CELLINK AB (publ)

Interim report

December-February (Q2) 2019/2020

Continued growth and global expansion during an increasing global crisis

Second quarter

- Net sales amounted to SEK 37,241 kSEK (23,837 kSEK), corresponding to an increase of 56% (174%) compared to the second quarter of the previous financial year, of which 25% (174%) organic growth.
- Operating profit before depreciation (EBITDA) amounted to -13,755 kSEK (2,865 kSEK), corresponding to a negative margin (12.0%).
- Net income amounted to SEK -17,274 kSEK (1,340 kSEK), generating earnings per share of -0.43 SEK (0.04 SEK).

First half of the year

- Net sales amounted to SEK 83,671 kSEK (43,874 kSEK), corresponding to an increase of 91% (173%) compared to the first half of the previous financial year, of which 37% (173%) organic growth.
- Operating profit before depreciation (EBITDA) amounted to -14,640 kSEK (4,466 kSEK), corresponding to a negative margin (10.2%).
- Net income amounted to SEK -22,422 kSEK (2,015 kSEK), generating earnings per share of -0.57 SEK (0.06 SEK).

The Group's key figures

kSEK	Dec-Feb 2019/2020	Dec-Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Net sales	37 241	23 837	83 671	43 874	105 457
Gross profit	25 467	16 601	59 657	31 149	75 423
Gross margin, %	68%	70%	71%	71%	72%
Operating profit before depreciation and amortization (EBITDA)	-13 755	2 865	-14 640	4 466	3 351
Operating margin before depreciation and amortization (EBITDA), %	neg	12,0%	neg	10,2%	3,2%
Operating profit (EBIT)	-20 012	1 078	-26 479	1 764	-3 754
Operating margin (EBIT), %	neg	4,5%	neg	4,0%	neg
Profit for the period	-17 274	1 340	-22 422	2 015	581
Earnings per share after dilution, SEK**	-0.43	0.04	-0.57	0.06	0.02
Net debt (-) / Net cash (+)	407 131	101 730	407 131	101 730	108 518
Cash flow from operating activities	-10 162	11 135	-29 850	6 913	-15 818
Average number of shares* **	40 309 941	34 379 048	39 647 358	33 836 404	34 907 324
Number of shares at the end of the period**	42 874 776	34 086 064	42 874 776	34 086 064	38 984 776
Share price on the closing day, SEK**	96	79	96	79	66
Market capitalisation on closing day, mSEK	4 115	2 684	4 115	2 684	2 583
Number of employees at the end of the period	190	101	190	101	157

*Average number of shares including potential ordinary shares.
**CELLINK conducted a 4:1 split on January 10, 2020. Comparison periods have been restated for correct comparison.
For definitions, see Note 7.

Significant events during the period

Events during the quarter (Dec-Feb 2019/2020)

- On December 13, the Board of Directors set financial targets for the Group during the period 2019-2022. CELLINK's goal is to grow organically by at least 35% per year and grow further through acquisitions. CELLINK's goal is also to show a positive EBITDA margin. The company's net debt-to-EBITDA ratio should normally not exceed 3 times.
- On December 18, the Annual General Meeting was held. Among other things, it was decided to carry out a 4:1 stock split, to extend the company's financial year to 31 December 2020, and to establish a new long-term incentive program for employees and board members of the CELLINK Group.
- On December 23, a five-year agreement was signed for a new production area in Gothenburg. This increases the production area from 300 m2 to 1600 m2.
- On January 10, the 4:1 stock split was registered.
- On January 29, the company carried out a new share issue and raised approximately 377 mSEK in capital.
- On February 3, the company extended its cooperation agreement with AstraZeneca by one year.

Events during the rest of the financial year (Sept-Nov 2019)

- On September 3, CELLINK launched a new product that was designed to be the most flexible bioprinting platform with six printheads on the market.
- On October 1, CELLINK was granted a design patent for BIO X.
- On October 14, the company announced that CELLINK's four founders had been named ”Entrepreneurs of the Year 2019” in Sweden.
- On October 25, CELLINK announced that it had set up a subsidiariy in France. The Group has also started companies in Japan and the UK during the financial year.
- On November 21, CELLINK released two new bioinks, an expansion of three existing series, a new thickener series and two products to improve cell analysis. The products will be launched continuously until January 2020.

Events after the end of the period

- On March 4, the company received a grant of approximately SEK 2 million from Vinnova to develop tissues for drug residues.
- On March 22, the published a press release with an update regarding COVID-19. More information can be found on page 8 in this report.
- On March 31, the company received an order for hand disenfectant and test equipment of SEK 5.2 million from the National Board of Health and Welfare.
- On April 1, it was announced that CELLINK wins prestigious Red Dot Award for design quality of CELLCYTE X.
- On April 3, it was announced that CELLINK has been approved for listing on Nasdaq Stockholm main list, with the first trading day April 20.

50+
Countries in list of customers

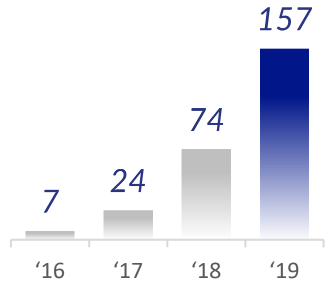
40+
Number of bioinks

800+
Number of laboratories

80+
Publications with CELLINK

Number of employees

2016-2019 (per September)



This is CELLINK

CELLINK is a global leader in developing and delivering life science solutions, with products sold in hundreds of laboratories and thousands of scientists worldwide with cutting-edge technologies that promote new scientific breakthroughs.

With a commitment to quality and innovation, our 3D printers, instruments and bioinks have contributed to revolutionary advances in academic and clinical medicine. CELLINK's solutions promote and accelerate the development of customers in more than 50 countries, including universities, hospitals, pharmaceutical companies, as well as public and commercial laboratories.

Our industry knowledge, commitment to innovation and passion for excellence have positioned us as one of the market leaders in bioprinting and 3D cell culture.

We strive to expand the boundaries of what is possible in regenerative medicine and drug development, inspire our collaborators to expand their horizons and overcome all the challenges they face.

Global expansion and continued growth during an increasing global crisis

I want to start with thanking the entire CELLINK team for their hard work every day to support all customers around the world with products and services that are being applied to revolutionary and health-critical areas. The technology being created by the CELLINK Group has a large effect on society and on patients around the world, both directly through pharmaceuticals that are developed with help of the products but also indirectly through the new treatments that are going to reach the market in the future through research conducted by leading institutions. The world is in a challenging situation today, something that is going to define the future for us all. We have adapted the company's strategy to ensure that we will come out of this pandemic strongly. The most important resource we have today as a company are our coworkers who each day fights the challenges we face to make sure we get through them as a winning team. Our thoughts go out to the families and people who are affected by the virus and we are going to do everything we can to help patients and societies reduce the effects of the coronavirus.

Growth and customer work

During the second quarter, the effects of COVID-19 were clear, with the largest effect on the Asian market where a couple of large orders from customers were passed up on during the quarter. In the end of the quarter, even other markets were affected by the concerns and uncertainty that the virus created, but our active sales team has enabled continued growth. The quarter finished, despite concerns on the market, with continued growth. During the second quarter, net sales increased to 37.2 MSEK, resulting in a net sales growth of 56% compared to the previous year. In the year's first six months we show a net sales increase to 83.6 MSEK, resulting in a net sales growth of 91%. The organic sales growth for the fiscal year's first six months is 37% and is in line with the communicated goal of at least 35%, despite effects of COVID-19. The company's position on the global market has strengthened thanks to our active sales efforts, a global team, and further development of the global workforce. During the quarter, the workforce increased and reached about 190 employees by the quarter's end.

During the quarter, profitability in the company decreased as a consequence of the continued organizational expansion. In order to deal with market turmoil, we have introduced short-term lay-offs in parts of the organization to manage the cost base.

Focus on expansion

During the quarter, CELLINK worked with continuing expansion in the European market that has, during the last six months, transitioned from distribution-based sales to almost exclusively direct sales. With the new sales offices in Lyon, France; London, UK; and Freiburg, Germany; we are better able to understand the market's movements and act based on customer feedback. This has enabled us to offer both better prices and better services to customers.

As a part of the active sales work, we have focused on training our sales team and application specialists. During the quarter, recruitment and preparation for further expansion continued. This expansion may need to be slowed down due to the crisis affecting the global market.

Fundraising

During the second quarter, the company completed a direct share issue that brought the company 377 MSEK, which closed at the end of January, 2020. This capital raising is of great importance for the company for two reasons: growth and acquisitions. We have a continued aggressive expansion plan and strategy that started with direct sales channels in Europe and North America. This strategy is costly but we believe that it will benefit the company and its shareholders in the long run as we are in full control of sales and customer relations, which will lead to increased sales and improved margins. We are also actively working on an acquisition agenda where the focus is to find complementary technologies and products that can be offered together with the company's existing and future products to increase value for our customers. In connection with the raising of capital, CELLINK received a number of reputable Swedish and international shareholders who support the company's vision and continued journey. We are grateful for both new and longstanding shareholders' trust in the company.

Product development

The new real-time microscopy system, CELLCYTE X, has started to be delivered to the first demonstration customers. In this quarter, the product accounted for about 3% of sales. CELLCYTE X has the potential to become an important product for CELLINK in the coming years. The product has been very favorably received by the market and serial production will commence in the third quarter.

In current circumstances, our team is focused on further developing and refining various products and technologies so that we are ready with the best solutions as the world begins to return to normal.

An example of further development is the work being done in partnership with the 3D company Dassault Systèmes; CELLINK can access the company's platform to model and simulate the 3D bioprinting process and benefit from their network of experts in 3D printing, 3D modeling and simulation. This enables CELLINK to predict and understand how live printed material behaves. By optimizing the process, CELLINK can improve capabilities for customers printing well-functioning tissues and organs.

Collaborations

During the second quarter, CELLINK also renewed its agreement to cooperate with the global biopharmaceutical company AstraZeneca for another 12 months. CELLINK's technology will continue to be used to accelerate the research of diseases within AstraZeneca's therapeutic areas, oncological, respiratory, cardiovascular, renal and metabolic diseases. CELLINK will continue to provide a team of experts working side by side with AstraZeneca researchers at their R&D strategic center in Gaithersburg, MD, U.S. AstraZeneca will provide expertise in pharmaceutical development to help CELLINK further refine the company's product offering to meet the needs of the industry.

We are now entering a new quarter with both challenges and opportunities, where CELLINK will focus on continued development of products and further preparation for growth, as well as strategic measures to navigate through the global challenges we face. We will do everything we can to get through this time and be even stronger when we are all on the other side of this pandemic!

-- Erik Gatenholm, CEO

The Group's development

COVID-19

In view of the general uncertainty and measures put in place to reduce the spread of COVID-19 and their impact on the global economy, CELLINK is closely monitoring developments and is prepared to take measures to reduce the risk of long-term impact on the company's continued development and expansion.

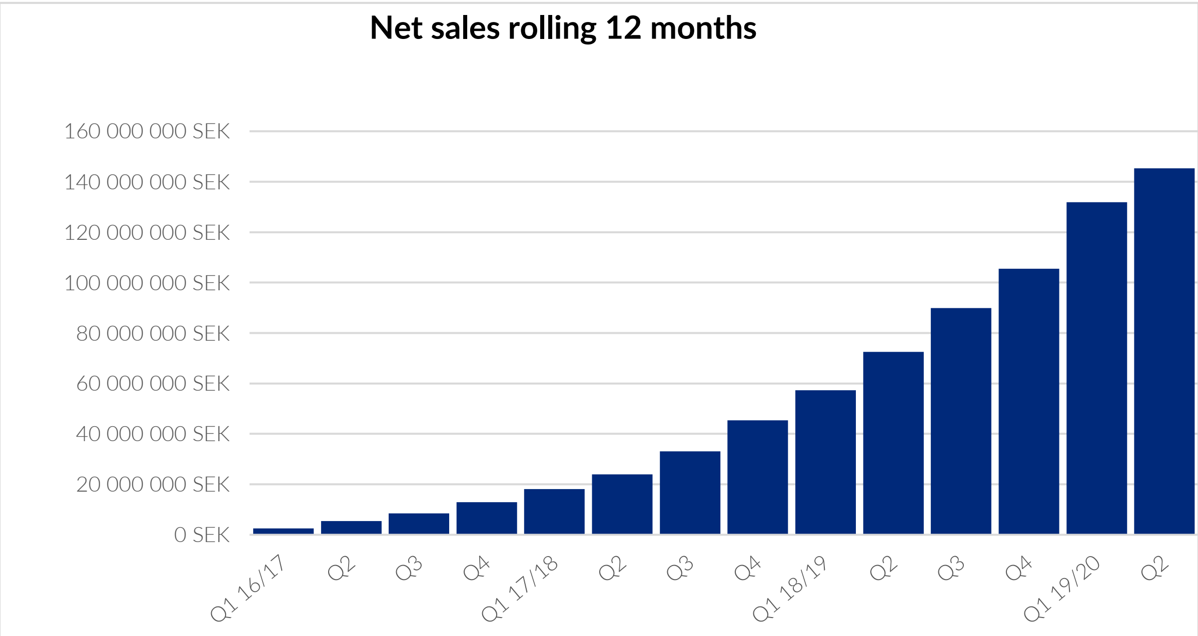
Due to travel restrictions, cancellations and difficulties in conducting demonstrations in customers' labs as many companies do not allow visitors, the company sees a temporary change in sales process that may negatively affect demand for the company's products and services. The financial consequences are still difficult to estimate, but the company will continuously implement measures to limit the impact on the company's operations. The company has implemented measures such as short-term lay-offs and other general cost savings. Through these measures, we expect to be in a strong position to capitalise on the opportunities that exist in the market when countries and companies reopen.

The company has a strong financial position and is well equipped for possible revenue shortfalls during the year, but at the same time has a large cost base which relies on continued growth. In order to secure the company's resources for long-term success, the company will adjust the cost base based on the effects of the pandemic.

Development related to COVID-19 after the closing date

The COVID-19 pandemic continues to restrict mobility around the world and complicate demonstrations of the company's instruments. The company has continued to see good demand for the company's products but has reason to expect declining sales towards the end of the third quarter as a result of the pandemic. At the same time, the company sees new revenue streams from the transition in production to qPCR instruments and AlcoGel. In order to deal with temporary revenue shortfalls, the company has implemented short-term lay offs in parts of the Group.

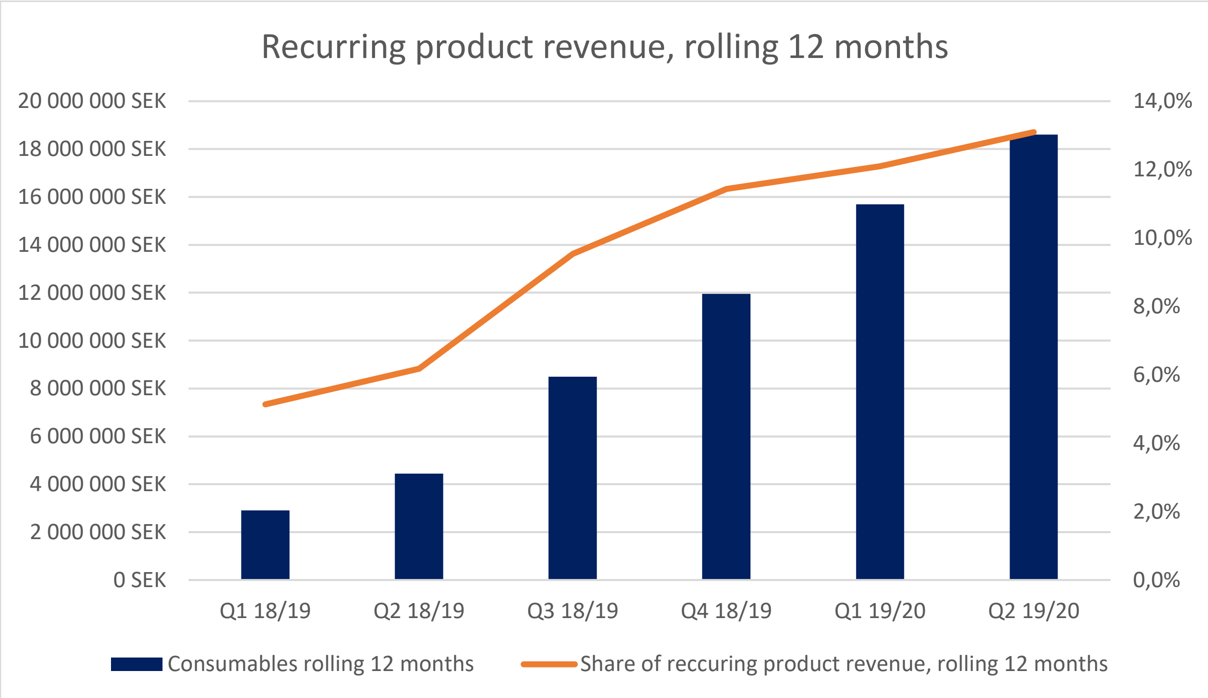
Net sales



Net sales in the second quarter amounted to SEK 37,241 kSEK (23,837 kSEK), an increase from the second quarter of the previous financial year of 56% (174%), of which 25% (174%) organic growth. The lower organic growth compared to earlier quarters was a consequence of a slowdown in Asia and a delay in deliveries of BIO X6.

Net sales	Growth
37,241 kSEK	56%

For the first half of 2019/2020, net sales amounted to SEK 83,671 kSEK (43,874 kSEK), an increase from the first half of the previous financial year of 91% (173%). Net sales growth was mainly attributable to increased sales of the company's instruments and a larger product range. The lower growth rate in the second quarter was mainly a consequence of the fact that some orders that were expected in Q2 came in the first quarter and that a few expected orders were not materialized in February due to the situation with COVID-19 in Asia. The company's strategic choice to move from distribution to direct sales in large parts of Europe has continued to be a repressive factor in sales development in the quarter, but has improved the margin on sales of BIO X. The shift has improved our ability to adapt to the prevailing market climate and we are already seeing positive effects of the shift.



The graph shows the share of recurring revenue in relation to total net sales for products in rolling 12 months. Recurring revenues include sales of bioinks, consumables, and accessories to existing customers. From Q1 18/19 to Q2 19/20, the share increased from about 5% to about 13% of product sales. The increased share is an effect of the ever-increasing installed base of instruments generating recurring revenues.

Results

Gross profit in the second quarter amounted to 25,467 kSEK (16,601 kSEK), which meant a gross margin of 68% (70%). For the first half of 2019/2020, gross profit amounted to 59,657 kSEK (31,149 kSEK), corresponding to a gross margin of 71% (71%). The slightly lower gross margin in Q2 versus Q1 is mainly explained by variations in the product mix.

Gross profit	Gross margin
25,467 kSEK	68%

Operating profit for the second quarter amounted to SEK -20,012 kSEK (1,078 kSEK), corresponding to a negative operating margin (4.5%). For the first half of 2019/2020, operating profit amounted to -26,479 kSEK (1,764 kSEK), corresponding to a negative operating margin (4.0%). During the end of the first quarter and beginning of the second quarter, the organization has expanded considerably. This means that the company carries a larger cost base that is adapted to the Company's forthcoming product launches and establishments. The Group therefore has increased costs in relation to revenues. Operating profit for the quarter is fully affected by amortization of acquired intangible assets from cytena and Dispendix of SEK 1,825 kSEK. Furthermore, the work to move to Nasdaq Stockholm (main market) has negatively impacted the operating profit for the quarter by SEK 1,584 kSEK and 4,196 kSEK for the first half of the year.

Profit after tax for the second quarter amounted to SEK -17,274 kSEK (1,340 kSEK), corresponding to earnings per share of -0.43 SEK (0.04 SEK). For the first half of 2019/2020, profit after tax amounted to SEK -22,422 kSEK (2,015 kSEK), corresponding to earnings per share of -0.57 SEK (0.06 SEK).

Cash flow, investments and liquidity

Cash flow from operating activities for the second quarter amounted to -10,162 kSEK (11,135 kSEK). For the first half of 2019/2020, cash flow from operating activities amounted to -29,850 kSEK (6,913 kSEK). The reduced cash flow is a consequence of the investments made in direct sales and the build-up of the organization that will sell, develop and manage new products that reach the market. As sales increased compared to the previous year and the majority of deliveries during the quarter were during the last month of the quarter, accounts receivable during the quarter increased to 54,477 kSEK (24,528 kSEK). Trade receivables as a share of twelve-month rolling sales have fallen to 37% (44%) compared to August 31, 2019.

Cash flow from investment activities during the second quarter amounted to -310,323 kSEK (-22,156 kSEK), of which -284,844 kSEK (10,971 kSEK) is attributable to the investment/sale of short-term investements during the quarter. For the first half of 2019/2020, cash flow from investment activities was -285,686 kSEK (-18,408 kSEK), of which -242,261 kSEK (23,948 kSEK) is attributable to the investment/sale of short-term investments.

During the second quarter, the Group invested -20,773 kSEK (-6,710 kSEK) in intangible fixed assets in the form of patents and balanced expenses for product development. For the first six months, the corresponding investments amount to -34,161 kSEK (-14,597 kSEK). This increase is attributable to increased investments in product development where some of the largest cost drivers during the quarter have been linked to products such as CELLCYTE X and BIO X6.

Cash flow from financing activities for the second quarter amounted to 374,020 kSEK (2,537 kSEK) and consists mainly of inflows due to rights issues of shares and options. For the first half of the year, cash flow from financing activities was 372,338 kSEK (2,235 kSEK). The second quarter's total cash flow amounted to 53,535 kSEK (-8,484 kSEK), and the first half of the year's total cash flow amounted to 56,802 kSEK (-9 261 kSEK).

On 13 December 2019, the Board of Directors of CELLINK published financial targets for the period 2019-2022. The company's growth target is to grow organically by at least 35 percent per year and to grow further through acquisitions. In order to finance the growth agenda, a directed share issue of 3,890,000 Class B shares (corresponding to approximately 10 percent of the total number of outstanding shares in the Company) was carried out in January 2020, supported by the authorization received by the Board of Directors at the Annual General Meeting on December 18, 2019. The issue was made at a subscription price of SEK 97 per share, which meant that the Company raised 377,330 kSEK before issue costs. The subscription price in the Rights Issue was determined by an accelerated bookbuilding procedure and corresponded to a discount of approximately 3.4 percent compared to the volume-weighted average price in January 2020, and approximately 9,7 percent compared to the closing price on January 29, 2020 on the Nasdaq First North Growth Market. In addition to strong support from existing shareholders, several new Swedish and international institutional investors subscribed to the Rights Issue.

The rights issue has a dilutive effect of approximately 9.1 per cent of the share capital in relation to the number of shares in CELLINK after the rights issue. The number of outstanding shares increased by 3,890,000 from 38,984,776 to 42,874,776 and the share capital increased by 97,250 SEK from 974,619.4 SEK to 1,071,869.4 SEK.

At the end of the quarter, the Group's cash and cash equivalents and short-term investments amounted to 408 mSEK (104 mSEK). The Group's external financing is limited to a loan from VGR of 600 kSEK. The Group thus has a net cash position.

The short-term investments are invested in fixed income funds with an exclusive majority in short-term mutual funds. During the current market turmoil, these funds experienced a negative development in value during Q2 and also continued during Q3 until the publication of this report.

Parent company

The parent company's net sales in the second quarter amounted to 23,618 kSEK (21,200 kSEK), of which 6,783 kSEK (5,843 kSEK) was related to intra-group revenue. For the first half of 2019/2020, the parent company's net sales amounted to 48,971 kSEK (40,158 kSEK), of which 16,488 kSEK (9,064 kSEK) was related to intra-group revenues.

Profit for the period after financial items for the second quarter amounted to -16,140 kSEK (4,217 kSEK) and profit for the period was -12,864 kSEK (4,217 kSEK). For the first half of 2019/2020, the parent company's profit after financial items amounted to -24,840 kSEK (5,867 kSEK), and profit for the period was -19,848 kSEK (5,867 kSEK).

At the end of the quarter, the parent company's cash and cash equivalents and short-term investments amounted to 369 mSEK (101 mSEK). The parent company's external financing is limited to a loan from VGR of 600 kSEK.

Additional information

Staff

As of February 2020, the number of coworkers in the CELLINK Group was 190 (101). The Group intends to continue to grow expansively and the increase in workforce is in accordance with plan. Due to COVID-19, certain personnel will be laid-off, and new recruitment will be postponed.

Seasonal variations

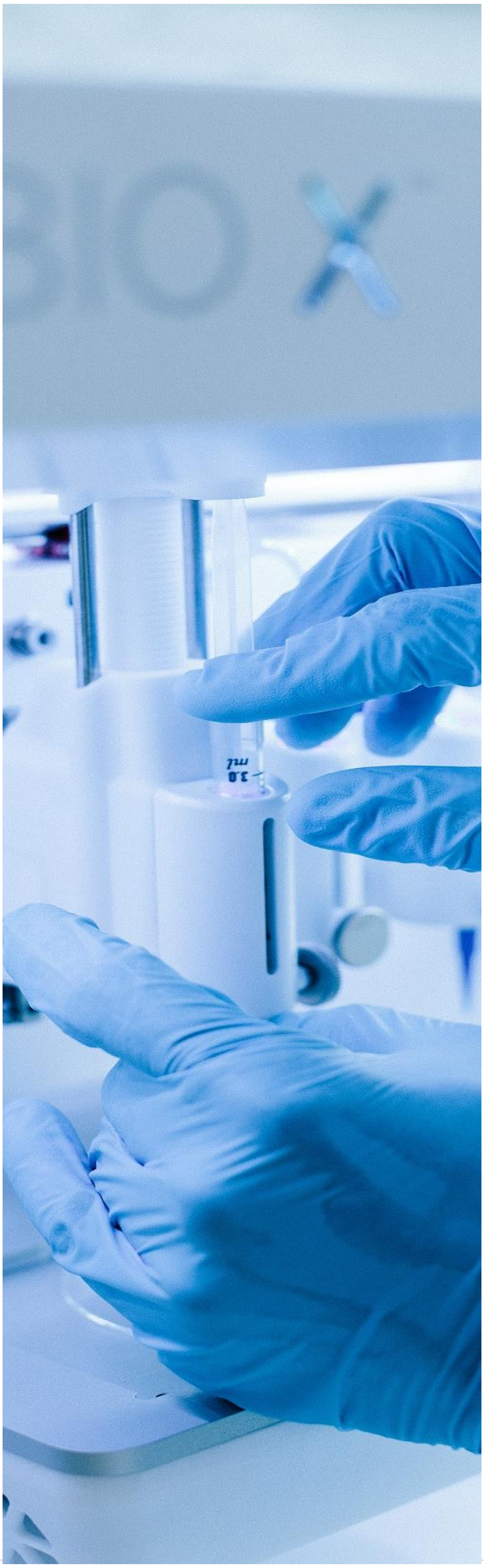
CELLINK's sales are partially affected by seasonal variations. During the vacation period (June-August), there is often a decrease in orders. The reason for this is that prospects' budgets and purchases are affected by their university's terms. Overall, total demand is usually slightly higher in the second half of the calendar year than the first. This effect is expected to be dampened by the acquisition of cytena GmbH, which has smaller seasonal variations and a more evenly distributed order intake. cytena GmbH has historically experienced the strongest order intake at the end of the calendar year.

Information on transactions with related parties

During the quarter, there were no transactions that significantly affected the company's earnings or financial position. For information on related parties, see the Annual Report for 2018/2019, Note 25.

Risk management

The group is exposed to various types of risks through its operations. Risks can be divided into external risks, operational risks and financial risks. External risks include changes in economic conditions, commodity prices and the legal environment. Operational risks include CELLINK's ability to develop, patent and sell new innovative products and solutions, and that the Group can attract and retain qualified employees. As a result of the risks linked to COVID-19, the Company has implemented short-term lay-offs after the closing date. For more information, see COVID-19 section.



The financial risks are summarized under currency risk, liquidity and financing risk, market risk, credit risk and interest rate risk. CELLINK's risks and uncertainties are described in the Annual Report for 2018/2019 on page 25-27.

Listing

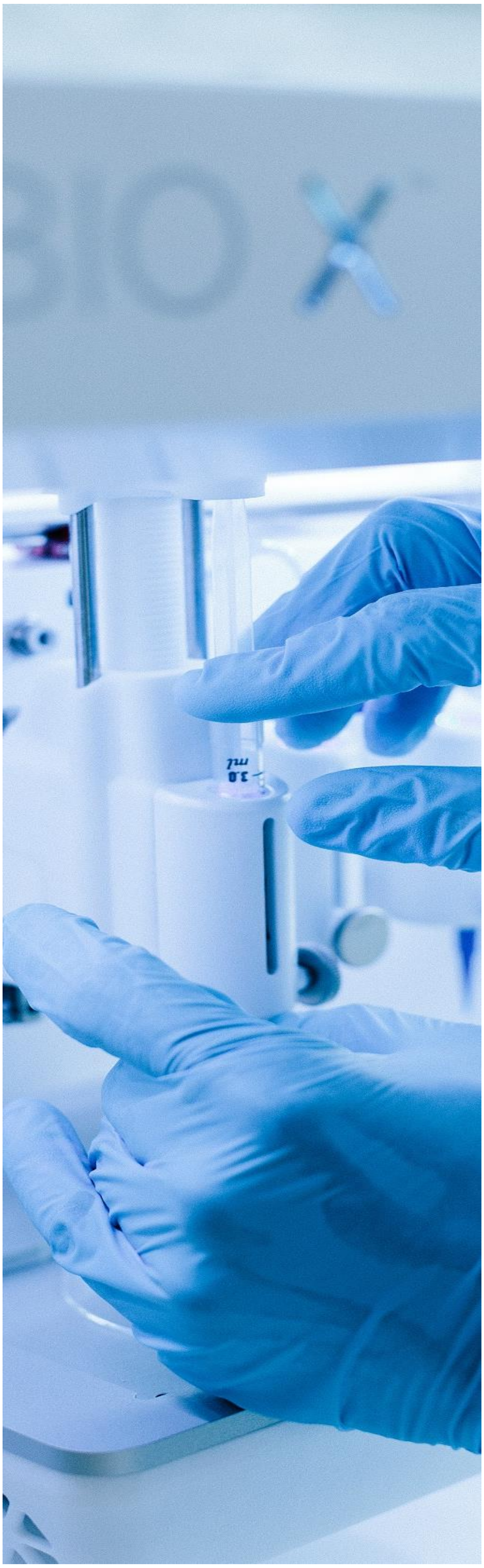
On April 3, 2020, it was announced that CELLINK has been approved for listing on Nasdaq Stockholm main list, with the first trading date being April 20. The costs for the listing have negatively impacted the quarter by 1,584 kSEK and the half-year by 4,196 kSEK.

Extended fiscal year

The financial year 2019/2020 extends over the period 1 September 2019 - 31 December 2020, a total of 16 months. Changes have been made to adjust the accounts for the year according to the calendar year, which means that the year will cover 5 quarters, the fifth of which will cover 4 months.

Review of the interim report

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



Condensed consolidated income statements

kSEK	Note	2019-12-01 2020-02-29 Q2 19/20	2018-12-01 2019-02-28 Q2 18/19	2019-09-01 2020-02-29 Q1-Q2 19/20	2018-09-01 2019-02-28 Q1-Q2 18/19	2018-09-01 2019-08-31 Full year
Net sales	3	37 241	23 837	83 671	43 874	105 457
Change in inventories		517	1 521	2 791	2 313	7 816
Capitalized work for own account		15 019	3 064	24 256	7 385	15 938
Other operating income	3	4 470	4 507	12 845	6 563	18 402
Operating expenses						
Raw materials and supplies		-12 291	-8 757	-26 805	-15 038	-37 850
Other external expenses		-22 701	-8 012	-45 703	-16 148	-45 879
Personnel expenses		-36 010	-13 193	-64 552	-24 220	-59 838
Depreciation and amortization of fixed assets		-6 257	-1 787	-11 839	-2 702	-7 105
Other operating expenses		-	-102	-1 143	-263	-695
Operating profit/loss		-20 012	1 078	-26 479	1 764	-3 754
Income from financial items						
Financial income		-	155	51	157	3 920
Financial expenses		-875	-21	-877	-85	-112
Profit/loss after financial items		-20 887	1 212	-27 305	1 836	54
Tax for the period	5	3 613	128	4 883	179	527
Net profit/loss for the period		-17 274	1 340	-22 422	2 015	581
Attributable to						
Parent company shareholders		-17 198	1 340	-22 346	2 015	581
Non-controlling interest		-76	-	-76	-	-
Earnings per share before dilution, SEK**		-0,43	0,04	-0,57	0,06	0,02
Earnings per share after dilution, SEK**		-0,42	0,04	-0,56	0,06	0,02
Average number of shares*, **		40 309 941	34 379 048	39 647 358	33 836 404	34 907 324
Number of shares at closing day**		42 874 776	34 086 064	42 874 776	34 086 064	38 984 776

*Average number of shares including potential ordinary shares
**CELLINK conducted a 4:1 split on January 10, 2020. Comparison periods have been restated for correct comparison.

Condensed consolidated statements of comprehensive income

kSEK	Note	2019-12-01 2020-02-29 Q2 19/20	2018-12-01 2019-02-28 Q2 18/19	2019-09-01 2020-02-29 Q1-Q2 19/20	2018-09-01 2019-02-28 Q1-Q2 18/19	2018-09-01 2019-08-31 Full year
Profit for the period		-17 274	1 340	-22 422	2 015	581
Other comprehensive income items that may be reclassified to the income statement						
Exchange rate differences		5 192	-12	-4 764	-35	5 080
Total comprehensive income		-12 082	1 328	-27 186	1 980	5 661
Attributable to						
Parent company shareholders		-12 006	1 328	-27 110	1 980	5 661
Non-controlling interest		-76	-	-76	-	-

Condensed consolidated statements of financial position

kSEK	Note	2020-02-29	2019-02-28	2019-08-31
Assets				
Fixed assets				
Intangible fixed assets		413 211	101 358	389 850
Property, plant and equipment		15 759	3 534	8 584
Right-of-use assets	1	36 499	-	-
Other financial fixed assets		2 474	702	543
Deferred tax assets	5	12 952	-	5 376
Total fixed assets		480 895	105 594	404 353
Current assets				
Inventories		35 789	7 850	28 678
Tax receivables		48	-	3 146
Accounts receivables		54 477	24 528	46 796
Prepaid expenses and accrued income		3 757	2 165	3 465
Other current assets		9 213	3 486	7 567
Short-term investments	4	311 534	90 226	69 273
Cash and cash equivalents		96 197	13 787	39 845
Total current assets		511 015	142 042	198 770
TOTAL ASSETS		991 910	247 636	603 123
EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders		900 558	220 455	549 642
Non-controlling interest		2 059	-	-
Total equity		902 617	220 455	549 642
Long-term liabilities				
Long-term interest-bearing liabilities		600	600	600
Long-term lease liabilities	1	26 361	-	-
Other provisions		1 511	963	980
Deferred tax liabilities		15 283	756	15 408
Total long-term liabilities		43 755	2 319	16 988
Current liabilities				
Short-term interest-bearing liabilities		-	1 683	-
Short-term lease liabilities	1	8 652	-	-
Accounts payable		18 235	8 453	14 113
Advances from customers		983	622	260
Current tax liabilities		755	-	-
Other current liabilities		3 039	803	11 078
Accrued expenses and deferred income		13 874	13 301	11 042
Total current liabilities		45 538	24 862	36 493
TOTAL EQUITY AND LIABILITIES		991 910	247 636	603 123

Condensed consolidated cash flow statement

kSEK	2019-12-01 2020-02-29 Q2 19/20	2018-12-01 2019-02-28 Q2 18/19	2019-09-01 2020-02-29 Q1-Q2 19/20	2018-09-01 2019-02-28 Q1-Q2 18/19	2018-09-01 2019-08-31 Full year
Profit/loss after financial items	-20 887	1 212	-27 305	1 836	54
Adjustments for non-cash items	5 477	1 649	13 266	2 841	6 228
Income tax paid	-159	0	-416	0	433
Increase (-)/Decrease (+) in inventories	-2 069	-1 522	-7 361	-2 314	-11 670
Increase (-)/Decrease (+) in trade receivables	761	12 165	-8 399	-7 058	-20 846
Increase (-)/Decrease (+) in trade liabilities	6 715	-2 369	364	11 608	9 983
Cash flow from operating activities	-10 162	11 135	-29 850	6 913	-15 818
Acquisition of property, plant and equipment	-4 706	-1 427	-9 264	-2 257	-3 597
Acquisition of intangible assets	-20 773	-6 710	-34 161	-14 597	-32 150
Acquisition of subsidiary, net of cash acquired	-	-24 287	-	-24 287	-120 096
Acquisition/proceeds from short-term investments, net	-284 844	10 269	-242 261	22 733	45 645
Cash flow from investing activities	-310 323	-22 156	-285 686	-18 408	-110 198
Cash flow from financing activities	374 020	2 537	372 338	2 234	140 334
Cash flow for the period	53 535	-8 484	56 802	-9 261	14 318
Opening cash and cash equivalents	42 390	22 226	39 845	23 038	23 038
Exchange difference in cash and cash equivalents	271	45	-451	10	2 489
Closing cash and cash equivalents	96 197	13 787	96 197	13 787	39 845

Consolidated changes in shareholders' equity

kSEK	Share-capital	Other contributed capital	Translation reserve	Balanced profit including profit for the period	Non-controlling interest	Total equity
Opening balance as of September 1, 2018	832	184 133	40	1 154	-	186 160
Net profit/loss for the period	-	-	-	2 015	-	2 015
Other comprehensive income	-	-	-35	-	-	-35
Issue for non-cash consideration	2	30 934	-	-	-	30 936
Transaction costs, net of tax	-	-1 639	-	-	-	-1 639
Share-based compensation	-	381	-	-	-	381
Option premiums	-	2 637	-	-	-	2 637
Closing balance as of February 28, 2019	834	216 446	5	3 169	-	220 455
Opening balance as of September 1, 2019	975	541 853	5 080	1 735	-	549 642
Profit for the period	-	-	-	-22 346	-76	-22 422
Other comprehensive income	-	-	-4 764	-	-	-4 764
New share issue	97	381 977	-	-	2 033	384 107
Transaction costs, net of tax	-	-13 196	-	-	-	-13 196
Share-based compensation	-	876	-	-	-	876
Option premiums	-	8 374	-	-	-	8 374
Disposal to non-controlling interests	-	-102	-	-	102	-
Closing balance as of February 29, 2020	1 072	919 782	316	-20 611	2 059	902 617

Income statement for the Parent Company

kSEK	2019-12-01 2020-02-29 Q2 19/20	2018-12-01 2019-02-28 Q2 18/19	2019-09-01 2020-02-29 Q1-Q2 19/20	2018-09-01 2019-02-28 Q1-Q218/19	2018-09-01 2019-08-31 Full year
Net sales	23 618	21 200	48 971	40 158	77 644
Change in inventories	-2 315	700	-168	1 493	8 078
Capitalized work for own account	2 754	803	4 686	3 475	5 337
Other operating income	8 730	4 507	17 314	6 563	15 374
Operating expenses					
Raw materials and supplies	-4 565	-7 389	-12 094	-13 663	-32 061
Other external costs	-24 462	-5 476	-47 452	-12 239	-30 879
Personnel expenses	-17 600	-8 922	-31 614	-17 608	-40 650
Depreciation and amortization of fixed assets	-1 710	-1 254	-3 099	-2 135	-4 876
Other operating expenses	-	-102	-1 101	-263	-666
Operating income	-15 549	4 068	-24 557	5 781	-2 699
Profit/loss from financial items					
Financial income	-	286	286	226	3 981
Financial expenses	-591	-137	-569	-141	-20
Profit/loss after financial items	-16 140	4 217	-24 840	5 867	1 261
Tax for the period	3 276	-	4 992	-	-469
Net profit/loss for the period[1]	-12 864	4 217	-19 848	5 867	792

[1]Net profit/loss and other comprehensive income amount to the same value for all reported periods.

Parent company statements of financial position

kSEK	Note	2020-02-29	2019-02-28	2019-08-31
Assets				
Fixed assets				
Intangible fixed assets		81 287	44 101	56 581
Property, plant and equipment		7 003	2 174	1 937
Shares in Group companies		365 319	57 581	364 859
Other financial fixed assets		1 993	437	259
Deferred tax asset		11 104	368	3 005
Total fixed assets		466 705	104 661	426 641
Current assets				
Inventories		13 889	5 505	11 913
Accounts receivables		28 013	19 422	22 214
Receivables from Group companies		53 728	12 959	20 603
Current tax assets		48	-	-
Other current assets		5 632	2 934	4 833
Prepaid expenses and accrued income		3 414	2 092	2 739
Short-term investments		311 534	90 226	69 273
Cash and cash equivalents		57 554	10 547	11 707
Total current assets		473 811	143 685	143 282
TOTAL ASSETS		940 516	248 347	569 924
EQUITY AND LIABILITIES				
Equity		913 344	226 280	546 760
Provisions				
Deferred tax liability		-	-	317
Other provisions		453	400	402
Total provisions		453	400	719
Long-term liabilities				
Other interest-bearing liabilities		600	600	600
Total long-term liabilities		600	600	600
Current liabilities				
Advances from customers		299	617	156
Accounts payable		13 452	7 024	10 895
Other current liabilities		1 004	614	781
Accrued expenses and deferred income		11 364	12 812	10 013
Total current liabilities		26 119	21 067	21 844
TOTAL EQUITY AND LIABILITIES		940 516	248 347	569 924

Notes to the financial statements

Note 1. Accounting principles

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Report and the relevant provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with chapter 9 of the Annual Accounts Act, Interim Report. For the Group and the Parent Company, the same accounting principles and calculation bases have been applied as in the most recent annual report with the exception of the amended accounting policies described below.

In addition to the financial reports and its accompanying notes, disclosures pursuant to IAS 34.16A are also disclosed in other parts of the interim report.

The Group applies IFRS 16 Leases as of September 1, 2019. The Parent Company does not apply IFRS 16 in accordance with the exemption contained in RFR 2. The description of IFRS 16 and the effects of the transition to this standard are described in summary below. No other standards, amendments or interpretations that entered into force during the financial year 2019/2020 are deemed to have had a material impact on the Group's financial statements.

Description of IFRS 16 "Leases" in summary

Lessee

The Group recognises a right-of-use asset and a leasing liability at the start of the lease. The right-of-use asset is initially valued at cost, which consists of the original value of the lease liability plus lease payments paid at or before the start date plus any initial direct expenses. The right-of-use asset is then depreciated on a straight-line basis from the start date to the earlier end of the useful life of that asset and the end of the lease term.

The lease liability is initially valued at the present value of future lease payments that have not been paid at the start date. Lease payments are discounted at the implicit interest rate of the lease. If this interest rate cannot be easily determined, the marginal borrowing rate of the group is used. The leasing liability is valued at amortised cost using the effective interest method. The leasing liability is reassessed if future lease payments change as a result of, inter alia, changes in an index or a price ("rate"). When the leasing liability is revalued in this way, a corresponding adjustment is made to the carrying amount of the asset.

Effects of the transition to IFRS 16 “Leases” in summary

<u>Leases previously classified as operating leases under IAS 17</u>

At the time of the transition, the lease liabilities were valued at the present value of the remaining lease payments, discounted by the Group's marginal borrowing rate on the first day of application (1 September 2019). CELLINK has reported the transition to IFRS 16 according to the modified retroactive method, which means that the right-of-use asset was valued at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease payments as of September 1, 2019. The Group has chosen to apply the following practical solutions.

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Right-of-use assets and liabilities have not been recognised for leases for which the lease term ends in 12 months' time or earlier (short-term leases), or underlying low-value assets;
- Ex post assessments made in determining the lease term if the contract provides for the possibility of extending or terminating the lease;

For CELLINK, the standard has mainly had an impact on the premises leases that exist in the Group. The introduction of IFRS 16 has affected the balance sheet total in the Group by approximately SEK 26.9 million at the transition date of September 1, 2019.

Comparative figures as if IAS 17 had also been applied in 2019/2020

Extract from report of results

	IFRS 16 2019/20		IAS 17 2019/20		IAS 17 2018/19	
	Dec-Feb Q2 2019/20	Sep-Feb Q1-Q2 2019/20	Dec-Feb Q2 2019/20	Sep-Feb Q1-Q2 2019/20	Dec-Feb Q2 2018/19	Sep-Feb Q1-Q2 2018/19
EBITDA	-13 756	-14 639	-15 984	-18 494	2 865	4 466
Operating income	-20 013	-26 479	-20 225	-26 744	1 078	1 764
Financial expenses	-875	-877	-714	-583	-21	-85
Profit before tax	-20 888	-27 304	-20 939	-27 274	1 212	1 836
Profit for the period	-17 274	-22 422	-17 314	-22 397	1 340	2 015

Extract from statement of financial position	IFRS 16 2020-02-29	IAS 17 2020-02-29	IAS 17 2019-02-29
Assets			
Right-of-use assets	36 499	-	-
Deferred tax assets	12 952	12 946	-
Total fixed assets	480 895	444 390	105 594
Prepayments	3 757	5 273	2 165
Total assets	991 910	956 920	247 636
Equity			
Equity attributable to parent company shareholders	900 558	900 582	220 455
Total equity	902 617	902 641	220 455
Liabilities			
Long-term lease liabilities	26 361	-	-
Total long-term liabilities	26 961	600	2 319
Short-term lease liabilities	8 652	-	-
Total current liabilities	45 538	36 886	24 862
Total liabilities and provisions	89 293	54 280	27 181
Total equity and liabilities	991 910	956 920	247 636

Note 2. Estimates and assessments

The preparation of the interim report requires management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses.
The actual outcome may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates in Q2 2019/2020 are generally the same as described in the latest annual report Note 3, p. 41-42.

In Q2 2019/2020, there has been no indication of impairment in intangible assets, whereby no impairment testing was carried out. There were no new business acquisitions in Q2 2019/2020.

Preliminary acquisition analysis for cytena has not been adjusted. The acquisition analysis for the acquisition of Dispendix on December 1, 2018 has been established. No adjustments were made compared to the preliminary acquisition analysis, as shown in Note 23 of the Annual Report 2018/2019.

Note 3. Revenue

The majority of CELLINK's sales are products, which clearly represent separate performance commitments. Sales of products are recognized in connection with delivery to the customer, depending on the terms of delivery. CELLINK also sells services linked to the products. The services are partly invoiced in advance, and are recognised as income over the duration of the service contracts. Non-recognized revenue for service income is recognised as deferred income (contractual liabilities) in the balance sheet. CELLINK considers that these services also clearly constitute separate performance commitments.

The Group's products offered on the market consist of instruments, bioinks and consumables. Of the Group's other revenues, the majority consists of different types of government grants that the Group receives to run development projects.

The Group's financial results and position are reported and analyzed at an aggregate level to the chief executive decision maker on a monthly basis, whereby the company's operations are reported as one segment in the financial statements, in accordance with IFRS 8.

The tables below show the distribution of net sales for products and services, as well as by geographic market.

Net sales broken down by products and services

kSEK	Dec-Feb 2019/2020	Dec-Feb 2018/2109	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Products	36 075	23 712	80 886	43 557	104 186
Services	1 166	125	2 785	317	1 271
Total	37 241	23 837	83 671	43 874	105 457

Net sales products divided between consumables and instruments

kSEK	Dec-Feb 2019/2020	Dec-Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Consumables	4 730	1 820	9 819	3 167	11 958
Instruments	31 346	21 892	71 068	40 390	92 228
Total products	36 075	23 712	80 886	43 557	104 186

Net sales by geographic region

kSEK	Sep-Nov 2019/2020	Dec-Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Europe	11 655	12 617	26 950	17 284	44 861
North America	14 998	7 576	30 871	13 262	32 289
Asia	8 994	3 273	22 439	11 199	23 986
Rest of the world	1 594	371	3 411	2 129	4 321
Total	37 241	23 837	83 671	43 874	105 457

Note 4. Financial instruments - Fair value

The Group's financial instruments consist of long-term receivables, trade receivables, cash and cash equivalents, interest-bearing liabilities, trade payables, derivative instruments and short-term investments. All instruments except derivative instruments and short-term investments are valued at amortised cost.

The Group's derivative instruments, which historically consisted mainly of currency futures, are measured at fair value in accordance with IFRS 13 level 2 (indirectly observable market data not included in level 1). The Group's short-term investments, which consist mainly of quoted interest-bearing funds, are in turn valued at fair value in accordance with IFRS 13 level 1 (quoted market values in active markets).

Measurement at fair value of short-term investments has generated an impact on the income statement of -756 kSEK (-59 kSEK) during the second quarter. This effect is reported among financial items.

kSEK	Level	2020-02-29	2019-02-28	2019-08-31
Financial assets valued at fair value				
Short-term investments	1	311 534	90 226	69 273
Currency futures	2	-	-	-

Note 5. Tax

In several of the Group's companies there are tax deficits, whereby the total tax expense and the effective tax rate as a percentage may fluctuate over time. However, the Group's assessment is that only minor current tax costs will be charged to the Group in the coming years as a result of the deficits.

All of the Group's tax deficits have been capitalized in full as a result of the Group's assessment that these will be able to use in the future.

Note 6. Incentive program

CELLINK already has two long-term incentive programs aimed at the Group's staff and board members. The purpose of the incentive programs is to encourage broad share ownership among CELLINK's employees, facilitate recruitment, retain competent employees and increase motivation to achieve or exceed the Group's goals.

The first program includes a maximum of 1,513,352 options* each redeemable for a share at a price of SEK 44.375*. The programme expires in January 2021. The second program includes a maximum of 1,600,000 options* each redeemable for a share at a price of SEK 74.34*. The programme expires in January 2022.

Valuation and accounting policies for the first two incentive programs are described in Note 5 of the Annual Report for 2018/2019.

During Q2 2019/20, the company has introduced a third incentive program aimed at the Group's staff and board members. The program includes a maximum of 1,600,000 options for employees and 220,000 options for board members. For employees, each of the options will be redeemable for a share at a price of SEK 126.46 in January 2023. For board members, each of the options will be redeemable for a share at a price of SEK 143.32 during the period December 2024 to December 2025.

As of February 29, 2020, a total of 2,698,536 options are outstanding, of which 1,274,936 options are reported under IFRS 2. The remaining outstanding options have been issued at market prices and are therefore not subject to the rules of IFRS 2.

If all outstanding options were to be exercised for shares, this would correspond to a total dilution of approximately 6.3%.

*After split 4:1 completed January 10, 2020

Note 7. Reconciliation of alternative key ratios

The financial statements released by CELLINK include alternative key ratios, which complement the measures defined or specified in the applicable financial reporting rules. Alternative key ratios are provided when they provide clearer or more in-depth information in their context than the measures defined in the applicable financial reporting rules. The alternative key ratios are derived from the company's consolidated financial statements and are not measures in accordance with IFRS.

Gross profit, kSEK

kSEK	Dec-Feb 2019/2020	Dec-Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Net sales	37 241	23 837	83 671	43 874	105 457
Raw materials and supplies reduced by changes in inventory	-11 774	-7 236	-24 014	-12 725	-30 034
Gross profit, kSEK	25 467	16 601	59 657	31 149	75 423

Gross margin, %

kSEK	Dec-Feb 2019/2020	Dec-Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Gross profit	25 467	16 601	59 657	31 149	75 423
Net sales	37 241	23 837	83 671	43 874	105 457
Gross margin, %	68%	70%	71%	71%	72%

EBITDA

kSEK	Dec-Feb 2019/2020	Dec - Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Operating profit/loss	-20 012	1 078	-26 479	1 764	-3 754
Depreciation	6 257	1 787	11 839	2 702	7 105
EBITDA	-13 755	2 865	-14 640	4 466	3 351

EBITDA margin %

kSEK	Dec-Feb 2019/2020	Dec-Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
EBITDA	-13 755	2 865	-14 640	4 466	3 351
Net sales	37 241	23 837	83 671	43 874	105 457
EBITDA margin, %	neg	12,0%	neg	10,2%	3,2%

Operating margin (EBIT), %

kSEK	Dec-Feb 2019/2020	Dec-Feb 2018/2019	Sep-Feb 2019/2020	Sep-Feb 2018/2019	Full year 2018/2019
Operating income	-20 012	1 078	-26 479	1 764	-3 754
Net sales	37 241	23 837	83 671	43 874	105 457
Operating margin, %	neg	4,5%	neg	4,0%	neg

Solidity, %

kSEK	2020-02-29	2019-02-28	2019-08-31
Equity	902 617	220 455	549 642
Total assets	991 910	247 636	603 123
Solidity, %	91%	89%	91%

Net debt (-) / Net cash (+)

kSEK	2020-02-29	2019-02-28	2019-08-31
Short-term investments	311 534	90 226	69 273
Cash and cash equivalents	96 197	13 787	39 845
Long-term interest-bearing liabilities excluding leasing liabilities	-600	-600	-600
Short-term interest-bearing liabilities excluding leasing liabilities	-	-1 683	-
Net debt (-) / Net cash (+)	407 131	101 730	108 518

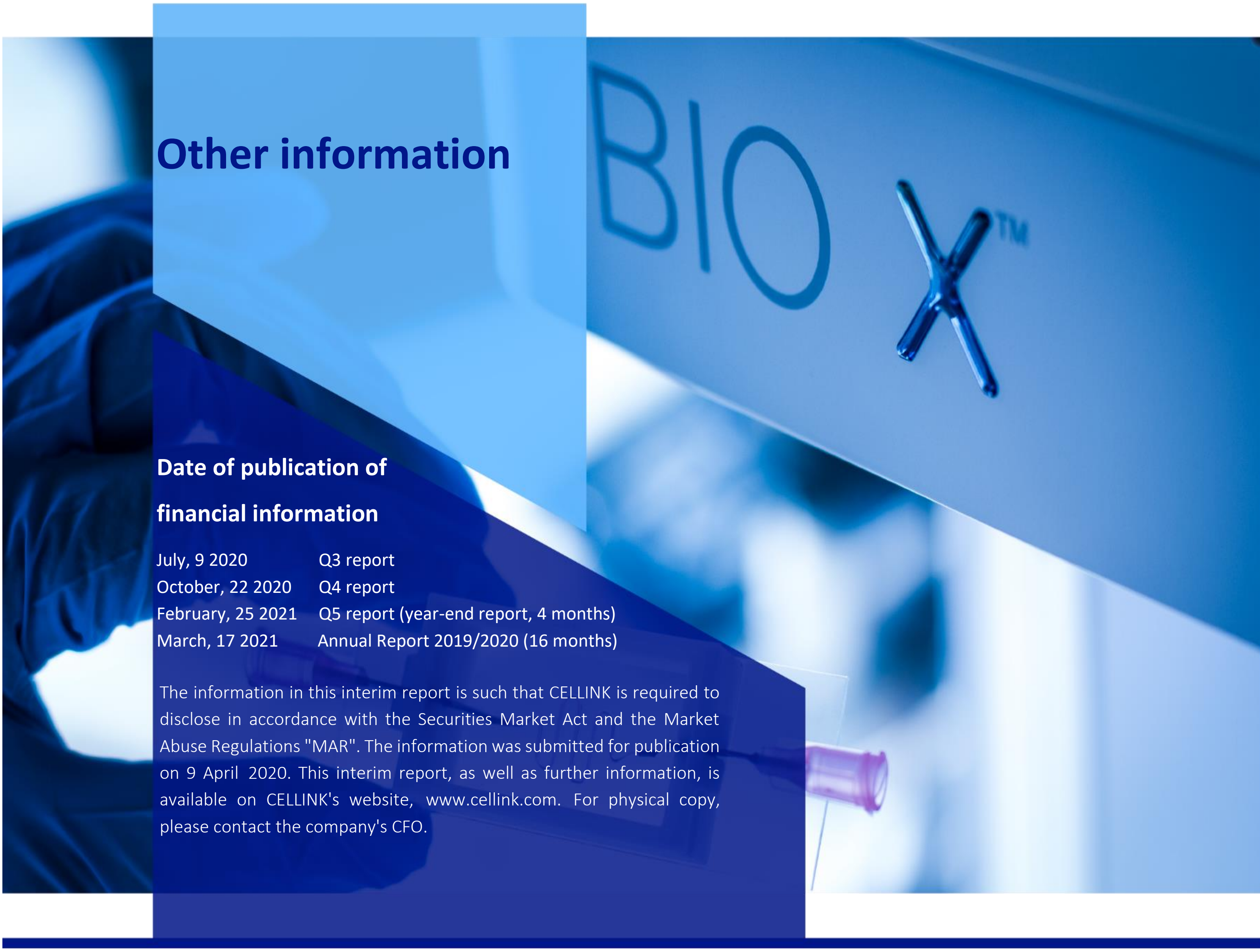
Alternative key ratios

This interim report contains references to a number of financial measures. Some of these measures are defined in IFRS, others are alternative measures and are not recognized in accordance with applicable financial reporting frameworks or other legislation. The measures are used by CELLINK to help both investors and management analyze its operations. Below are the descriptions of the measures in this interim report, together with definitions and the reason for their use.

Alternative key ratio	Definition	Purpose
Gross profit	Net sales less raw materials and supplies reduced by inventory change.	Shows efficiency in CELLINK's operations and together with EBITDA gives an overall picture of the ongoing profit generation and expenses.
Gross margin	Gross profit as a percentage of net sales.	The ratio is used for analysis of the Company's effectiveness and profitability.
Operating profit before depreciation and amortization (EBITDA)	Earnings before interest, tax, depreciation and amortization.	This alternative key ratio is a useful measure for demonstrating the result generated in day-to-day operations. As operating profit is burdened by amortization of surplus values linked to the acquisitions made by CELLINK, the Group's management considers that operating profit for depreciation (EBITDA) is a fair measure of the Group's earning capacity.
EBITDA margin	Earnings before interest, tax, depreciation and amortization (EBITDA) as a percentage of net sales.	CELLINK considers EBITDA margin to be a useful measure for showing the performance generated in operating activities.
Operating profit (EBIT)	Earnings before interest and similar items and tax.	CELLINK considers operating profit (EBIT) to be a useful measure for demonstrating the result generated in operating activities.
Operating margin (EBIT)	Operating profit (EBIT) as a percentage of net sales.	CELLINK considers that operating margin is a useful measure for showing the result generated in operating activities.
Solidity	Equity divided by total assets.	CELLINK considers that solidity is a useful measure for the company's survival.
Net debt (-) / Net cash (+)	Short-term investments and cash and cash equivalents, reduced by interest-bearing long-term and short-term liabilities excluding leasing liabilities. A positive number indicates net cash.	CELLINK considers that net debt is a useful measure for the company's survival.
Organic sales growth	Growth generated from operations in companies that existed in the Group during the corresponding comparison period.	Shows the growth of the existing business adjusted for acquisitions in the last 12 months.

Consolidated income statements per quarter

kSEK	Dec-Feb 2019/2020	Sep-Nov 2019/2020	Jun-Aug 2018/2019	Mar-May 2018/2019	Dec-Feb 2018/2019	Sep-Nov 2018/2019	Jun-Aug 2017/2018	Mar-May 2017/2018
Net sales	37 241	46 430	31 997	29 624	23 837	19 971	16 465	12 202
Change in inventories	517	2 274	2 075	3 432	1 521	793	406	-79
Capitalized work for own account	15 019	9 237	5 484	3 077	3 064	4 323	4 284	2 015
Other operating income	4 470	8 924	7 081	4 761	4 507	2 114	1 976	2 238
Operating expenses								
Raw materials and supplies	-12 291	-14 514	-11 931	-10 891	-8 757	-6 274	-5 026	-4 806
Other external expenses	-22 701	-23 002	-17 403	-12 377	-8 012	-8 139	-8 054	-4 161
Personnel expenses	-36 010	-28 542	-19 447	-16 191	-13 193	-11 032	-8 769	-6 316
Depreciation and amortization of fixed assets	-6 257	-5 582	-2 542	-1 861	-1 787	-915	-667	-645
Other operating expenses	-	-1 691	-290	-142	-102	-161	-213	-49
Operating income	-20 012	-6 466	-4 976	-568	1 078	680	402	399
Profit/loss from financial items								
Financial income	-	247	3 016	766	155	-	222	229
Financial expenses	-875	-198	-	-40	-21	-64	-28	-2
Profit/loss after financial items	-20 887	-6 417	-1 960	158	1 212	616	596	626
Tax for the period	3 613	1 270	216	131	128	51	-13	-265
Net profit/loss for the period	-17 274	-5 147	-1 744	289	1 340	667	583	361
Attributable to								
Parent company shareholders	-17 198	-5 147	-1 744	289	1 340	667	583	361
Non-controlling interest	-76	-	-	-	-	-	-	-



Other information

Date of publication of financial information

July, 9 2020	Q3 report
October, 22 2020	Q4 report
February, 25 2021	Q5 report (year-end report, 4 months)
March, 17 2021	Annual Report 2019/2020 (16 months)

The information in this interim report is such that CELLINK is required to disclose in accordance with the Securities Market Act and the Market Abuse Regulations "MAR". The information was submitted for publication on 9 April 2020. This interim report, as well as further information, is available on CELLINK's website, www.cellink.com. For physical copy, please contact the company's CFO.

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