

CELLINK AB

Interim Report

June–Aug 2019/2020 (Q4)

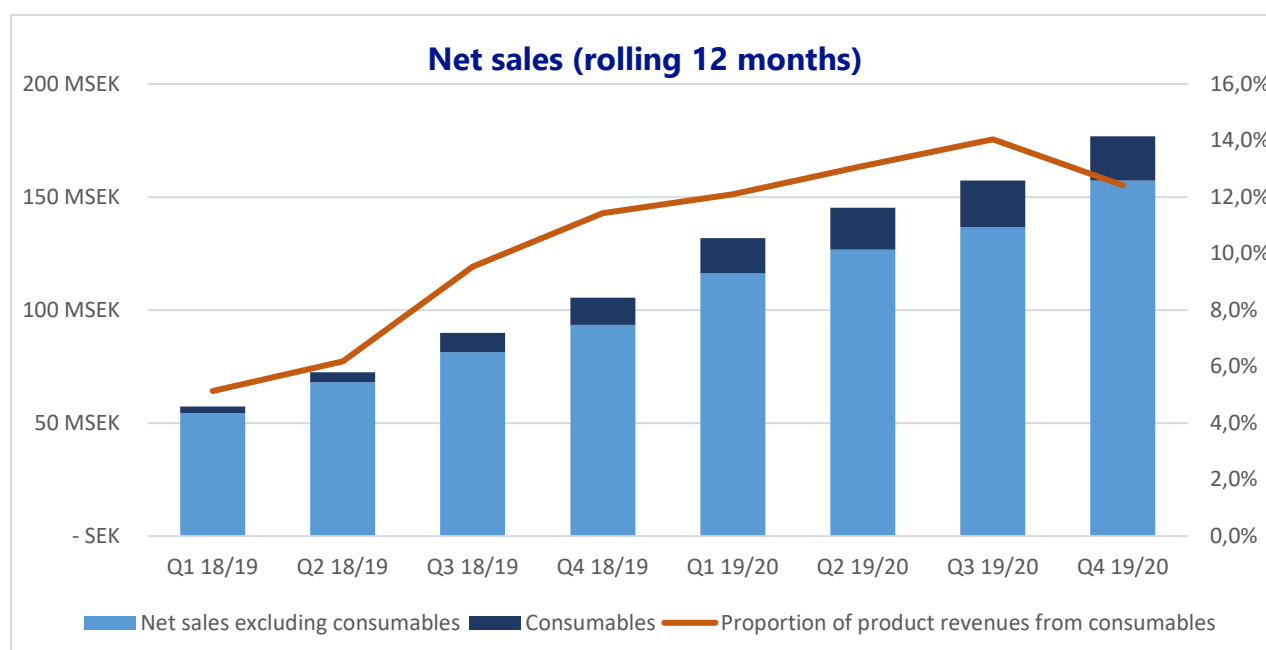
Strong organic growth and important strategic acquisition under continued challenging conditions

Fourth quarter (Jun–Aug 2020)

- Net sales amounted to SEK 51,518 thousand (SEK 31,997 thousand), which corresponds to an increase of 61% (94%) compared to the fourth quarter of the previous financial year, of which 57% (23%) was organic growth.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -14,383 thousand (SEK -2,434 thousand), corresponding to a negative margin (neg). Operating profit was affected by acquisition costs totaling SEK -9,511 thousand (SEK 3,147 thousand) and revaluation of receivables and liabilities in foreign currency by SEK -6,482 thousand (SEK 793 thousand).
- Net income amounted to SEK -14,257 thousand (SEK -1,744 thousand), which generated earnings per share of SEK -0.33 (SEK -0.05). In addition to the listing and acquisition costs, the net result was affected by a positive market valuation of the company's short-term investments of SEK 8,288 thousand (SEK 519 thousand).
- Rolling 12 months' net sales from consumables amounted to SEK 19,456 thousand (SEK 11,958 thousand), an increase of 63%. The share of total product sales amounted to 12.4%, an increase of 1.0 percentage point.
- During the quarter, the company entered into an acquisition agreement for the German precision dispensing company Scienion AG for EUR 80 million.

First 12 months (Sept 2019–Aug 2020)

- Net sales amounted to SEK 176,793 thousand (SEK 105,457 thousand), which corresponds to an increase of 68% (133%) compared to the first 12 months of the previous financial year, of which 37% (92%) was organic growth.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK -39,598 thousand (SEK 3,351 thousand), corresponding to a negative margin (3.2%). Operating profit was affected by costs for the listing on Nasdaq Stockholm and the acquisition of Scienion for a total of SEK -17,989 thousand (SEK -3,147 thousand).
- Net income amounted to SEK -62,213 thousand (SEK 581 thousand), which generated earnings per share of -1.50 SEK (0.02 SEK). In addition to the listing and acquisition costs, the net result was affected by the market valuation of the company's short-term investments of SEK -6,333 thousand (SEK 1,450 thousand).



The Group's Key Figures

	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sep-Aug 2019/2020	Sep-Aug 2018/2019
kSEK				
Net sales	51 518	31 997	176 793	105 457
Gross profit	33 829	22 141	124 265	75 423
Gross margin, %	66%	69%	70%	72%
Operating profit before depreciation and amortization (EBITDA)	-14 383	-2 434	-39 598	3 351
Operating margin before depreciation and amortization (EBITDA), %	Neg	Neg	Neg	3,2%
Operating profit (EBIT)	-22 062	-4 976	-66 088	-3 754
Operating margin (EBIT), %	Neg	Neg	Neg	Neg
Profit for the period	-14 257	-1 744	-62 213	581
Diluted earnings per share, SEK**	-0.33	-0.05	-1.50	0.02
Net debt(-)/Net cash(+)	986 198	108 518	986 198	108 518
Cash flow from operating activities	-9 363	-5 034	-71 817	-15 818
Average number of shares*, **	44 667 472	37 165 196	42 241 343	34 907 324
Number of shares at the end of the period**	47 162 253	38 984 776	47 162 253	38 984 776
Share price on closing day, SEK**	165	66	165	66
Market capitalization on closing day, mSEK	7 782	2 612	7 782	2 612
Number of employees at the end of the period	199	157	199	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 page 30.

Significant Events During the Period

Events during the quarter (Jun–Aug 2020)

- **On June 9**, CELLINK was granted a patent for its unique cellulose-based bioink technology that enables bioprinting of several cell types for tissue engineering and regenerative medicine. Patent protection applies to the U.S. market.
- **On June 10**, CELLINK and Lonza entered into a partnership to offer complete workflows for 3D cell cultivation.
- **On August 19**, CELLINK announced that it had entered into an agreement with the owners of Scienion AG, a German company focusing on precision dispensing technology, to acquire all shares for a purchase price on a cash and debt-free basis amounting to EUR 80 million.
- **On August 20**, the Board decided on directed new issues of a total of 5,912,477 new Series B shares (corresponding to approximately 13.8 percent of the total number of outstanding shares in the Company) at a subscription price of SEK 160 per share. The issues meant that the company received SEK 946 million before issue costs, of which SEK 260 million after the end of the period.
- **On August 27**, CELLINK announced that cytena GmbH and its subsidiary cytena Bioprocess Solutions Ltd will enter into a partnership with AstraZeneca to develop a new generation plate-based micro-bioreactor.
- **On August 28**, it was announced that Professor Ido Amit from the Department of Immunology at the world-famous Weizmann Institute of Science in Israel will join CELLINK's advisory board. The appointment of Prof. Amit as Scientific Advisor is part of CELLINK's strategy to build a strong product portfolio for the single cell and omics analysis field.

Events during the rest of the financial year (Sept 2019–May 2020)

- **On October 14**, the company announced that CELLINK's four founders had been named "Entrepreneurs of the Year 2019" in Sweden.
- **On December 13**, the Board of Directors set financial targets for the Group for the period 2019-2022. CELLINK's goal is to grow organically by at least 35% per year and further through acquisitions. CELLINK's goal is also to show a positive EBITDA margin. The company's net debt in relation to EBITDA should normally not exceed 3 times.
- **On January 10**, the 4:1 stock split was registered.
- **On January 29**, the company carried out a new share issue and raised approximately SEK 377 million.
- **On February 3**, the company extended its cooperation agreement with AstraZeneca by one year.
- **On April 20**, CELLINK's shares began trading on Nasdaq Stockholm following the move from Nasdaq First North.
- **On May 14**, the company announced a partnership with AstraZeneca to use CELLINK's 3D bioprinting to create liver organoid cultures.

Events after the end of the period

- **On September 1**, the acquisition of Scienion was completed. 2,814,032 newly issued Series B shares in CELLINK were issued as part of the purchase price, which were registered by the Swedish Companies Registration Office in September. The shares correspond to approximately 6% of the share capital and approximately 4.6% of the votes in CELLINK.
- **On September 11**, an Extraordinary General Meeting was held, which approved the Board's proposal from August 20 to carry out a directed new issue of 1,625,000 shares at a price of SEK 160 per share.
- **On September 18**, a prospectus was registered with the Swedish Financial Supervisory Authority for the admission of trading of new shares. The prospectus was prepared in response to the directed rights issue decided on September 11.
- **On October 2**, the company announced that Artur Aira will become business area manager for bioprinting and will therefore leave the Board to take on an operational role in the company.



60+

Number of countries we reach



57%

Organic growth



1800+

Laboratories using our products

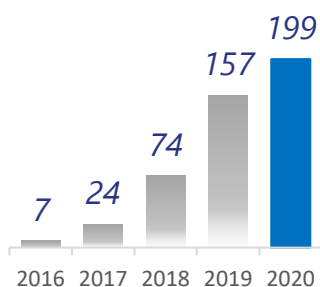


200+

Publications citing our products

Number of employees

2016–2020 (as of August)



This Is CELLINK

CELLINK is creating the future of medicine by providing technologies, products, and services to create, understand, and master biology.

We want to ensure that scientific breakthroughs are made accessible around the globe to help address the pressing needs of preventing, diagnosing and treating chronic diseases, and assist in controlling the rising costs of healthcare. We are in the business of creating the future of medicine—a bright future with limitless advances and increased efficiencies.

With a commitment to quality and innovation, our 3D bioprinters, liquid-handling instruments, live-cell imaging microscopes and bioinks have contributed to revolutionary advances in a range of academic and medical applications. CELLINK's industrial and laboratory solutions support the work of our customers in more than 60 countries, including universities, hospitals, pharmaceutical companies, as well as public and commercial laboratories.

Our industry knowledge, commitment to innovation and passion for excellence have propelled us to become one of the market leaders in the life sciences, as we strive to expand what is possible in regenerative medicine and drug development.



Strong organic growth and important strategic acquisition under continued challenging conditions

CELLINK continues the important work of supporting customers around the world every day with products, technologies and services that are applied to revolutionary and health-critical areas. The technology and products that are developed within CELLINK have a positive impact on society and healthcare worldwide—directly through products that are already used in healthcare today and the drugs that are developed with the help of our products, but also indirectly through new treatments and diagnostic products that will reach the market in the future through research work carried out at leading institutions. The world continues to face an ongoing challenge that strains growth-related activities such as trade fairs, conferences, and customer visits. COVID-19 has played a major role in the work done during the fourth quarter and will have a continued impact in the coming quarters.

It is with great joy and pride that we end the fourth quarter with continued growth, a completed acquisition and continued global expansion despite challenging circumstances. During the fourth quarter, net sales increased to SEK 51.5 million, resulting in net sales growth of approximately 61% from the previous year. Organic net sales growth amounted to 57%. On a 12-month basis, net sales amounted to approximately SEK 177 million, a growth of 68% compared with the previous year, of which organic growth amounted to 37%. The company's position in the global market has been strengthened thanks to product development, strategic acquisitions and efficient work by the global sales team and by the special growth-oriented corporate culture.

Growth

Demand for CELLINK's products has increased globally during the financial year. The sales and marketing team has focused on the global market through digital conferences, webinars and, last but not least, digital customer visits. Direct sales has been a vital component in CELLINK's successful sales efforts. The opportunity to have a close relationship with customers has been instrumental in growth, especially during the year's difficult circumstances. The last 12 months have been the first year of direct sales in the European market which has been successful in this short time. By switching to direct sales, we have been able to be more active and agile, which has benefited us in the current market climate.

During the fourth quarter, the effects of the COVID-19 pandemic remained noticeable, with the largest effect on the European and Asian markets, where sales in Q4 2018/2019 accounted for approximately 65% of total sales, compared with 40% in Q4 2019/2020. According to Percepta, which reports on COVID-19 market trends through surveys of researchers, 40% of the market is indicated to have delayed its purchases of laboratory equipment and 52% have delayed their reagent purchases during the quarter.

The result for the quarter was negatively affected by currency effects (SEK -6.5 million) and costs related to the acquisition work (SEK -9.5 million). EBITDA including these items amounted to SEK -14.4 million. Gross margins were also negatively affected by currency effects and product mix during the quarter.

Acquisition

After hard and successful work in the fourth quarter, the acquisition of the German technology company Scienion AG was completed on September 1. The focus in the future is to realize the synergies that we plan to work with. The acquisition of Scienion is part of the company's long-term strategy to become a leading player that satisfies the entire workflow and the entire value chain within bioprinting and single-cell analysis. The acquisition moves CELLINK another step closer to the patient. Scienion's customers today largely consist of diagnostic and pharmaceutical companies. Many of the customers who use their products are also potential buyers of

CELLINK's products for research and development applications. With the help of Scienion, CELLINK will have a complete solution that enables it to follow the customer on the entire journey from early research, development of new drugs and diagnostic products to the manufacture of these products. It is an important part of CELLINK's growth journey to continuously become a larger part of the pharmaceutical companies' product life cycle and to offer complete solutions.

With the acquisition, CELLINK will be able to meet processes from early R&D to standardized production with high capacity. Scienion's addition together with CELLINK's current offerings will position us as the market leader in precision dispensing, single-cell handling and bioprinting. Scienion's business model is similar to CELLINK's, with a focus on consumables powered by innovative instruments. On a pro forma basis, the Group, including Scienion, had sales of approximately SEK 286 million for the 9-month period September 1, 2019, to May 31, 2020. Scienion consists of 130 employees in 5 countries and together we are now about 330 employees who all strive to create the future of medicine.

Scienion's product range consists of picoliter dispensing, which enables complete manufacturing flows. Through the subsidiary Cellenion, the company is active in single-cell dispensing and can offer solutions for genomics, proteomics and CLD. Together with cytena, CELLINK is now one of the leading companies in single-cell isolation. The companies' synergies enable greater market opportunities for CELLINK's and Scienion's product portfolios and global sales forces. The products are well suited to be sold together within CELLINK's existing customer base.

The acquisition purchase price amounted to a total of EUR 80 million on a cash and debt-free basis and was paid at 50% through newly issued shares to the sellers and 50% in cash, using the cash issue the company carried out in connection with the acquisition.

Financing

To finance the acquisition of Scienion and the company's continued growth journey through organic development and acquisitions, the company issued new shares in August. A total of 5,912,477 shares were issued in the issue, which provided the company with a total of SEK 946 million before issue costs. The issue was attended by new and former Swedish and international investors. The issue was registered in two stages, with the last 1,625,000 shares issued in September.

Technology development and partnership

During the fourth quarter, we were granted a patent for our unique, cellulose-based bioink technology that enables bioprinting of several cell types for tissue engineering and regenerative medicine. The patent protection applies to the American market, and efforts to extend the protection continues.

In June, CELLINK initiated a partnership with the global biotech company Lonza. The partnership aims to optimize and increase the availability of complete workflows in 3D cell cultivation. The solution combines CELLINK's 3D bioprinters and bioinks with Lonza's wide range of human cells and culture media. This product portfolio now enables cell biologists to carry out even more demanding 3D bioprinting projects.

Finally, I would like to thank the entire CELLINK team for their fantastic work, the board for their support, and all the shareholders and investors who have shown continued confidence in me and the Company. We are now starting a new and exciting quarter with a focus on corporate integration and continued commercial development!

Erik Gatenholm, CEO

The Group's Development

COVID-19

The company continuously monitors the development of COVID-19 and its impact on the global economy. During the quarter, the company took several measures to reduce the risk that the company's continued development and expansion will be affected in the long term.

During the fourth quarter of the financial year, the company continued to face challenges with travel restrictions, canceled trade fairs and difficulties conducting demonstrations in customers' labs. The pandemic has continued to have a negative effect on the company's operations and makes the sales process longer and more difficult. A lower level of activity in the company's customers' laboratories has reduced sales of consumables in relation to instrument sales.

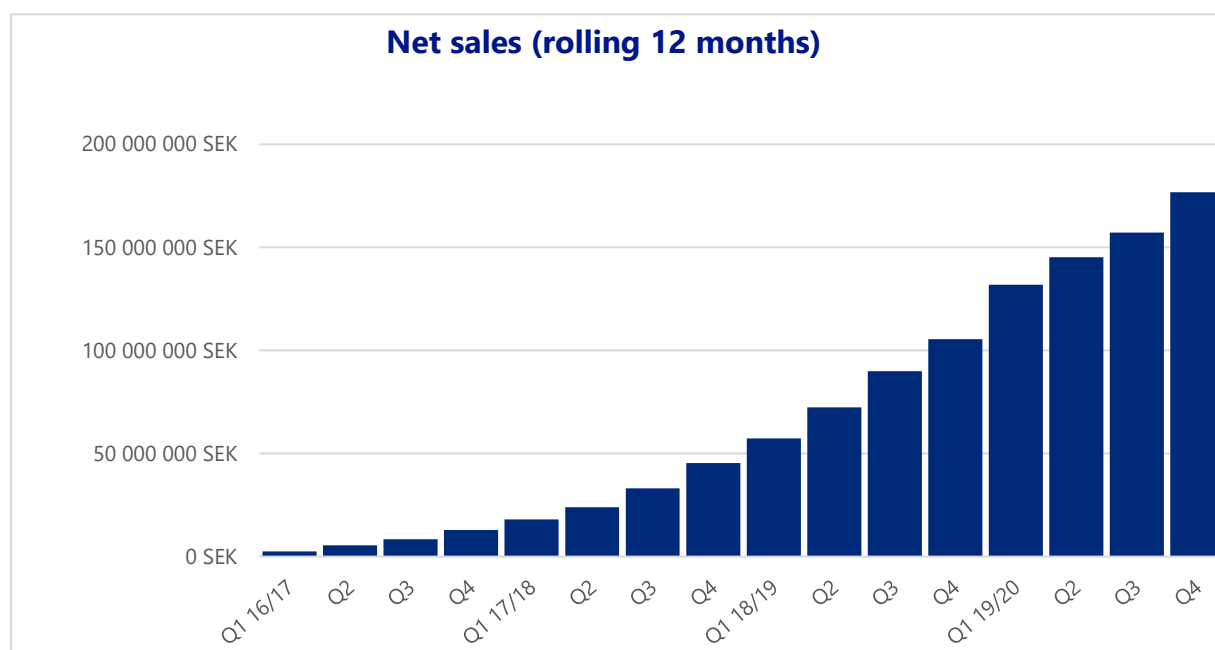
During large parts of the fourth quarter, a majority of the company's staff were on reduced-hours working programs since they could not carry out

their normal chores. Thanks to eased restrictions and increased activity in the market, all employees have been fully employed since September 1. During the quarter, government support of approximately SEK 2 million was received, and for the first 12 months just under SEK 5 million, which has been reported as reduced personnel costs.

Development related to COVID-19 after the end of the period

The ongoing pandemic continues to limit global mobility and makes product demonstrations of the company's instruments more difficult. The company enjoys continued good demand for its products and a good response to the digital activities that have replaced trade fairs and in-person customer visits. However, there is reason to expect a continued negative impact on sales as long as the pandemic continues to limit travel and physical meetings.

Net sales



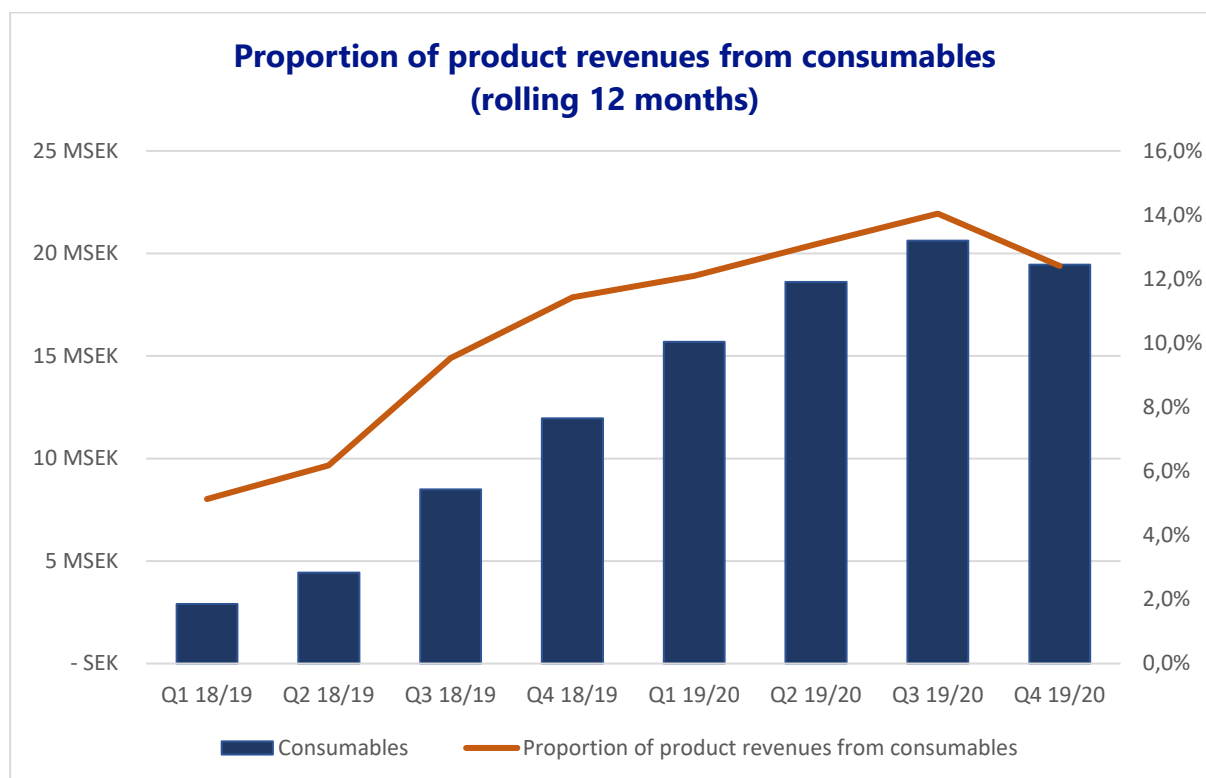
Net sales in the fourth quarter amounted to SEK 51,518 thousand (SEK 31,997 thousand), an increase from the fourth quarter of the previous financial year of 61% (94%), of which 57% (23%) was organic growth. The higher organic growth compared to previous quarters was partly a consequence of the fact that cytena's sales as of August 2020 are categorized as organic. Furthermore, new revenue streams in the form of hygiene products have contributed positively to sales.

During the quarter, less consumables were sold due to lower activity in many customers' laboratories. The quarter's sales were also negatively affected by the currency development for the USD in Q4 compared with previous quarters. Sales in unchanged currency (fixed currency from Q4 18/19) would have amounted to approximately SEK 55.1 million.

Net sales
51,518 kSEK

Growth
61%

For the first 12 months of 2019/2020, net sales amounted to SEK 176,793 thousand (SEK 105,457 thousand), an increase of 68% (133%) compared to the first 12 months of the previous financial year. The net sales growth was mainly attributable to increased sales of the company's instruments, where the instruments that contributed most to sales during the quarter were the BIO X™ bioprinter and the single-cell dispensing robot the f.sight™. The sale of hygiene items mainly includes the company's sales of hand sanitizer to the National Board of Health and Welfare of SEK 5.2 million, which was announced in the press in March 2020, as well as sales to the company's academic customers in the USA. The latter revenue stream is partly contractual and extends at least until Q3 2021.



The diagram shows the share of recurring revenue in relation to total net sales for products (excluding sales of hygiene products) over a rolling 12 months. Consumables include the sale of bioinks, consumables and accessories to existing customers. From Q4 2018/2019 to Q4 2019/2020, the share increased from approximately 11.4% to approximately 12.4% of sales for products. The increased share is an effect of a growing installed base of instruments.

Results

Gross profit in the fourth quarter amounted to SEK 33,829 thousand (SEK 22,141 thousand), which meant a gross margin of 66% (69%). For the first 12 months of 2019/2020, the gross profit amounted to SEK 124,265 thousand (SEK 75,423 thousand), corresponding to a gross margin of 70% (72%). During the fourth quarter, the gross margin developed negatively by approximately 2 percentage points as a result of a negative currency impact from a weakening of the USD, where the Group has a large part of its sales. In addition, sales of hygiene items were carried out at a lower gross margin than the Group's other product offerings, because of start-up costs for product purchases that will not negatively affect earnings in future quarters.

Gross profit	Gross margin
33,829 kSEK	66%

Operating profit for the fourth quarter amounted to SEK -22,062 thousand (SEK -4,976 thousand), corresponding to a negative operating margin (neg). For the first 12 months of 2019/2020, the operating profit amounted to SEK -66,088 thousand (SEK 3,754 thousand), corresponding to a negative operating margin (neg). The operating profit for the past 12 months reflects that the organization has expanded significantly, both organically and through the acquisition of cytena, which has increased the company's cost base compared with the corresponding periods last year. The company is thus well equipped to handle the products in the portfolio today and those that will be launched within the next 12 months. The company assesses that no significant increase in the existing organization is required to enable higher sales in the future. However, the aforementioned investments mean that the company has a lower result than desired as sales growth has been lower than expected due to reduced activity in the market.

Other operating income for the fourth quarter amounted to SEK 3,309 thousand (SEK 7,081 thousand), and for the first 12 months to SEK 19,605 thousand (SEK 18,402 thousand). Other operating income mainly consisted of government grants for development projects.

The work with moving to the Nasdaq Stockholm and acquisition costs for Scienion have had a negative impact on the quarter's operating profit of SEK 9,617

thousand and SEK 17,989 thousand for the first 12 months. During the previous year, operating profit was affected by acquisition costs of SEK 3,147 thousand for both the fourth quarter and for the first 12 months.

The weakening of the USD and EUR against the SEK has had a revaluation effect of the Group's receivables and liabilities in foreign currency, which is reported as other operating expenses or other operating income. The currency effect has an impact on operating profit of SEK -6,482 thousand (SEK 793 thousand) for the fourth quarter, and of SEK -9,277 thousand (SEK 1,801 thousand) for the first 12 months.

Operating profit for the quarter was affected by amortization of acquired intangible assets of SEK 1,794 thousand (SEK 825 thousand), and by SEK 7,340 thousand (SEK 1,479 thousand) for the first 12 months. Furthermore, the transition to IFRS 16 entailed increased depreciation by SEK 2,663 thousand in the quarter and by SEK 8,523 thousand for the first 12 months compared with the previous year. This depreciation, however, only affected operating profit marginally (see Note 1).

Financial items were affected by a positive development in the company's short-term interest funds of SEK 8,288 thousand (SEK 519 thousand) in the quarter and a negative development of SEK -6,333 thousand (SEK 1,450 thousand) for the first 12 months, due to the market turmoil that arose due to COVID-19.

Earnings after tax for the fourth quarter amounted to SEK -14,257 thousand (SEK -1,744 thousand), corresponding to earnings per share of SEK -0.33 (SEK -0.05). For the first 12 months of 2019/2020, profit after tax amounted to SEK -62,213 thousand (SEK 581 thousand), corresponding to earnings per share of SEK -1.50 (SEK 0.02).

Cash flow, investments and liquidity

Cash flow from operating activities for the fourth quarter amounted to SEK -9,363 thousand (SEK -5,034 thousand). For the first 12 months of 2019/2020, cash flow from operating activities amounted to SEK -71,817 thousand (SEK -15,818 thousand). The decreased cash flow is explained by the forward-looking investment that the company is executing in the form of, among other things, an expanded sales organization.

As sales increased compared to the previous year and the majority of deliveries during the quarter took place during the last month of the quarter, accounts receivable also increased during the quarter to SEK 72,938 thousand (SEK 46,796 thousand). Receivables as a share of 12 months' rolling sales have fallen to 41% (44%) compared with August 31, 2019. The relative size of receivables reflects, in addition to the sales cycle, factors such as longer credit periods and slow payers in some of the company's markets. The Group works actively with the collection of receivables and management of working capital and has made the necessary provisions for overdue receivables and expected credit losses.

Cash flow from investing activities during the fourth quarter amounted to SEK 39,248 thousand (SEK -107,284 thousand), of which SEK 56,736 thousand (SEK 475 thousand) is attributable to the investment/sale of short-term interest rate funds during the quarter. For the first 12 months of 2019/2020, cash flow from investing activities was SEK -200,897 thousand (SEK -110,198 thousand), of which SEK -118,591 thousand (SEK 45,645 thousand) is attributable to the investment/sale of short-term interest rate funds. During the previous year, cytena and Dispendix were acquired, which is the main explanation for the improved cash flow from investing activities, adjusted for the investment/sale of short-term interest rate funds.

During the fourth quarter, the Group invested SEK -14,811 thousand (SEK -10,932 thousand) in intangible fixed assets in the form of patents and capitalized expenses for product development. For the first 12 months, the corresponding investments amounted to SEK -68,468 thousand (SEK -32,150 thousand). This increase is attributable to increased investments in product development, where some of the largest cost drivers during the financial year have been linked to products such as the CELLCYTE X™ and BIO X6™. Approximately 50% of the company's employees work in R&D with a focus on product development of future instruments. Investments in R&D are not planned to increase at the same rate as sales growth, which will, in the long, run contribute to an improved total cash flow.

Cash flow from financing activities for the fourth quarter amounted to SEK 663,075 thousand (SEK 140,052 thousand) and consists mainly of new issues, net after issue costs. For the first 12 months, cash flow from financing activities was SEK 1,044,365 thousand (SEK 140,334 thousand) and consisted mainly of inflows from new issues, net after issue costs. The fourth quarter's total cash flow amounted to SEK 692,960 thousand (SEK 28,390 thousand), and the first 12 months' total cash flow amounted to SEK 771,651 thousand (SEK 14,318 thousand).

During the first 12 months of the financial year, the Group carried out two major new issues. The first, which was completed in January 2020, raised SEK 377,330 thousand through the issue of 3,890,000 shares at SEK 97 per share, which meant a dilution effect of 9.1%. The second issue, which was completed in August 2020, raised SEK 685,996 thousand through the issue of 4,287,477 shares at SEK 160 per share. This issue had a dilution effect of 10%.

During the first 12 months, the Group has divested part of the subsidiary cytena Bioprocess Solutions (cBS) to external investors by carrying out new issues. As of August 31, 2020, CELLINK's reported ownership interest in cBS amounts to 54%.

At the end of the quarter, the Group's cash and cash equivalents and short-term investments amounted to SEK 996 million (SEK 109 million). The Group's external financing consists of a loan of SEK 9,000 thousand and other long-term financing of SEK 600 thousand. Furthermore, there are financial leasing liabilities as a result of the introduction of IFRS 16 totaling SEK 52,892 thousand. The Group thus has a strong net cash position.

The short-term investments are invested in fixed income funds with a majority in short-term fixed income funds. During the fourth quarter, the funds generated an impact on the income statement of SEK 8,288 thousand, and for the first 12 months SEK -6,333 thousand. The reason for the negative development over the past 12 months is market turmoil in the spring of 2020. However, a certain recovery in the market took place during the fourth quarter of the financial year.

Parent Company

The Parent Company's sales during the fourth quarter amounted to SEK 32,915 thousand (SEK 13,908 thousand), of which SEK 15,793 thousand (SEK 7,560 thousand) pertained to intragroup revenues. For the first 12 months of 2019/2020, the parent company's net sales amounted to SEK 107,467 thousand (SEK 77,644 thousand), of which SEK 39,306 thousand (SEK 22,480 thousand) pertained to intragroup revenues.

Profit for the period after financial items for the fourth quarter amounted to SEK -3,313 thousand (SEK -4,815 thousand) and profit for the period

amounted to SEK -3,696 thousand (-5,286 thousand). For the first 12 months of 2019/2020, the parent company's profit after financial items amounted to SEK -62,737 thousand (SEK 1,261 thousand), and the profit for the period amounted to SEK -51,596 thousand (SEK 792 thousand).

At the end of the quarter, the parent company's cash and cash equivalents and short-term investments amounted to SEK 965 million (SEK 81 million). The parent company's external financing consists of a loan of SEK 9,000 thousand and other long-term financing of SEK 600 thousand.



Additional Information

Staff

As of August 31, 2020, the number of employees in the CELLINK Group was 199 (157). The Group intends to continue to expand its workforce organically in the future but at a much lower rate, since a critical mass has been reached to handle a large part of the investments planned in the future.

Seasonal variations

CELLINK's sales are partly affected by seasonal effects. During holiday periods (June–August) there is usually a decline in orders. The reason why orders slow down during the holiday periods is that university semesters affect purchases and budgets. Overall, total demand tends to be slightly higher in the second half of the calendar year than the first. It is extra difficult to assess the impact of seasonal variations during this financial year because purchasing decisions have been postponed from the first half of the year to the future.

Transactions with related parties

No transactions that materially affected the company's earnings and financial position were carried out with related parties during the quarter. For information on related party relations, 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.

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 pp. 25–27, and on pp. 11-16 in the prospectus regarding new issue of 1 625 000 shares that was approved by the Swedish Financial Supervisory Authority on September 18, 2020.



Listing

On April 3, 2020, it was announced that CELLINK had been approved for listing on Nasdaq Stockholm, with the first trading day on April 20. The costs for the listing negatively impacted the operating profit for the first 12 months by SEK 8,478 thousand.

Extended fiscal year

The financial year 2019/2020 extends over the period September 1, 2019, to December 31, 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 five quarters, the fifth of which will cover 4 months.

Review of the interim report

This interim report has been reviewed by the company's auditors, see audit report on pp. 27.



Condensed Consolidated Income Statements

kSEK	Note	2020-06-01	2019-06-01	2019-09-01	2018-09-01
		2020-08-31	2019-08-31	2020-08-31	2019-08-31
		Q4 19/20	Q4 18/19	12 months 19/20	12 months 18/19
Net sales	3	51 518	31 997	176 793	105 457
Change in inventories		-3 023	2 075	9 955	7 816
Capitalized work for own account		7 521	5 484	39 350	15 938
Other operating income	3	3 309	7 081	19 605	18 402
Operating expenses					
Raw materials and supplies		-14 666	-11 931	-62 483	-37 850
Other external costs		-20 857	-17 403	-85 648	-45 879
Personnel expenses		-31 517	-19 447	-127 205	-59 838
Depreciation and amortization of fixed assets		-7 679	-2 542	-26 490	-7 105
Other operating expenses		-6 668	-290	-9 965	-695
Operating profit/loss		-22 062	-4 976	-66 088	-3 754
Income from financial items					
Financial income		8 295	3 016	95	3 920
Financial expenses		-339	-	-7 289	-112
Profit/loss after financial items		-14 106	-1 960	-73 282	54
Tax for the period		-151	216	11 069	527
Net profit/loss for the period		-14 257	-1 744	-62 213	581
Attributable to					
Parent company shareholders		-14 220	-1 744	-61 888	581
Non-controlling interest		-37	-	-325	-
Earnings per share before dilution, SEK**		-0,33	-0,05	-1,50	0,02
Earnings per share after dilution, SEK**		-0,33	-0,05	-1,50	0,02
Average number of shares*, **		44 667 472	37 165 196	42 241 343	34 907 324
Number of shares at the end of the period**		47 162 253	38 984 776	47 162 253	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

		2020-06-01 2020-08-31 Q4 19/20	2019-06-01 2019-08-31 Q4 18/19	2019-09-01 2020-08-31 12 months 19/20	2018-09-01 2019-08-31 12 months 18/19
kSEK	Note				
Profit for the period		-14 257	-1 744	-62 213	581
<i>Other comprehensive income items that may be reclassified to the income statement</i>					
Exchange rate differences		-8 968	3 594	-18 851	5 080
Total comprehensive income		-23 225	1 850	-81 064	5 661
Attributable to					
Parent company shareholders		-22 917	1 850	-80 468	5 661
Non-controlling interest		-308	-	-596	-

Condensed Consolidated Statements of Financial Position

kSEK	Note	2020-08-31	2019-08-31
ASSETS			
Fixed assets			
Intangible fixed assets		427 875	389 850
Property, plant and equipment		17 191	8 584
Right-of-use assets	1	54 198	-
Other financial fixed assets		2 023	543
Deferred tax asset		24 337	5 376
Total fixed assets		525 624	404 353
Current assets			
Inventories		41 564	28 678
Tax receivables		133	3 146
Accounts receivables		72 938	46 796
Prepaid expenses and accrued income		7 842	3 465
Other current assets		5 440	7 567
Short-term investments	4	187 111	69 273
Cash and cash equivalents		808 687	39 845
Total current assets		1 123 715	198 770
TOTAL ASSETS		1 649 339	603 123
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders		1 517 415	549 642
Non-controlling interest		5 180	-
Total equity		1 522 595	549 642
Long-term liabilities			
Interest-bearing loans		7 000	600
Other interest-bearing liabilities		600	-
Long-term lease liabilities	1	40 312	-
Other provisions		1 189	980
Deferred tax liabilities		14 572	15 408
Total long-term liabilities		63 673	16 988
Current liabilities			
Interest-bearing loans		2 000	-
Short-term lease liabilities	1	12 580	-
Accounts payables		10 375	14 113
Advances from customers		969	260
Current tax liabilities		96	-
Other current liabilities		3 086	11 078
Accrued expenses and deferred income		33 965	11 042
Total current liabilities		63 071	36 493
TOTAL EQUITY AND LIABILITIES		1 649 339	603 123

Condensed Consolidated Cash Flow Statements

	2020-06-01 2020-08-31 Q4 19/20	2019-06-01 2019-08-31 Q4 18/19	2019-09-01 2020-08-31 12 months 19/20	2018-09-01 2019-08-31 12 months 18/19
kSEK				
Profit/loss after financial items	-14 106	-1 960	-73 282	54
Adjustments for non-cash items	805	3 455	38 962	6 228
Income tax paid	-428	433	-1 157	433
Increase (-)/Decrease (+) in inventories	2 065	-5 986	-12 886	-11 670
Increase (-)/Decrease (+) in trade receivables	-10 357	-1 854	-35 439	-20 846
Increase (+)/Decrease (-) of trade liabilities	12 658	878	11 985	9 983
Cash flow from operating activities	-9 363	-5 034	-71 817	-15 818
Acquisition of property, plant and equipment	-2 677	-1 018	-13 838	-3 597
Acquisition of intangible fixed assets	-14 811	-10 932	-68 468	-32 150
Acquisition of subsidiaries/operations, net proceeds	-	-95 809	-	-120 096
Acquisition/disposal of short-term investments, net	56 736	475	-118 591	45 645
Cash flow from investing activities	39 248	-107 284	-200 897	-110 198
Option premiums received	97	-	10 543	2 637
New issues	692 098	148 500	1 076 205	148 500
Issue costs	-26 263	-6 840	-43 305	-7 493
Repurchase of own options	-	-	-107	-
New loans	-	-	10 000	-
Repayment of loans	-500	-952	-1 000	-3 310
Amortization of lease liabilities	-2 358	-	-7 971	-
Cash flow from financing activities	663 075	140 708	1 044 365	140 334
Cash flow for the period	692 960	28 390	771 651	14 318
Opening cash and cash equivalents	117 991	10 280	39 845	23 038
Exchange difference in cash and cash equivalents	-2 264	1 175	-2 809	2 489
Closing cash and cash equivalents	808 687	39 845	808 687	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	-	-	-	581	-	581
Other comprehensive income	-	-	5 040	-	-	5 040
New share issue	55	148 445	-	-	-	148 500
Non-cash issue	87	211 979	-	-	-	212 066
Transaction costs, net of tax	-	-5 950	-	-	-	-5 950
Share-based compensation	-	609	-	-	-	609
Option premiums	-	2 637	-	-	-	2 637
Closing balance as of August 31, 2019	975	541 853	5 080	1 735	-	549 642
Opening balance as of September 1, 2019	975	541 853	5 080	1 735	-	549 642
Net profit/loss for the period	-	-	-	-61 888	-325	-62 213
Other comprehensive income	-	-	-18 580	-	-271	-18 851
New share issue	204	1 071 161	-	-	4 840	1 076 205
Transaction costs, net of tax	-	-34 384	-	-	-	-34 384
Share-based compensation	-	1 759	-	-	-	1 759
Option premiums	-	10 543	-	-	-	10 543
Repurchase of own options	-	-107	-	-	-	-107
Disposal to non-controlling interests	-	-936	-	-	936	-
Closing balance as of August 31, 2020	1 179	1 589 889	-13 500	-60 153	5 180	1 522 595

Income Statements for the Parent Company

	2020-06-01 2020-08-31	2019-06-01 2019-08-31	2019-09-01 2020-08-31	2018-09-01 2019-08-31
kSEK	Q4 19/20	Q4 18/19	12 months 19/20	12 months 18/19
Net sales	32 915	13 908	107 467	77 644
Change in inventories	-1 957	3 955	4 703	8 078
Capitalized work for own account	3 484	1 329	10 007	5 337
Other operating income	6 762	4 272	29 756	15 374
Operating expenses				
Raw materials and supplies	-12 590	-9 955	-39 228	-32 061
Other external costs	-17 481	-7 935	-91 020	-30 879
Personnel expenses	-13 175	-11 815	-57 835	-40 650
Depreciation and amortization of fixed assets	-2 169	-1 384	-7 205	-4 876
Other operating expenses	-6 434	-261	-9 633	-666
Operating income	-10 645	-7 885	-52 988	-2 699
Income from financial items				
Profit from shares in group companies	-1 000	-	-3 835	-
Financial income	8 471	3 070	693	3 981
Financial expenses	-139	-	-6 606	-20
Profit/loss after financial items	-3 313	-4 815	-62 736	1 261
Tax for the period	-383	-469	11 140	-469
Net profit/loss for the period¹	-3 696	-5 286	-51 596	792

¹ Profit for the year and comprehensive income for the year amount to the same amount for all reported periods.

Parent Company Statements of Financial Position

kSEK	Note	2020-08-31	2019-08-31
ASSETS			
Fixed assets			
Intangible fixed assets		105 355	56 581
Property, plant and equipment		8 006	1 937
Shares in Group companies		364 983	364 859
Other financial fixed assets		1 558	259
Deferred tax assets		22 757	3 005
Total fixed assets		502 659	426 641
Current assets			
Inventories		20 754	11 913
Accounts receivables		31 273	22 214
Receivables from Group companies		54 181	20 603
Current tax assets		133	-
Other current assets		3 568	4 833
Prepaid expenses and accrued income		16 379	2 739
Short-term investments		187 111	69 273
Cash and cash equivalents		778 159	11 707
Total current assets		1 091 558	143 282
TOTAL ASSETS		1 594 217	569 924
EQUITY AND LIABILITIES			
Equity		1 546 086	546 760
Provisions			
Deferred tax liability		7	317
Other provisions		367	402
Total provisions		374	719
Long-term liabilities			
Liabilities to credit institutions		7 000	-
Other interest-bearing liabilities		600	600
Total long-term liabilities		7 600	600
Current liabilities			
Liabilities to credit institutions		2 000	-
Advances from customers		76	156
Accounts payables		8 508	10 895
Other current liabilities		1 084	781
Accrued expenses and deferred income		28 489	10 013
Total current liabilities		40 157	21 844
TOTAL EQUITY AND LIABILITIES		1 594 217	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 their 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 recognizes 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 amortized 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

Leases previously classified as operating leases under IAS 17

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 (September 1, 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 recognized 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 SEK 26,919 thousands at the transition date of September 1, 2019.

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

Extract from income statement

	IFRS 16 2019/20		IAS 17 2019/20		IAS 17 2018/19	
	Jun-Aug	Sep-Aug	Jun-Aug	Sep-Aug	Jun-Aug	Sep-Aug
	Q4 2019/20	12 Months 2019/20	Q4 2019/20	12 Months 2019/20	Q4 2018/19	12 Months 2018/19
EBITDA	-14 383	-39 598	-16 973	-48 259	-2 434	3 351
Operating income	-22 062	-66 088	-21 989	-66 226	-4 976	-3 754
Financial expenses	-339	-7 289	-139	-6 622	-	-112
Profit before tax	-14 106	-73 282	-13 824	-72 744	-1 960	54
Profit for the period	-14 257	-62 213	-14 033	-61 786	-1 744	581

Extract from statement of financial position

	IFRS 16	IAS 17	IAS 17
	2020-08-31	2020-08-31	2019-08-31
Assets			
Right-of-use assets	54 198	-	-
Deferred tax assets	24 337	24 226	5 376
Total fixed assets	525 624	471 315	404 353
Prepayments	7 842	9 686	3 465
Total assets	1 649 339	1 596 874	603 123
Equity			
Equity attributable to parent company shareholders	1 517 415	1 517 842	549 642
Total equity	1 522 595	1 523 022	549 642
Debt			
Long-term lease liabilities	40 312	-	-
Total long-term liabilities	63 673	23 361	16 988
Short-term lease liabilities	12 580	-	-
Total current liabilities	63 071	50 491	36 493
Total liabilities and provisions	126 744	73 852	53 481
Total equity and liabilities	1 649 339	1 596 874	603 123

Note 2. Estimates and assessments

The preparation of the interim report requires management to make assessments and estimates and to make 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 judgments.

The critical assessments and sources of uncertainty in estimates during Q4 2019/2020 are generally the same as described in the latest annual report, Note 3, pp. 41–42.

Although COVID-19 has meant deferred cash flows from customers, the company's assessment is that

the reported values of intangible assets, deferred taxes and other valuation items are not significantly affected by the pandemic. Carried out impairment tests during Q4 show that there was no need for impairment of the company's intangible assets as of August 31, 2020.

The purchase price allocation regarding the acquisitions of Dispendix on December 1, 2018, and of cytena on August 5, 2019, have been determined. No adjustments were made compared with the preliminary purchase price allocations, which appear in Note 23 of the 2018/2019 annual report.

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 recognized as income over the duration of the service contracts. Non-recognized revenue for service income is recognized 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, consumables and hygiene products. 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 company has started work to structure itself according to business areas and is expected to report according to business areas when the business is adapted to the new structure. The company currently focuses on three application areas, Bioprinting, Analysis and Liquid Handling & Bioprocessing.

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

Net sales by geographic region

kSEK	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sep-Aug 2019/2020	Sep-Aug 2018/2019
Europe	13 033	16 165	55 195	44 861
North America	28 329	10 348	73 974	32 289
Asia	7 723	4 590	41 523	23 986
Rest of the world	2 433	894	6 101	4 321
Total	51 518	31 997	176 793	105 457

Net sales broken down by products and services

kSEK	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sep-Aug 2019/2020	Sep-Aug 2018/2019
Products	50 572*	31 777	171 355*	104 186
Services	946	220	5 438	1 271
Total	51 518	31 997	176 793	105 457

Net sales products broken down by consumables and instruments

kSEK	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sep-Aug 2019/2020	Sep-Aug 2018/2019
Consumables	12 743*	4 036	33 683*	11 958
Instruments	37 829	27 741	137 672	92 228
Total products	50 572	31 777	171 355	104 186

*The amounts include the company's sales of hygiene products.

Note 4. Financial instruments – fair value

The Group's financial instruments consist of long-term receivables, accounts receivable, cash and cash equivalents, interest-bearing liabilities, accounts payable, and short-term investments. All instruments except short-term investments are valued at amortized cost.

The Group's short-term investments, which mainly consist of listed fixed income funds, are valued at fair value in accordance with IFRS 13 level 1 (listed market values in the active market).

Valuation at fair value regarding short-term investments during the fourth quarter generated an impact on the income statement of SEK 8,288 thousand (SEK 519 thousand), and for the first 12 months of SEK -6,333 thousand (SEK 1,450 thousand). This effect is reported among financial items. The negative development for the first 12 months is due to a large proportion of the company's excess liquidity being invested in short-term interest rate funds that had a negative development during the market turmoil in the spring of 2020. However, some recovery in the market took place during the fourth quarter.

kSEK	Level	2020-08-31	2019-08-31
Financial assets valued at fair value			
Short-term investments	1	187,111	69,273

Note 5. Incentive program

CELLINK already had 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 1,273,352 options* for employees and 240,000 options* for the Board, each redeemable for a share at a price of SEK 44.375*. The program expires in January 2021.

The second program includes a maximum of 1,600,000 options* for employees and 80,000 options* for the Board, each redeemable for a share at a price of SEK 74.34*. The program expires in January 2022 for the employees and in January 2023 for the Board.

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

During Q2 2019/2020, 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 August 31, 2020, a total of 3,037,621 options are outstanding, of which 1,490,536 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 6.4% as of August 31, 2020.

*After split 4:1 completed January 10, 2020.

Note 6. Acquisition of Scienion

On September 1, 2020, i.e. after the reporting period, CELLINK acquired 100% of the shares in the German company Scienion AG (corporate identity number HRB 19874, headquartered in Berlin, Germany), a company that focuses on precision dispensing technology. The purchase price amounted to SEK 949 million, of which SEK 457 million consisted of 2,814,032 newly issued CELLINK shares and SEK 492 million was paid in cash. Through Scienion's complementary technology offering, CELLINK envisions great synergies that will support future growth.

Scienion's revenue amounted to EUR 21.5 million in 2019, and the Group has had annual sales growth of approximately 35% per year over the past 3 years with good profitability. Due to the COVID-19 pandemic, revenue in Scienion is expected to increase in 2020, but the sales growth that Scienion has had in recent years is expected to be temporarily negatively affected.

If Scienion had been acquired at the beginning of the reporting period on September 1, 2019, the CELLINK Group's revenue for the first twelve months would have amounted to approximately SEK 394 million.

Effects of the acquisition

In connection with the acquisition, CELLINK has issued 2,814,032 shares to the buyers as consideration for Scienion. In addition, two new share issues have taken place, on August 20, 2020, and on September 29, 2020 (i.e. after the reporting period). The share issues have been carried out to finance the acquisition of Scienion as well as future acquisitions. The issue on August 20 consisted of 4,278,477 shares and raised SEK 686 million before issue costs, and the issue on September 29 consisted of 1,625,000 shares and raised SEK 260 million before issue costs. Both issues have been completed at SEK 160/share since the accelerated book-building procedure was completed at the same time. The price corresponded to a discount to the closing price on Nasdaq Stockholm on 19 August 2020 of 1.7%.

Since the acquisition has taken place close to the submission of the interim report, no preliminary purchase price allocation has yet been prepared. Based on an analysis of Scienion, identifiable assets, in addition to net assets in the Scienion Group, are expected to consist of surplus values primarily in the form of technology, customer relationships and beneficial customer contracts.

A majority of the purchase price is expected to be attributed to goodwill. The goodwill value includes the value of the acquired staff's know-how and synergy effects in the form of more efficient production and sales processes in the Group after the acquisition. No part of the goodwill is expected to be tax deductible.

Acquisition-related expenses amount to SEK 9,511 thousand for the financial period and relate to fees to consultants in connection with due diligence. These expenses have been reported as other external costs in the consolidated income statement. Issue expenses related to the acquisition amount to SEK 26,263 thousand for the financial period and have been reported as a reduction of equity after deduction of deferred tax.

Gothenburg, October 22, 2020

Cellink AB (publ)

Erik Gatenholm

CEO

Auditor's Review Report

Cellink AB (publ) org. nr 559050-5052

Introduction

We have reviewed the condensed financial information for Cellink AB (publ) as of August 21, 2020 and the twelve-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, October 22, 2020

Deloitte AB

Fredrik Jonsson

Authorized Public Accountant

Reconciliation of alternative key ratios

The financial reports issued by CELLINK contain alternative key figures, which supplement the measures defined or specified in the applicable rules for financial reporting. Alternative key figures are given when, in their contexts, 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 accounts and are not measures in accordance with IFRS.

Gross profit, kSEK

	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sept-Aug 2019/2020	Sept-Aug 2018/2019
kSEK				
Net sales	51 518	31 997	176 793	105 457
Raw materials and supplies reduced by inventory change	-17 689	-9 856	-52 528	-30 034
Gross profit	33 829	22 141	124 265	75 423

Gross margin, %

	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sept-Aug 2019/2020	Sept-Aug 2018/2019
kSEK				
Gross profit	33 829	22 141	124 265	75 423
Net sales	51 518	31 997	176 793	105 457
Gross margin, %	66%	69%	70%	72%

Operating profit before depreciation and amortization (EBITDA)

	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sept-Aug 2019/2020	Sept-Aug 2018/2019
kSEK				
Operating income	-22 062	-4 976	-66 088	-3 754
Depreciation and amortization	7 679	2 542	26 490	7 105
Operating profit before depreciation and amortization (EBITDA)	-14 383	-2 434	-39 598	3 351

Operating margin before depreciation and amortization, %

	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sept-Aug 2019/2020	Sept-Aug 2018/2019
kSEK				
EBITDA	-14 383	-2 434	-39 598	3 351
Net sales	51 518	31 997	176 793	105 457
EBITDA margin, %	Neg	Neg	Neg	3%

Operating margin (EBIT), %

	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sept-Aug 2019/2020	Sept-Aug 2018/2019
kSEK				
Operating income	-22 062	-4 976	-66 088	-3 754
Net sales	51 518	31 997	176 793	105 457
Operating margin, %	Neg	Neg	Neg	Neg

Equity ratio, %

kSEK	2020-08-31	2019-08-31
Equity	1 522 595	549 642
Total assets	1 649 339	603 123
Equity ratio, %	92%	91%

Net debt (-)/Net cash (+)

kSEK	2020-08-31	2019-08-31
Short-term investments	187 111	69 273
Cash and cash equivalents	808 687	39 845
Long-term interest-bearing liabilities excluding leasing liabilities	-7 600	-600
Short-term interest-bearing liabilities excluding leasing liabilities	-2 000	-
Net debt (-)/Net cash (+)	986 198	108 518

Organic revenue growth, %

	Jun-Aug 2019/2020	Jun-Aug 2018/2019	Sept-Aug 2019/2020	Sept-Aug 2018/2019
kSEK/%				
Net sales	51 518	31 997	176 793	105 457
Net sales generated from companies acquired in the last 12 months	-1 206	-11 632	-32 241	-18 594
Organic net sales	50 312	20 365	144 552	86 863
Net sales comparison period	31 997	16 465	105 457	45 337
Organic revenue growth, %	57%	23%	37%	92%

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 performance indicators	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.
Operating margin (EBITDA)	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.
Equity ratio	Equity divided by total assets.	CELLINK considers that solvency 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 believes that net debt is a useful measure of the company's survival and the ability to execute on an established business plan.
Organic revenue growth	Growth generated from operations in companies that existed in the Group during the corresponding comparison period.	Shows the growth in the existing business adjusted for acquisitions in the last 12 months.

Consolidated Income Statements by Quarter

kSEK	Jun-Aug 2019/2020	Mar-May 2019/2020	Dec-Feb 2019/2020	Sep-Nov 2019/2020	Jun-Aug 2018/2019	Mar-May 2018/2019	Dec-Feb 2018/2019	Sep-Nov 2018/2019
Net sales	51 518	41 603	37 241	46 430	31 997	29 624	23 837	19 971
Change in inventories	-3 023	10 187	517	2 274	2 075	3 432	1 521	793
Capitalized work for own account	7 521	7 574	15 019	9 237	5 484	3 077	3 064	4 323
Other operating income	3 309	3 451	4 470	8 924	7 081	4 761	4 507	2 114
Operating expenses								
Raw materials and supplies	-14 666	-21 012	-12 291	-14 514	-11 931	-10 891	-8 757	-6 274
Other external expenses	-20 857	-19 089	-22 701	-23 002	-17 403	-12 377	-8 012	-8 139
Personnel expenses	-31 517	-31 136	-36 010	-28 542	-19 447	-16 191	-13 193	-11 032
Depreciation and amortization of fixed assets	-7 679	-6 972	-6 257	-5 582	-2 542	-1 861	-1 787	-915
Other operating expenses	-6 668	-2 153	-	-1 691	-290	-142	-102	-161
Operating income	-22 062	-17 547	-20 012	-6 466	-4 976	-568	1 078	680
Profit/loss from financial items								
Financial income	8 295	36	-	247	3 016	766	155	-
Financial expenses	-339	-14 359	-875	-198	-	-40	-21	-64
Profit/loss after financial items	-14 106	-31 870	-20 887	-6 417	-1 960	158	1 212	616
Tax for the period	-151	6 337	3 613	1 270	216	131	128	51
Net profit/loss for the period	-14 257	-25 533	-17 274	-5 147	-1 744	289	1 340	667
Attributable to								
Parent company shareholders	-14 220	-25 321	-17 198	-5 147	-1 744	289	1 340	667
Non-controlling interest	-37	-212	-76	-	-	-	-	-

Additional Information

Date of publication of financial information

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 October 22, 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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