive payment has been established.

Receivables and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange rate differences on financial receivables and liabilities are reported among financial items.

Group	**2018/2019**	**2017/2018**
Unrealized change in value of securities	1 450	9
Interest income from securities	-	727
Exchange rate differences	2 398	-
Other interest income	72	-
Other interest expenses	-112	-41
Sum	**3 808**	**695**

Parent company	**2018/2019**	**2017/2018**
Unrealized change in value of securities	1 450	9
Interest income from securities	-	727
Exchange rate differences	2 398	+
Other interest income	133	-
Other interest expenses	-20	-41
Sum	**3 961**	**695**

NOTE 10. TAXES

Accounting

Income tax in the consolidated financial statements income statement consists of current tax based on taxable income for the current period and changes in deferred tax. Tax is recognized in the income statement except when it relates to items recognized in other comprehensive income or directly in equity; in these cases, the tax expense is also recognized as other comprehensive income or against equity.

The basis for calculating current income tax is the tax rates and tax laws that are adopted or announced on the balance sheet date. Current tax receivables and tax liabilities for the current period and previous periods are determined at the amount expected to be recovered from or paid to the tax authority.

Deferred tax is reported on the balance sheet date in accordance with the balance sheet method for temporary differences between assets and liabilities' tax and accounting values.

Deferred tax assets are recognized for all deductible temporary differences, including loss carryovers to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences can be used.

	Group		Parent company	
This year's tax expense	**2018/ 2019**	**2017 /2018**	**2018/ 2019**	**2017/ 2018**
Current tax for the year	-1 525	-700	-	-
Deferred tax	2 050	816	-469	
Total tax expense	527	116	-469	-

Reconciliation effective tax rate				
Profit before tax	54	1 068	1 261	-
Estimated Swedish tax (22%)	-12	-235	-277	-663
Non-deductible costs	-424	-37	-114	-37
Effect of foreign tax rates	-338	-	-	-
Activation of previously unactivated deficits	1 472	-	-	-700
Tax effect of transaction costs	-	388	-	-
Change of tax rate	-171	-	-78	-
Total tax expense	**527**	**116**	**-469**	**0**

Deferred tax the Group	**2018/ 2019**	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Internal gains on fixed assets	347	119	-	-
Surplus value of fixed assets	-	-	15 092	
Other temporary differences	648	-	316	-
Tax deficits	4 381	1 613	-	-
Sum	**5 376**	**1 733**	**15 408**	**-**

Tax deficits
Deferred tax assets attributable to tax losses have been capitalized based on the assessment that these can be used against future taxable profits. Deferred tax assets totaling 5,376 kSEK (1,733) consist of tax losses of 5,795 kSEK in CELLINK AB, 84 kEUR in Dispendix and 424 kUSD in CELLINK LLC, all of which have been capitalized. All of the group's fiscal deficits have been capitalized in their entirety as a result of the group's assessment that these will be utilized. There is a temporary difference attributable to acquisition costs, which is also included in the group's deferred tax assets.

COMPANY TAXATION
Sweden

In June 2018, a decision was made on a new tax proposal for corporate taxation in Sweden. The new rules will begin to apply on January 1, 2019 and will impose a gradual reduction of the corporate tax rate from 22.0 to 20.6%. As a result of this, the group's deferred taxes in Sweden were revalued according to the new tax rate, which resulted in reduced deferred tax assets of 171 kSEK.

Issue costs
During the financial year, issue costs of 7,493 kSEK (6,803), booked in equity, were deducted as deductible costs in the tax calculation. The tax effect of 1,544 kSEK (1,499) has been recognized directly in equity.

NOTE 11. INTANGIBLE ASSETS

Accounting
Goodwill

Goodwill represents the difference between the acquisition value of business acquisitions and the fair value of acquired assets, assumed liabilities and contingent liabilities. Goodwill is measured by cost minus any accumulated impairment losses. To test impairment needs, goodwill is distributed to the respective cash-generating unit. A cash-generating unit is the lowest level at which we follow up on goodwill in the group's internal governance. Impairment needs are tested annually, or more frequently if there are indications that impairment exists. Expenses for internally generated goodwill are identified in the income statement as an expense when they arise.

Capitalized development expenditures
Research costs are expenses for research aimed at obtaining new scientific or technical knowledge. Development expenditure means expenditure where research results or other knowledge is applied to achieve new or improved products or processes. Research expenses are expensed in the period in which they arise. In the group, expenses for development are reported as intangible assets in the event that the asset is deemed to be able to generate future economic benefits and only if it is technically and financially possible to complete the asset, that the intention is and the condition exists that the asset can be used for the business or sold and that the value can be calculated reliably. In the consolidated balance sheet, capitalized development expenses recognized at cost are reduced by accumulated amortization and any impairment losses.

Patents and licenses
Patents and licenses are identified by their cost minus accumulated amortization and any impairment losses. In addition to patents acquired from third parties, the company has reported costs for external legal representatives and registration fees for patent applications. These costs relate to the acquisition of legal rights in accordance with IAS 38 and have been capitalized. These patent-related costs have been reported in the balance sheet under the line of patents compared to capitalized development costs, this since the patented technology will pertain to more than one individual development project. Amortization of capitalized patent costs that have not yet been approved is commenced in connection with the commercialization of the underlying technology.

Trademarks
Trademarks are reported by their cost minus accumulated amortization and any impairment.

Amortization
Depreciation is identified in the income statement over the estimated useful life of intangible assets, unless such useful life is considered indefinite. Goodwill is tested for impairment annually

or as soon as indications arise that indicate that the asset in question has decreased in value. Amortization-only intangible assets are amortized from the date they are available for use.

The estimated useful time are:

Capitalized development expenditures	5-10 years
Patents	10 years
Customer relations	10 years
Trademarks	10 years
Technology/other	5-10 years

Capitalized development expenditures are mainly amortized over five to ten years, which corresponds to the life expectancy of most products. The amortization period for patents follows the life of the underlying patent, which amounts to ten years.

To the extent that the life of the patent exceeds the economic life of the underlying technology, the amortization period is adapted to the shorter life. Amortization of patents begins when the underlying technology has been put into use and the application has been registered.

Impairment

At each balance sheet date, an assessment is made of whether there is any indication of a decrease in value of the group's assets. For goodwill, which is not amortized on an ongoing basis, tests are performed to assess impairment needs at least once a year. However, it can happen more often if there are indications that the asset may have decreased in value. If so, an assessment is made of the asset's recoverable value. The recoverable amount is the asset's fair value minus selling costs, or its value in use, whichever is higher. Value in use is the present value of future cashflows attributable to the asset and the present value of the net sales value at the end of the useful life.

If the estimated recoverable amount is less than the reported value, a write-down is made to the asset's recoverable value. An earlier write-down is reversed when there has been a change in the assumptions that formed the basis for determining the asset's recoverable value when it was written down, which means that the write-down is no longer deemed necessary. Reversals of previously made impairment losses are tested individually and recognized in the income statement. Impairment losses on goodwill are not reversed in a subsequent period.

Impairment

The group's goodwill is attributable to the acquisition of subsidiaries and its operations. Regarding impairment tests of goodwill, this has been carried out for each company. Goodwill has been allocated to each company. At the end of the year, goodwill is distributed among the companies as follows; Dispendix; MSEK 50.3, cytena; 226.5 MSEK. The impairment test has been carried out on the basis of forecasts. The forecasts have been produced internally by corporate management and with the help of the management of the subsidiaries based on historical data, the management's overall experience and their best assessment of the company's development potential and market growth.

The impairment test was done based on a WACC of 22.6% for cytena and 22.8% for Dispedix.

The most important variables in the forecast are growth, gross margin, sales costs and investments. The calculation is based on a continued good gross margin and the investment need has been estimated to be to replace existing assets. The working capital has been assumed to change in proportion to the turnover and the debt / equity ratio is deemed to be unchanged as growth is assumed to take place within the framework of the existing operations and with own funds. The recoverable values, which in the group are calculated as value in use, exceed the reported values. The company's management believes that no reasonable changes in the important variables and assumptions will result in the companies' recoverable values being lower than the reported values. An impairment test has also been carried out with regard to the brands that are reported in the group. The impairment test is based on the same forecasts and assumptions of goodwill, and forecasted cashflows have been calculated at present value with discount rates in accordance with the description above. To support the impairment tests performed by the intangible fixed assets, an overall analysis of the sensitivity of the variables used in the model has been performed. An assumption of a discount rate increased by one percentage point shows that the recoverable values still exceed the reported values. Other assumptions such as gross margin, investment needs and growth rate have been assumed to be constant.

Neither a decrease of one percentage point in sales growth rate nor an increase of one percentage point in the used discount rate resulted in a need to write-down goodwill on August 31, 2019.

Group	Goodwill		Capitalized development expenditures		Patents and trademarks		Customer relations		Technology	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Accumulated acquisition values										
Opening balance	0	0	27 096	10 882	6 341	3 922	0	0	0	0
Investments	-	-	24 896	16 214	5 652	2 256	-	-	-	-
Acquisitions	272 738	-	-	-	24 526	-	11 725	-	21 079	-
Translation differences	4 024	-	-	-	585	0	89	-	111	-
Closing balance	276 762	0	51 992	27 096	37 104	6 341	11 814	0	21 189	0
Accumulated depreciation and write-downs										
Opening balance	0	0	-2 681	-336	-350	-28	0	0	0	0
Depreciation	-	-	-4 023	-2 345	-630	-159	-98	-	-1 229	-
Acquisitions	-	-	-	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	-	-	-	-	-
Closing balance	0	0	-6 704	-2 681	-980	-187	-98	0	-1 229	0
Reported values	**276 762**	**0**	**45 288**	**24 415**	**36 124**	**5 991**	**11 715**	**0**	**20 021**	**0**

Parent company

	Capitalized development expenditures		Patents and trademarks	
	2018/2019	2017/2018	2018/2019	2017/2018
Accumulated acquisition values				
Opening balance	27 638	10 899	6 341	4 085
Investments	24 521	16 739	5 576	2 256
Translation differences				0
Closing balance	52 159	27 638	11 917	6 341
Accumulated amortization and write-downs				
Opening balance	-2 680	-336	-350	-191
Amortization	-4 023	-2 344	-442	-159
Translation differences				
Closing balance	-6 703	-2 680	-792	-350
Reported values	45 456	24 958	11 125	5 991

NOTE 12. TANGIBLE FIXED ASSETS

Accounting

Tangible fixed assets are reported as assets in the balance sheet when, based on available information, it is probable that the future economic benefits associated with the holding will accrue to the group, and that the acquisition value of the asset can be reliably calculated. The carrying amount of the tangible fixed assets consists of acquisition values minus accumulated depreciation and write-offs.

Additional expenses

Additional expenses are added to the acquisition value only if it is probable that the future economic benefits associated with the asset will benefit the company and the acquisition value can be calculated reliably. All other additional expenses are reported as expenses in the period in which they arise.

Depreciation

Depreciation according to plan is based on original cost values reduced by calculated residual value. The residual values and useful lives of the tangible fixed assets are reviewed at each balance sheet date and adjusted as necessary. Depreciation is applied to the asset's estimated useful life. Mark is not written off. The estimated useful lives are:

Fixtures, tools and installations	3-5 years
Improvement Leasehold	5 years

Group	Expenses spent on leased property		Inventory tools and installations	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Accumulated acquisition values				
Opening balance	83	55	1 107	382
Investments	867	28	2 401	693
Acquisitions	448	-	4 852	-
Translation differences	3	-	70	57
Closing balance	1 401	83	8 430	1 131
Accumulated deprecia-tion and write-downs				
Opening balance	-18	-5	-123	-77
Depreciation	-150	-12	-928	-109
Acquisitions	-	-	-	-
Translation differences	-	-	-30	-12
Closing balance	-167	-18	-1 081	-198
Reported values	**1 234**	**65**	**7 349**	**934**

Parent company	Expenses spent on leased property		Inventory tools and installations	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Accumulated acquisition values				
Opening balance	83	55	554	204
Investments	867	28	978	350
Closing balance	950	83	1 532	554
Accumulated deprecia-tion and write-downs				
Opening balance	-18	-5	-117	-45
Depreciation	-132	-12	-278	-72
Closing balance	-150	-18	-395	-117
Reported values	**800**	**65**	**1 137**	**437**

NOTE 13. INVENTORY

Accounting

Inventory are reported at the lower of cost and net realizable value, where the cost value is calculated using the FIFU method ("first in, first out.") The cost of inventory includes the costs of purchasing and manufacturing and other expenses to bring the goods to their location and condition. In addition to costs directly attributable to the production of the asset, the acquisition value of a self-manufactured asset includes a reasonable proportion of indirect manufacturing costs.

Write-downs for obsolescence of raw materials of 315 kSEK (124) are included in closing inventory.

	Group		Parent company	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Raw materials and consumables	22 862	4 012	9 862	4 012
Prepared goods and goods for sale	5 815	-	2 051	-
Sum	**28 678**	**4 012**	**11 913**	**4 012**

Write-offs for obsolescence of raw materials of 315 kSEK (124) are included in closing inventories.

NOTE 14. ACCOUNTS RECEIVABLE

Accounting

Accounts receivable are initially valued at fair value and subsequently at amortized cost. As the expected term of accounts receivable is short, the value is approximated to the nominal amount without discounting. If the expected holding period is longer than 12 months, the receivables are classified as long-term.

Valuation of expected credit losses

CELLINK uses the simplified model for expected credit losses for accounts receivable, under which reserves for expected customer losses are set off at an amount corresponding to expected loan losses during the entire term of the receivable and are considered on the first accounting date. As the group has not had any historical credit losses, the expected credit losses at year-end are considered intangible and are not reported.

At each balance sheet date, the group assesses whether financial assets reported at amortized cost (including trade receivables) are impaired by credit. Indicators that a financial asset is credit impaired may be, for example, that the customer has financial difficulties, that reconstruction or bankruptcy is probable, delayed payments, disputes or other events that indicate that the customer will not pay.

Losses on accounts receivable are deducted from the assets' gross value. Write-downs of accounts receivable are reported as other external costs.

The group's expected credit losses in the next twelve months are valued at 1,348 kSEK. The group believes that the amount allocated covers existing risk. The company has not identified any risks related to financial instruments with a maturation term that is longer than 12 months. The change in the reserve from the previous year is explained by the group's growth, developed customer structure and product range development. All of the company's customers are considered to have good ability to pay; thus, the risk of default is low and will not have a negative impact on the group's future cashflow beyond what is reserved for expected credit losses. There are no disputes regarding the group's accounts receivable. Based on verifiable information about the group's customers, there are no risks beyond the reserved amount.

	Group		Parent company	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2020**
Accounts receivable	48 144	16 846	23 562	1 194
Credit loss reserve	-1 348	-6	-1 348	-6
Sum	**46 796**	**16 840**	**22 214**	**1 193**

Age structure accounts receivable Group

2018/2019	Due, number of days:					
Total accounts receivable	Not due	0-30	31-60	61-120	>120	Overdue in total
48 144	28 995	4 093	1 450	3 059	10 547	19 149

2017/2018	Due, number of days					
Total accounts receivable	Not due	0-30	31-60	61-120	>120	Overdue in total
16 846	10 997	2 051	1 234	886	1 678	5 849

Age structure accounts receivable Parent Company

2018/2019	Due, number of days					
Total accounts receivable	Not due	0-30	31-60	61-120	>120	Overdue in total
23 562	10 825	1 349	124	2 488	8 776	12 737

2017/2018	Due, number of days					
Total accounts receivable	Not due	0-30	31-60	61-120	>120	Over-due in total
11 942	7 776	1 603	736	886	940	4 165

Changes in the credit loss reserves for accounts receivable

	Group		Parent company	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Opening balance	6	0	6	0
Amounts written down	-	-	-	-
Revaluation of loss reserve, net	1 342	6	1 342	6
Outgoing amount	1 348	6	1 348	6

NOT 15. PREPAYMENTS AND ACCRUED INCOME

	Group		Parent company	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Rent	813	147	87	96
Insurance	94	68	94	68
Pension premiums	155	0	155	-
Development cost	1 065	741	1 065	741
Other	1 338	1 559	1 338	1 559
Sum	**3 465**	**2 555**	**2 739**	**2 504**

NOTE 16. EQUITY

Accounting

Transaction costs directly attributable to the issue of new shares or options are reported, without tax, in equity as a deduction from the issue proceeds.

Share capital

As of August 31, 2019, the company's registered share capital amounted to SEK 974,619.4 (832,344), consisting of 9,746,197 (8,323,439) shares, of which 375,000 A shares and 9,371,194 B shares with a quota value of 0, 1 SEK.

Number of shares	A-shares	B-shares	Total
Beginning of the year	375 000	7 948 439	8 323 439
Contribution in kind Dec 2018	-	198 077	198 077
Issuance of shares June 2019	-	550 000	550 000
Non-cash rights issue Aug 2019	-	674 678	674 678
End of year	**375 000**	**9 371 194**	**9 746 194**

Share capital	A-shares	B-shares	Total
Beginning of the year	37 500	794 844	832 343,9
Contribution in kind Dec 2018	-	19 807	1 980,77
Issuance of shares June 2019	-	55 000	55 000
Apportionment issue Aug 2019	-	67 468	85 294,33
End of year	**37 500**	**937 119 4**	**974 619,4**

Other contributed capital

Refers to equity contributed by the owners. This includes premium-rate funds that have arisen in connection with issues.

Translation reserve

The translation reserve includes all exchange rate differences that arise when translating financial reports from foreign operations that have prepared their financial reports in a currency other than the currency in which the group's financial reports are presented. The parent company and the group present their financial reports in Swedish kronor.

Dividend

Dividends are proposed by the board in accordance with the rules of the Swedish Companies Act and as resolved by the Annual General Meeting. The board of directors proposes that no dividend be paid for the financial year 2018/2019.

NOT 17. EARNINGS PER SHARE

Accounting

The calculation of earnings per share for dilution is based on profit for the year attributable to the parent company's shareholders in the group and on the weighted average number of shares outstanding during the year.

Earnings per share after dilution is calculated by adjusting the average number of shares to include all potential ordinary shares that give rise to dilution effect. The dilution from CELLINK's incentive program is attributable to the outstanding stock options and the warrants.

Profit for the year, tSEK	2018/2019	2017/2018
Profit for the year	581	1 183
Average number of shares before dilution	8 726 831	7 716 352
A-Shares	375 000	375 000
B-Shares	**8 351 831**	**7 341 352**
Average number of shares after dilution	8 778 309	7 716 352
A-Shares	375 000	375 000
B-Shares	**8 403 309**	7 341 352
Employee option program, P1	**51 478**	0
Profit per share, SEK		
Before dilution	**0,07**	0,15
After dilution	**0,07**	0,15

NOTE 18. INTEREST-BEARING LIABILITIES

Accounting

Borrowing is initially recognized at fair value after transaction costs, and thereafter at amortized cost. Any difference between the amount received and the repayment amount is recognized in the income statement distributed over the loan period using the effective interest method. Borrowing is classified in the balance sheet as interest-bearing long-term or current liabilities.

	Group		Parent company	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Long-term	600	600	600	600
Short-term	-	-	-	-
Sum	**600**	**600**	**600**	**600**
Maturity, long-term				
In 1-5 years	-	-	-	-
In > 5 years	600	600	600	600
Sum	**600**	**600**	**600**	**600**

The company's interest-bearing liabilities consist of a connection with the Västra Götaland region; they have unlimited maturity and are debited at an interest rate of Stibor 90 days + 2%.

NOTE 19. OTHER PROVISIONS

Accounting

A provision is recognized in the balance sheet when the group has an existing legal or informal obligation as a result of an event that has occurred, and it is likely that an outflow of financial resources will be required to settle the obligation and that a reliable estimate of the amount can be made. Provisions are not made for future operating losses. Where the effect of timely payment is significant, provisions are calculated by discounting the expected future cashflow at a pretax interest rate that reflects current market assessments of money's time value and, if applicable, the risks associated with the obligation.

	Group		Parent company	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Warranty obligations	980	445	402	445
Sum	**980**	**445**	**402**	**445**

Changes in warranty provisions

	Group		Parent company	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Reported value at the beginning of the period	445	99	445	99
Provisions during the period	25	445	25	445
Amount claimed during the period	-68	-99	-68	-99
Acquired provisions	578	-	-	-
Unused amounts that have been reversed	-	-	-	-
Reported value at the end of the period	980	445	402	445

NOT 20. ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent company	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Accrued personnel costs	1 292	2 002	1 292	1 773
Audit	15	-	15	-
Boards' fees	640	-	640	-
Not invoiced deliveries	3 056	-	3 056	-
Acquisition costs	1 239		1 239	
Other accrued costs	3 798	444	2 770	444
Other prepaid income	1 001	-	1 001	-
Sum	**11 041**	**2 446**	**10 013**	**2 217**

NOTE 21. FINANCIAL INSTRUMENTS

Accounting

Financial instruments that are recognized in the balance sheet include the following assets and liabilities: long-term receivables, accounts receivable, derivatives, current investments, liquid funds, interest-bearing liabilities and accounts payable.

Accounts receivable and debt instruments are recognized when they are issued. Other financial assets and financial liabilities are reported when the group becomes party to the instrument's contractual terms. On initial recognition, a financial asset or financial liability is valued at fair value.

Assets and liabilities valued at amortized cost

Assets and liabilities valued at amortized cost including long-term receivables, accounts receivable, cash and cash equivalents, interest-bearing liabilities and accounts payable are valued at initial accrual at amortized cost. Interest income and expenses as well as exchange rate gains and losses are recognized in the income statement. Gains or losses arising from cancellation are reported in the income statement.

Financial assets and liabilities are measured at fair value through profit or loss

Derivatives and short-term investments are valued at fair value through profit or loss after initial recognition. This means that net gains and losses, including all interest and dividend income, are recognized in the income statement. The group does not apply hedge accounting.

The fair value of all assets in this category has been calculated in accordance with Level 2 of IFRS 13 (quoted market values in the active market).

Removal from the financial position report

A financial asset is removed from the balance sheet when the rights in the agreement are realized, expire or the company loses control of it. The same applies to part of a financial asset. A financial debt is removed from the balance sheet when the obligation in the contract is fulfilled or otherwise terminated. The same applies to part of a financial liability.

Acquisitions and divestments of financial assets are reported on the day the company undertakes to acquire or divest the asset, except in cases where the company acquires or sells listed securities when liquidation day accounting is applied.

Group

	Financial assets and liabilities are valued at amortized cost		Financial assets are measured at fair value through profit or loss	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Long-term receivables	543	-	-	-
Accounts receivable	46 796	16 834	-	-
Derivative	-	-	-	9
Short-term investments	-	-	69 273	113 468
Cash and cash equivalents	39 845	23 038	-	-
Other long-term liabilities	-600	-600	-	-
Accounts payable	-14 113	-3 756	-	-
Sum	**72 471**	**35 516**	**69 273**	**113 477**

Parent company

	Financial assets and liabilities are valued at amortized cost		Financial assets are measured at fair value through profit or loss	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Long-term receivables	259	-	-	-
Accounts Receivables	22 214	11 930	-	-
Receivables from Group companies	20 603	8 239	-	-
Derivative	-	-	-	9
Short-term investments	-	-	69 273	113 468
Cash and cash equivalents	11 707	19 615	-	-
Other long-term liabilities	-600	-600	-	-
Liabilities to Group companies	-	-	-	-
Accounts payable	-10 895	-3 663	-	-
Sum	**43 288**	**35 521**	**69 273**	**113 477**

NOT 22. LEASING

Accounting

Leasing is classified as either financial or operational leasing. All of the group's leasing agreements have been classified and reported as operational. Operational leasing means that the leasing fee is expensed over the term on the basis of use, which may differ from what has actually been paid as a leasing fee during the year.

Leasing

CELLINK rents office space in Sweden, the United States (Boston, MA and Blacksburg, VA) and Germany (Stuttgart and Freiburg).
Otherwise, CELLINK has signed leasing agreements related to a pool car and some office equipment.
Expected leasing fees in 2018/2019 amount to 4,566 kSEK (2,399).

The agreed future minimum lease fees for nonterminable contracts are distributed as follows:
Otherwise, CELLINK has signed leasing agreements relating to a pool car and some office equipment.

Expensed leasing fees in 2018/2019 amount to 4,566 kSEK (2,399).
Contracted future minimum lease fees for noncancellable contracts are distributed as follows:

	Group		Parent company	
	2018/ 2019	**2017/ 2018**	**2018/ 2019**	**2017/ 2018**
Within a year	6 376	1 510	2 498	1 213
Within two to five years	17 364	5 110	6 112	4 627
More than five years	5 544	-	-	-
Sum	**29 284**	**6 620**	**8 610**	**5 840**

NOTE 23. SHARES IN SUBSIDIARIES

Group	2018/2019	2017/2018
Opening balance acquisitions value	2 243	1 858
New formation company, CELLINK Options AB	-	50
Shareholder contribution to CELLINK Options AB	-	335
Acquisition of 100% of shares in Dispendix GmbH	52 546	-
Acquisition of 100% of shares in BioinkIP LLC	3 981	-
Acquisition of 100% of shares in cytena GmbH	306 674	-
Outgoing acquisition value	**365 444**	**2 243**
Opening balance accumulated impairment losses	-585	-585
Closing accumulated impairment losses	**-585**	**-585**
Reported values	**364 859**	**1 659**

Company	Corporate ID	Location	Number of shares	Share in %*	Book value 2018/2019	Book value 2017/2018
CELLINK LLC	81-3033020	Blacksburg, VA, USA	10 000	100%	1 273	1 273
CELLINK Options AB	559144-2008	Gothenburg, Sweden	50 000	100%	385	385
Dispendix GmbH	755770	Stuttgart, Germany	25 000	100%	52 546	-
BioinkIP LLC	S7827514	Blacksburg, VA, USA	10 000	100%	3 981	-
cytena GmbH	711600	Freiburg, Germany	78 461	100%	306 674	-

* Voting share corresponds to ownership interest for all companies.

ACQUISITIONS OF THE YEAR

Acquired unit	Country	Date	Amount of shares	Employees
Dispendix GmbH	Germany	December 2018	100%	10

On December 1, 2018, CELLINK AB acquired 100% of the shares in the company Dispendix GmbH at an agreed company value of approximately 5 mEUR. The acquisition was made partly through cash and cash equivalents of approximately 2 mEUR and partly through a rights issue of approximately 3 mEUR to the shareholders of Dispendix GmbH.

Issue terms

The shareholders of Dispendix GmbH received shares valued at approximately 3 mEUR, calculated at an average price of 10.3315; the amount in SEK amounted to SEK 30,901,815.60. The average share price in CELLINK during the calculation period was 156 SEK, which resulted in the company issuing 198,077 shares for the contort property during Q2.

Effects of acquisitions

In a preliminary acquisition analysis, goodwill amounts to 48,100,000 SEK. Dispendix is judged to have high growth potential in CELLINK's ownership thanks to CELLINK's good customer relations, unique technology and competitive offer. The acquisition is expected to realize major synergies in the form of utilization of CELLINK's existing sales channels and customer relationships that have shown great interest and need for the technology. By leveraging group-wide assets, the company calculates being able to scale its operations and, above all, sales in the acquired company. Dispendix contributed 9.1 MSEK in sales and 2.7 MSEK in earnings.
If Dispendix had been fully owned during the entire fiscal year, the acquisition would have contributed 11.1 MSEK in net sales and 1.4 MSEK in earnings to the group, excluding capitalization of development costs. At the date of the annual report, we did not have sufficiently reliable evidence to be able to calculate pro forma capitalized development costs. From the date of acquisition, 1.3 MSEK has been reported as capitalized development costs and contributed to the group's profit.

Acquisition-related expenses

All acquisition-related expenses of a material nature associated with the acquisition of Dispendix GmbH were charged to Q1 and amounted to approximately 1 MSEK and related to the fees for, above all, legal advice in connection with the legal review of the acquisition.

On December 1, 2018, CELLINK AB acquired 100% of the shares in BioinkIP LLC. The purchase price was 4 MSEK. The acquisition was made through the payment of cash and cash equivalents. The purchase price corresponds to the fair value of patents and technology in the company and hence no goodwill has arisen in connection with the acquisition. BioinkIP LLC was acquired by a person related to the CELLINK Group's CEO, Erik Gatenholm, on market terms.

Identifiable assets and liabilities

kSEK	Preliminary PPA
Intangible assets	6 469
Tangible fixed assets	651
Inventory	1 484
Accounts receivable	1 262
Other current receivables	61
Cash and cash equivalents	337
Provisions	553
Deferred tax liabilities	1 423
Short-term interest-bearing liabilities	1 683
Other current liabilities	3 145
Net, identifiable assets and liabilities	3 460
Group goodwill	48 100
Purchase price	**51 560**
Acquired liquid funds	**-337**
Purchase price excluding cash and cash equivalents	**51 223**

Acquired unit	Country	Date	Number of shares	Employees
BioinkIP LLC	USA	December	100%	0

On December 1, 2018, CELLINK AB acquired 100% of the shares in the company BioinkIP LLC. The purchase price was 4 MSEK. The acquisition was made through the payment of cash and cash equivalents. The purchase price corresponds to the fair value of patents and technology in the company and hence no goodwill has arisen in connection with the acquisition. BioinkIP LLC was acquired from a related person to the CELLINK's CEO, Erik Gatenholm on market terms.

Effects of acquisitions

The acquired company does not conduct any business and the company's only asset at the point of acquisition is intellectual property rights. CELLINK has no plans to operate the company. CELLINK has previously been the licensee of these intellectual property rights and their acquisition does not change CELLINK's current product range; however, it is a change from CELLINK being a licensee to owning the rights. These patents have not been critical to CELLINK's operations but strengthen the company's IP portfolio. cytena has contributed 9.1 MSEK in sales and 3.9 MSEK in profit. If cytena had been wholly owned during the entire financial year, the acquisition would have contributed 51.7 MSEK in net sales and 16.2 MSEK in earnings to the group.

Identifiable assets and liabilities

kSEK	Preliminary PPA
Intangible assets	4 000
Net, identifiable assets and liabilities	4 000
Group goodwill	0
Purchase price	**4 000**
Acquired liquid funds	**0**
Purchase price excluding cash and cash equivalents	**4 000**

Acquired unit	Country	Date	Number of shares	Employees
cytena GmbH	Germany	August	100%	30

Costs incurred in connection with the acquisition amounted to approximately 100 kSEK.

On August 5, 2019, CELLINK AB acquired 100% of the shares in the company cytena GmbH at an agreed company value of 30.25 mEUR. The acquisition was made partly through cash and cash equivalents of 11.4 mEUR (of which 1.25 mEUR was withheld purchase price) and partly through a rights issue of mEUR 18.85 to the shareholders of cytena GmbH.

Issue terms

The shareholders of cytena GmbH received 674,678 shares at an agreed value of 18.85 EUR. The acquisition price for the noncash issue was recalculated on the transaction date, with CELLINK's August 5 share price of 271 SEK being used. The total purchase price in SEK including cash portion amounted to 305,120 SEK.

Effects of acquisitions

In the preliminary acquisition analysis, goodwill amounted to 225,258 kSEK. cytena Gmbh is judged to have high growth potential in CELLINK's ownership thanks to CELLINK's good customer relations, unique technology and competitive offer. The acquisition is expected to achieve major synergies in the form of utilization of CELLINK's existing sales channels and customer relationships, as CELLINK's customers have shown great interest and need for the technology. By utilizing group-wide assets, the company calculates being able to scale operations and, above all, sales in the acquired company. If cytena had been wholly owned during the entire financial year, the acquisition would have contributed 51.7 MSEK in net sales and 4.3 MSEK in profit to the Group, excluding capitalization of development costs. At the date of the annual report, we did not have sufficiently reliable evidence to be able to calculate pro forma capitalized development costs. From the date of acquisition, 1.4 MSEK has been reported as capitalized development costs and contributed to the Group's profit.

Acquisition-related expenses

All acquisition-related expenses of a material nature linked to the acquisition of cytena GmbH were charged to Q4 amounting to approximately 2.1 MSEK and related to the fees for, above all, legal advice in connection with the legal review of the acquisition.

Identifiable assets and liabilities

kSEK	Preliminary PPA
Patent and trademark	22 788
Technology	14 610
Customer relations	11 725
Tangible fixed assets	4 334
Inventory	11 424
Current tax receivable	5 105
Current receivables and placements	14 760
Cash and cash equivalents	26 473
Deferred tax liabilities	-13 862
Other current liabilities	-17 497
Net, identifiable assets and liabilities	**79 862**
Group goodwill	225 258
Purchase price	**305 120**
Acquired liquid funds	**-26 473**
Purchase price excluding cash and cash equivalents	**278 647**

NOTE 24. PROVIDED SECURITIES AND CONTINGENT LIABILITIES

Accounting

A contingent liability is recognized when there is a possible commitment arising from events that have been confirmed only by one or more uncertain future events or when there is an obligation that is not recognized as a liability or provision because it is unlikely to an outflow of resources will be required.

The group and the parent company have no pledged collateral or contingent liabilities.

NOTE 25. RELATED PARTIES

The parent company has a close relationship with its subsidiaries (see Note 23). Of the parent company's total purchases and sales, 0 percent (0) of purchases and 27 percent (38) of sales refer to intra-group transactions. Internal prices within the group are set based on the principle of "arm's length," i.e., between independent parties who are well-informed and share interest in carrying out the transactions.

Transactions with key people in a leading position

The related transactions that have taken place during the financial year relate to consulting services. Wallmander & Co. AB received 697,468 SEK for web design. Fore C Investments Holding AB, owned by the chairman of CELLINK's board of directors. Göran Nordlund is a shareholder in Wallmander & Co. AB. The company has also contracted the test center TATAA Biocenter AB for evaluating instruments for 38,300 kSEK where board member Artur Aira is a member and part-owner. Otherwise, no board members in CELLINK received any other remuneration other than board fees.

Related party transactions

This year, CELLINK acquired BioinkIP LLC to strengthen the company's position on intangible assets. The company was owned by close relatives of the company's CEO, Erik Gatenholm. The company was valued on the basis of its patents and the expected savings made by paying licensing fees. The acquisition was carried out on market grounds and at arm's length; the purchase price was 4 MSEK.

NOTE 26. EVENTS AFTER THE BALANCE SHEET DATE

No other events after the balance sheet date with a material impact on the assessment of the financial information in this report have occurred. To read more on subsequent events, see management administration report for more details.

NOTE 27. PROPOSED APPROPRIATION OF PROFIT AND LOSS

The following unrestricted equity is available at the AGM:

Contributed surplus	538 607 403
Retained earnings	-38 556 399
Profit for the year	791 609
Total to dispose of	500 842 613

The Board proposes that the unrestricted equity is disposed of as follow:

Carried forward into new account (SEK)	500 842 613

The board of directors and the CEO declare that the consolidated accounts and the annual accounts have been prepared in accordance with international accounting standards IFRS, as adopted by the EU, and generally accepted accounting principles, and provide a true and fair view of the group's and the parent company's financial position and results from operations, and that the Directors' Report provides a true and fair view of the group and the parent company's financial position and results from operations and describes significant risks and uncertainties that the parent company and the companies that are part of the group face.

Gothenburg, November 142019

Göran Nordlund
Chairman of the board

Ingela Hallberg
Board member

Artur Aira
Board member

Carsten Browall
Board member

Bengt Sjöholm
Board member

Erik Gatenholm
CEO

Our audit report was submitted on November 14, 2019
Deloitte AB

Fredrik Jonsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Cellink AB corporate identity number 559050-5052

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Cellink AB for the financial year 2018-09-01 - 2019-08-31. The annual accounts and consolidated accounts of the company are included on pages 19-57 in this document.
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 August 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 August 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
• Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
• Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
• Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cellink AB for the financial year 2018-09-01 - 2019-08-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group´s financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

• has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

• in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Gothenburg 14th November 2019

Deloitte AB

Signature on Swedish original

Fredrik Jonsson

Authorized Public Accountant

Alternative key ratios

In this annual report, references are made to a number of measures of earnings. Some of these measures are defined in IFRS, others are alternative measures and are not reported in accordance with applicable financial reporting frameworks or other legislation. The measures are used by CELLINK to help both investors and management to analyze its operations. Below are descriptions of the dimensions in this annual report, together with definitions and the reason why they are used.

Alternative key ratios	Definition	Aim
Gross profit	Net sales less raw materials and consumables less inventory changes.	Shows efficiency in CELLINK's operations and together with EBITDA gives an overall picture of the ongoing profit generation and the cost picture.
Gross margin	Gross profit as a percentage of net sales.	Key figures are used for analysis of efficiency and value creation.
Operating profit before depreciation (EBITDA)	Profit before interest, tax, depreciation and write-downs.	inancial ratios are a useful measure to show the results generated in the ongoing operations. As operating income is burdened by depreciation of surplus values linked to the acquisition made by CELLINK, the Group's management believes that operating profit for depreciation (EBITDA) is a true measure of the Group's earning capacity.
Working capital	Current assets, excluding cash and cash equivalents and current tax receivables, less interest-free current liabilities, excluding current tax liabilities.	This measure shows how much working capital is tied up in operations and can be compared to turnover to understand how efficiently tied working capital is used.
Operating profit (EBIT)	Profit before interest and similar income and tax items.	CELLINK believes that operating profit (EBIT) is a useful measure to show the result generated in operating activities.
Operating margin (EBIT,%)	Operating profit (EBIT) as a proportion of net sales.	CELLINK believes that the operating margin is a useful measure for showing the results generated in the ongoing operations.
Solidity	Equity divided by total assets, see Note 4.	CELLINK believes that solvency is a useful measure of the company's survival.

Reconciliation of alternative key figures

In the financial reports that CELLINK issues, alternative key figures are stated, which supplement the measures defined or specified in the applicable rules for financial reporting. Alternative key figures are stated when, in their context, they provide clearer or more in-depth information than the measures defined in the applicable rules for financial reporting. The alternative key figures are derived from the company's consolidated financial statements and are not measures in accordance with IFRS.

Gross profit, kSEK	2018/2019	2017/2018
Net sales	105 457	45 337
Raw materials and supplies reduced by a change in stocks	-30 034	-16 252
Gross profit, kSEK	**75 423**	**29 085**

Gross margin,%		
Gross profit	75 423	29 085
Net sales	105 457	45 337
Gross margin,%	**72%**	**64%**

Operating profit before depreciation (EBITDA)		
Operating profit	-3 754	372
Depreciation	-7 105	-2 625
Operating profit before depreciation (EBITDA)	**3 351**	**2 997**

Operating margin (EBITDA%)		
Operating profit before depreciation and amortization	3 351	2 997
Net sales	105 457	45 337
Operating margin (EBITDA%)	**3,2%**	**6,6%**

Equity ratio,%		
Equity attributable to the Parent Company's shareholders	549 642	186 160
Total assets	603 123	194 982
Equity ratio,%	**91%**	**95%**

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