CELLINK
LIFE SCIENCES

Q4 Earnings call presentation
2020-10-22

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The future of medicine is here

A unique life-science solution provider

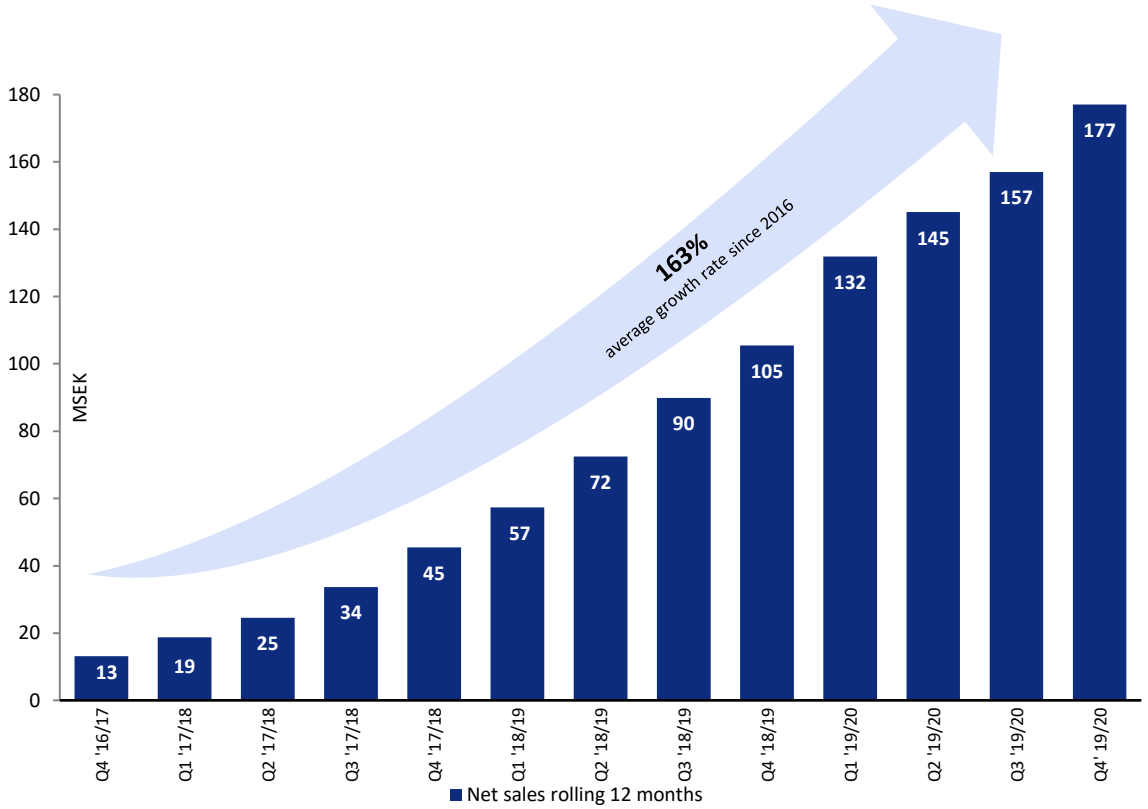
- Net sales amounted to SEK 51,518 thousand (SEK 31,997 thousand), 61% (94%) growth, of which 57% (23%) was organic growth.
- Operating profit before depreciation (EBITDA) amounted to SEK -14,383 thousand (SEK -2,434 thousand), affected by acquisition costs totaling SEK -9,511 thousand and revaluation of receivables and liabilities in foreign currency by SEK -6,482 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)
- Rolling 12 months' net sales from consumables amounted to SEK 19,456 thousand (SEK 11,958 thousand), an increase of 63%.
- During the quarter, the company entered into an acquisition agreement for the German precision dispensing company Scienion AG for EUR 80 million.

Strong momentum since launch

Listed on Nasdaq Stockholm (CLNK B)

Market cap: SEK ~10.5bn

~330 employees



Source: Company

The Modern Healthcare Challenges

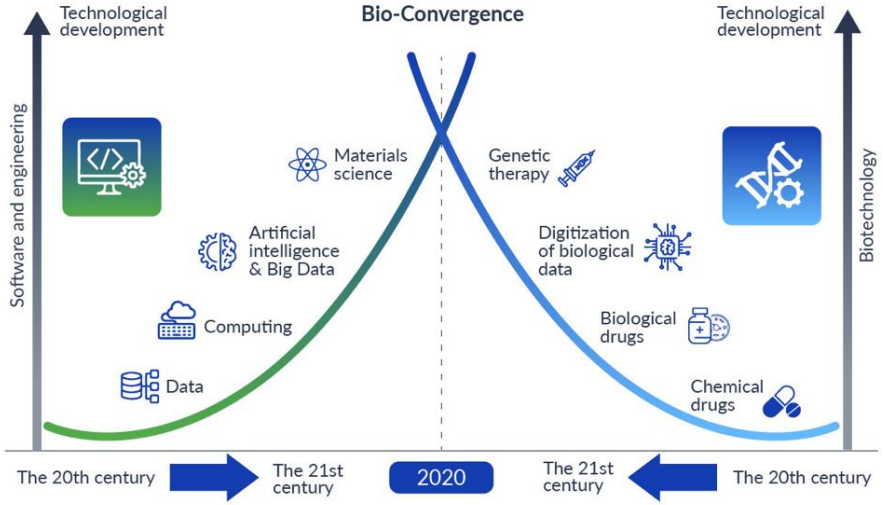
High costs and lenghty processes for drugs to reach patients. 9 out of 10 fail in clinical stages!

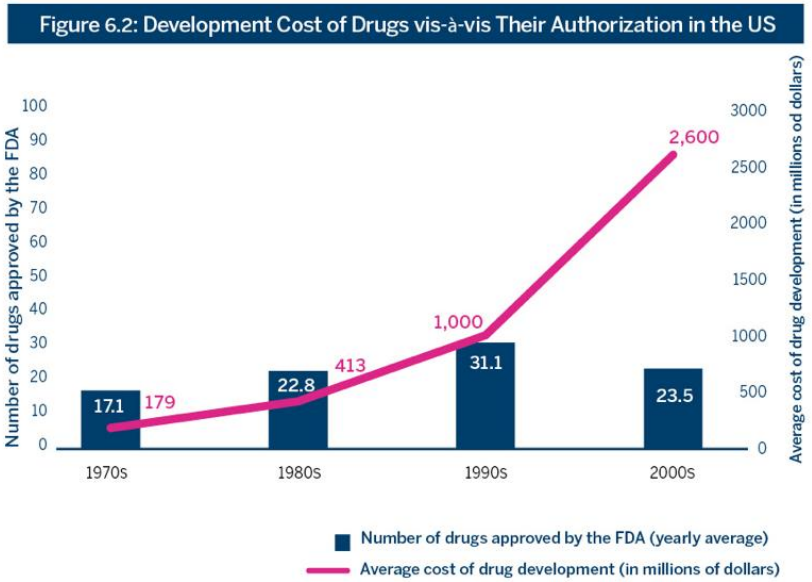
A life is lost every hour of the day due to lack of organ transplants

Animal studies are poor indicators of success for human drug development

The solution is a combination of many solutions

"These challenges obligate health systems and the bio-pharm industry to undergo drastic changes, to identify and develop precise, personalized and effective medical solutions. The attempt to contend with these challenges has given rise to a new multidisciplinary industry known as bio-convergence that is based on connecting various technologies from the fields of biology and engineering. This industry is expected to form the future base of medicine and to reshape the global health industry.4"





Source: https://innovationisrael.org.il/en/reportchapter/bio-convergence

The solution is found in bio-convergence

Drug discovery

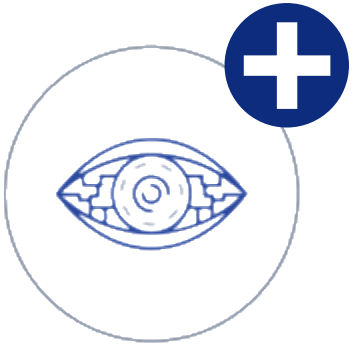
3D Cell culturing

Regenerative medicine - tissue printing

CRISPR & gene editing

Diagnostics and biological sensors

Single Cell Omics



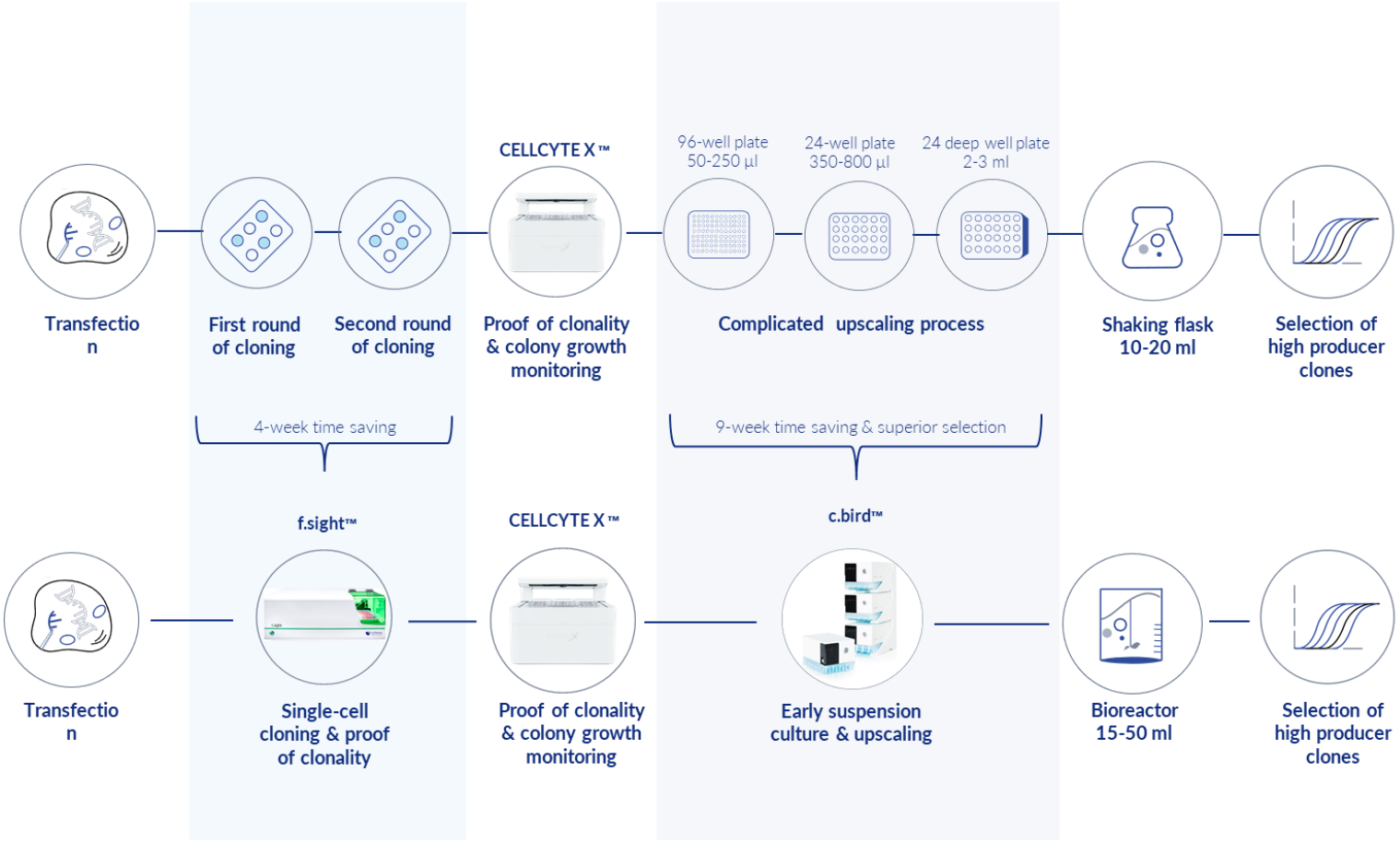
Bioelectronics

Biopharmaceuticals

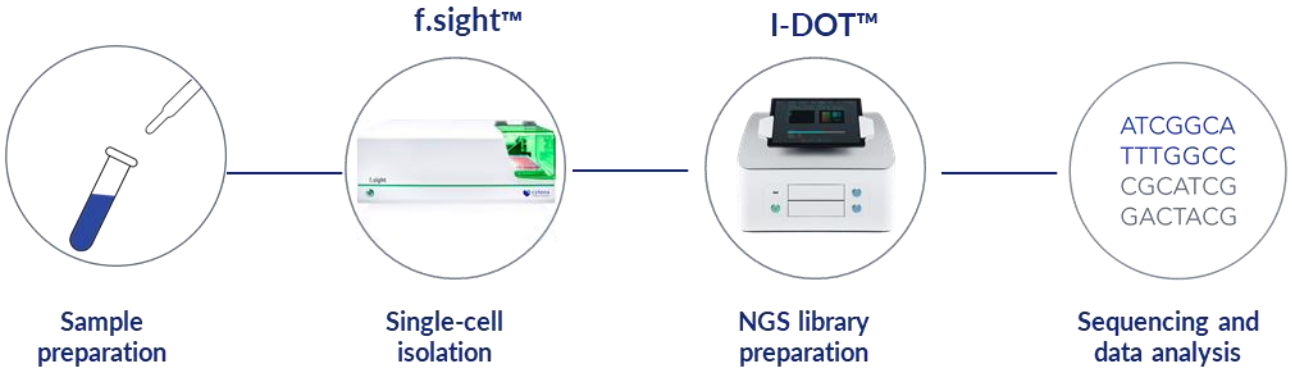
The Bio-Convergence Company

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

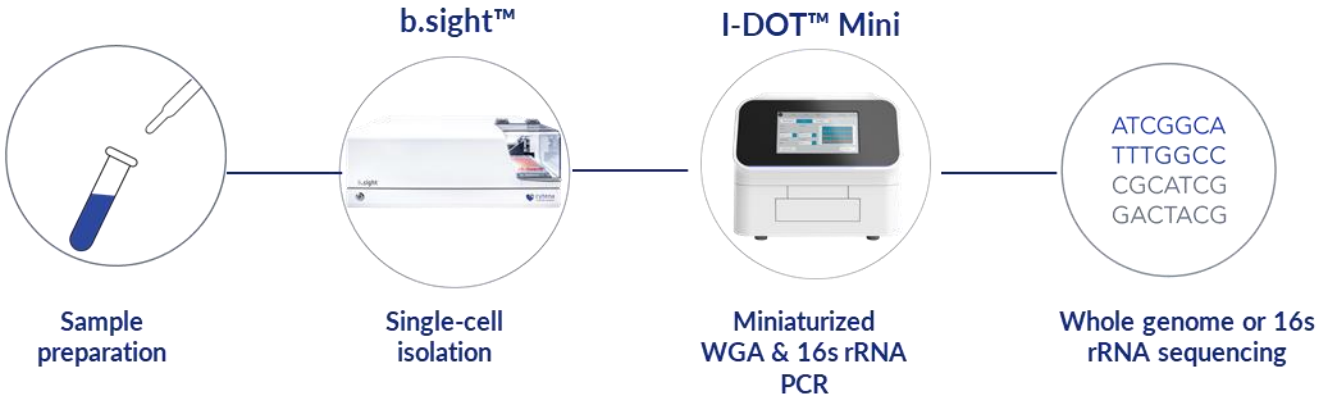
Optimized Cell Line Development workflow



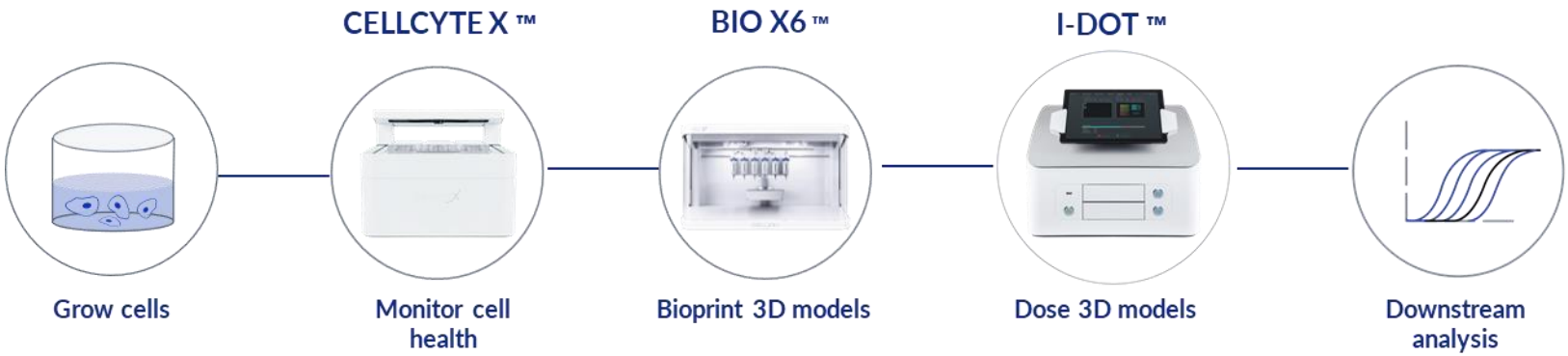
Our platform for plate-based single-cell omics workflows



Single-cell genome sequencing



Fabrication and analysis of tissue models

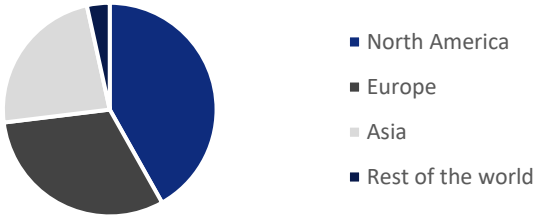


Market size

Note: 1) USD 1.9 billion in 2018 growing at a CAGR of 8.9% over the forecast period between 2018-2023, 2) USD 1.4 billion in 2016 growing at a CAGR of 17.3% over the forecast period between 2017-2025, 3) USD 2.65 billion in 2017 at a CAGR of 7.2% over the forecast period between 2017-2022. Source: BCC Research 2019 (Current Bioprinting Prospects and Future Innovations), MarketsandMarkets (2019 Cell Culture Market by Product, Live Cell Imaging Market by Product, Liquid Handling System Market by Type), Market Study Report 2019 (Global 3D Cell Culture Market Growth 2019-2024), Grand View Research (Single Cell Analysis by Application).

Diversified customer base

Customer group	Main application areas	Selected customers
Universities and research organisations — % of total sales[1] ~35%	▪ Human implants (e.g. bone), biomaterials research, cell biology, Single cell Omics, teaching etc. ▪ Exploratory research that, if successful, will convert to clinical applications ▪ ~600 institutions in 55 countries[1]	FDA, Harvard University, Karolinska Institutet, NUS, PennState Bookstore, MIT, Princeton University, Tufts University, Berkeley, Imperial College London, Yale, Wake Forest University, Koch Institute
Pharmaceutical companies — % of total sales[1] ~40%	▪ Cancer research, biopharmaceuticals, drug development, gene therapy and tissue culture and engineering ▪ Over 50 customers with about majority of top 20 pharma's as customers[1] ▪ Early stage; segment revenue is expected to grow rapidly in the next 3 years	Alligator Bioscience, AstraZeneca, Johnson & Johnson, Genentech, GSK, Merck, Novartis, Roche, Opto-Pharm, Takeda, Vericel, Vertex
Diagnostic companies — % of total sales[1] ~20%	▪ Cancer research, biopharmaceuticals, drug development, gene therapy and tissue culture and engineering ▪ Long relationships and contracts with many of the larger actors in the field ▪ Established; segment revenue is expected to grow steadily	Genalyte, aryballe, Boehringer Ingelheim, unisensor, QuantuMDx, Antelope Diagnostics, Antech Diagnostics and Imaging, InSilixa, m-bio, Randox, BioVendor, Quidel, Cobis
Other — % of total sales[1] ~5%	▪ Wide range of application areas (e.g. packing solutions, car materials, skin tissues and transplants) ▪ Large potential in the next 5-10 years	LifeNet Health, Toyota, U.S. Army, Oriflame Sweden, Shiseido, Corum, L'Oréal



Note: 1) Estimates on new group.

CELLINK's transformational combination with Scienion creates a global leader in Single Cell handling and precision dispensing

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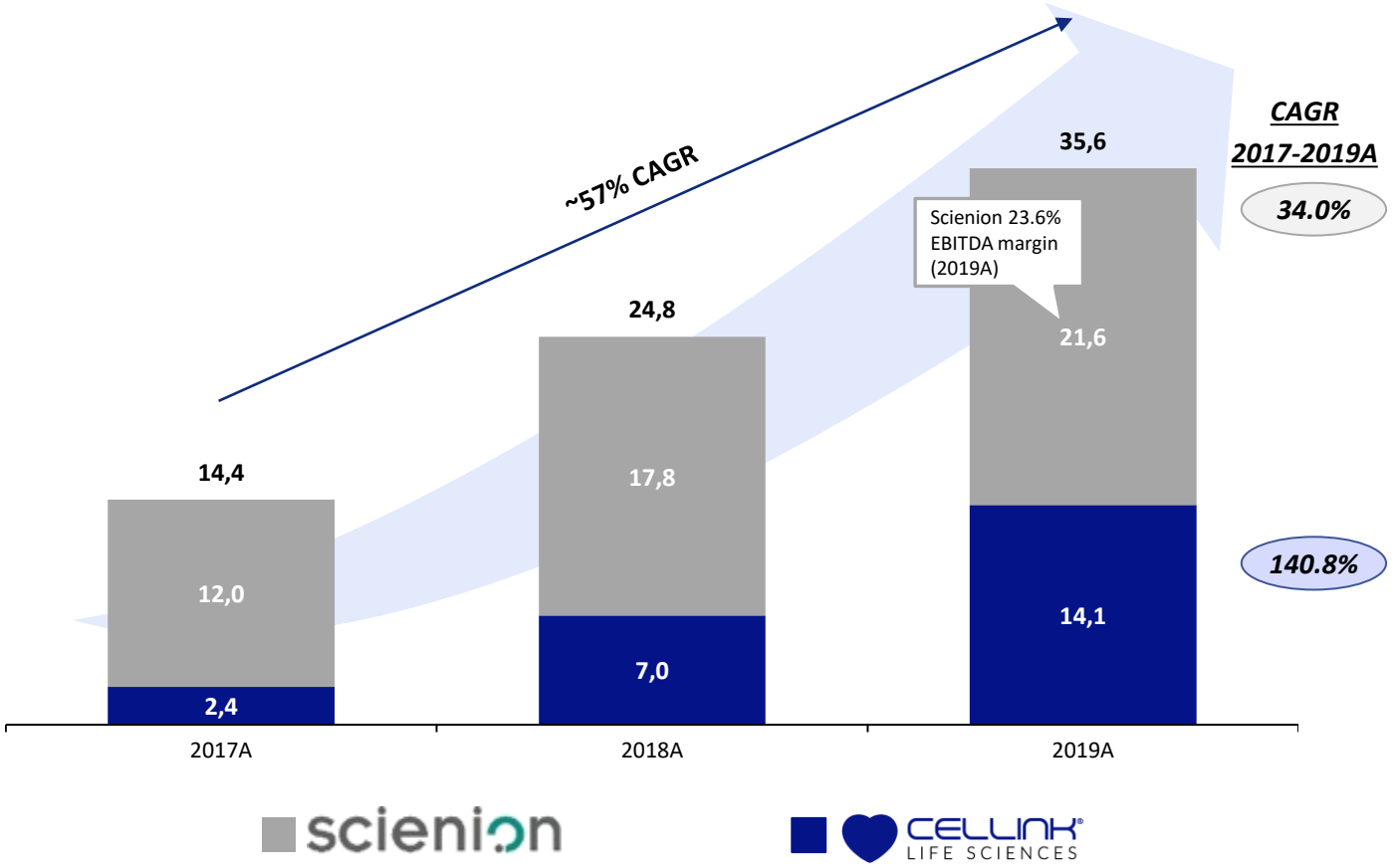
1 Strategic & operational fit	Attractive markets	Applications in multiple large, high-growth markets (e.g. single cell handling, liquid handling, array printing, genomics)	TAM ~USD5bn[5]
	Capability fit	**Single cell-dispensing:** Product feature and customer overlap across complimentary applications	Powerhouse in single-cell & low-volume dispensing
		Low-volume dispensing: Portfolio extension applicable to overlapping customers	
	Customer base	High-quality customers across Diagnostics, Pharma, Medtech, Bioanalysis and Food & Environmental	Boehringer Ingelheim, stratec, CORIS BioConcept, Stanford University, RANDOX
2 Growth & Profitability	Attractive financial profile	Demonstrated solid financial performance of Scienion with 34.0% CAGR[2] and 23.6% EBITDA margin[3]	~57% combined revenue CAGR[1]
3 Quality of earnings	Strong predictability of revenues	Select examples of Scienion's attractive customer collaborations: ▪ Biosensors for key player in CGM[4] ▪ Covid-19 collaboration with Randox and Bosch	Takes CELLINK "closer to the clinic" with HT production
4 Significant synergies	Revenue	▪ Merge technologies and cross-selling ▪ New applications development through joint R&D	Highly complementary technologies from picoliters to bioprinting
	Operational	▪ Sales & marketing efficiencies ▪ Merge application development teams	

Source: Information provided by Scienion and CELLINK management analysis
1) Combined CAGR based on CELLINK 2Q LTM financials for the respective year (e.g. March 2019 - February 2020 for 2019A)
2) 2017-2019A (Scienion)
3) 2019A (Scienion)
4) Continuous Glucose Monitoring
5) 2019 total addressable market for single cell analysis and liquid handling systems

Exciting combined financial profile from Acquisition

Combined historical revenue development (EURm)[1]

Cellink net sales based on 2Q LTM for the respective year (e.g. LTM Feb-2020 for 2019A)



Comments

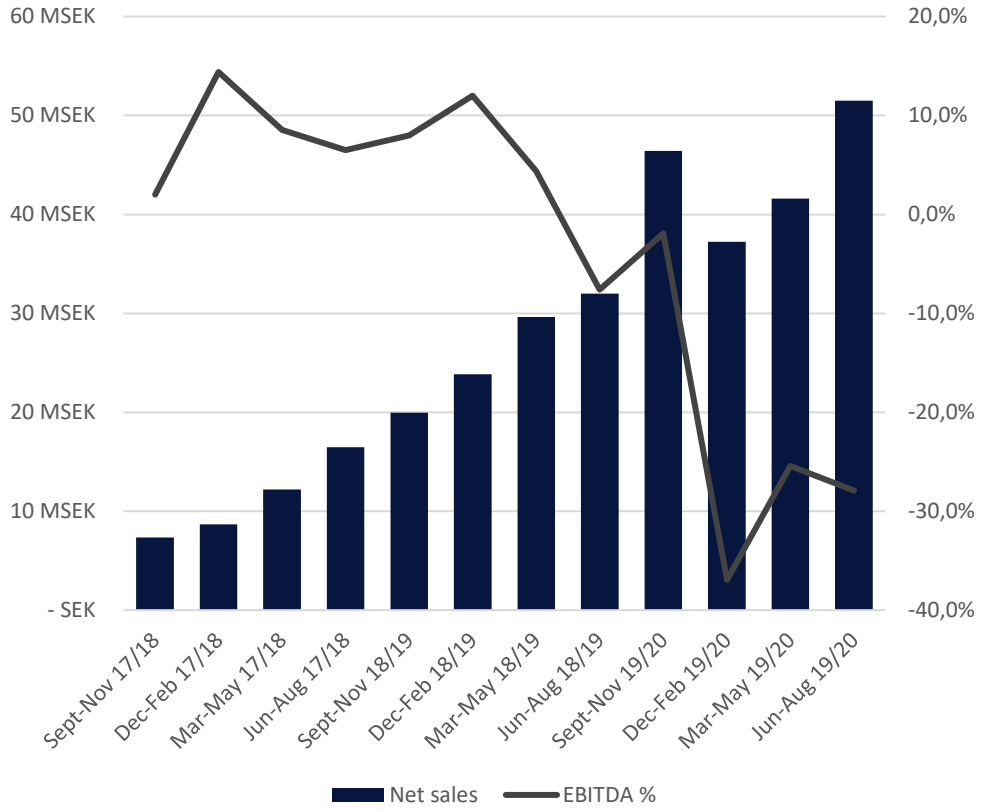
- Combined growth profile of 57% CAGR over the past three years
  - Scienon's strong revenue development of 34.0% CAGR 2017-2019A mainly driven by products of S series and Cellen One
- Combined platform offer the opportunity to continue the growth profile in the medium term
- Due to the Covid-19 pandemic, while pro-forma revenue growth is expected for the full year the growth rate is likely to be temporarily and negatively impacted compared to 2019
  - A large portion of the existing pro-forma customer base is directly or indirectly government backed (universities, research groups), mitigating the impact of the Covid-19 pandemic

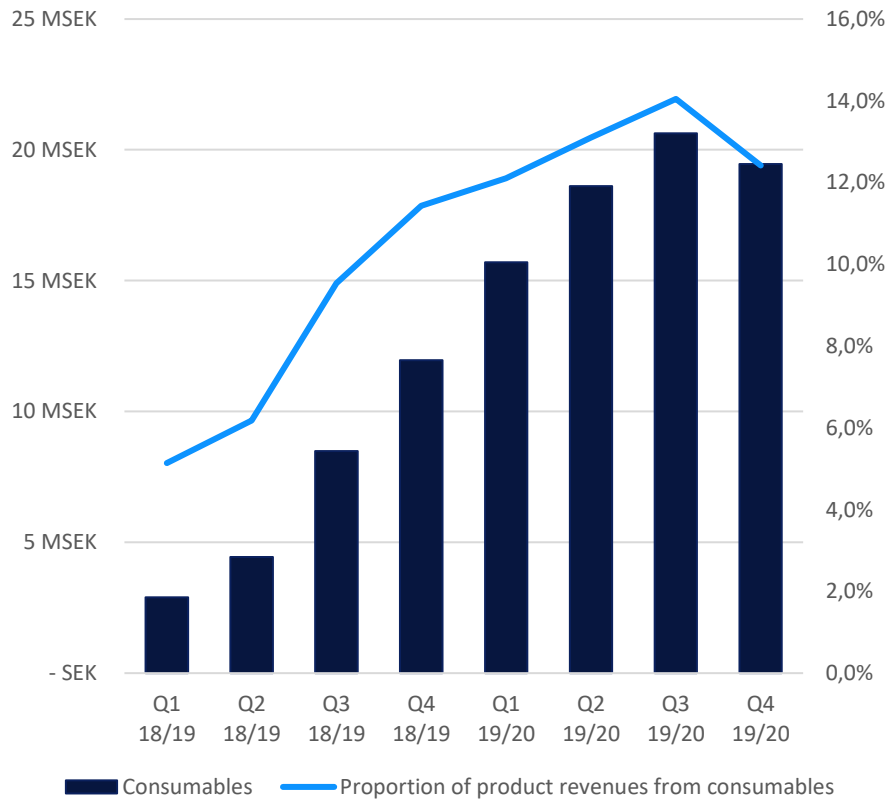
Source: Information provided by Scienion and CELLINK management analysis

Note:

1) CELLINK financials based on 2Q LTM net sales (i.e. March 2019 - February 2020 for 2019A) and Scienion financials as of December Fiscal Year End; applied SEK to EUR exchange rate of 0.0970 as of 7th August 2020

Metrics – Q4





Source: Q4 report.

Clear strategy for further growth

Organic growth initiatives

1. Continued focus on R&D and innovation to improve customer value proposition by new products and service offering
2. Scale-up organisation to meet increased global demand and position CELLINK as the technology leader within Bioconvergence
3. Expand global sales team in U.S., Asia and Europe

Strategic M&A agenda

- Pursue selective acquisitions with complementing businesses to strengthen market position and enter new markets
- Acquisitions will be strategic, with proven business models and products with demonstrated revenues and profits, or a clear and short way to profit
  - ➔ Acquisitions can be financed through a combination of new shares and cash
- The screening process is conducted through conferences and customer visits within the three application areas

Investment rationale for recent acquisition

cytena A CELLINK COMPANY

- Natural part of the research flow and strong presence in pharma (90% of customer base)
- Products that can be combined both with CELLINK and Dispendix in the work flow
- ~30 MEUR transaction, 60% in shares, projected revenues of EUR 4.5m 2019 and EBITDA margin of 40%

dispendix A CELLINK COMPANY

- Part of the bioprinting and drug development screening process
- Cross-sales and increased customer value
- 5 MEUR transaction, 60% in shares, projected revenues of EUR 1.7m 2019

scienion A CELLINK COMPANY

- Adding the scale up capabilities for costumers
- Strengthening our position in Single cell handling
- ~80 MEUR transaction, 50% in shares, revenues of EUR 22m 2019 and EBITDA margin of 25%%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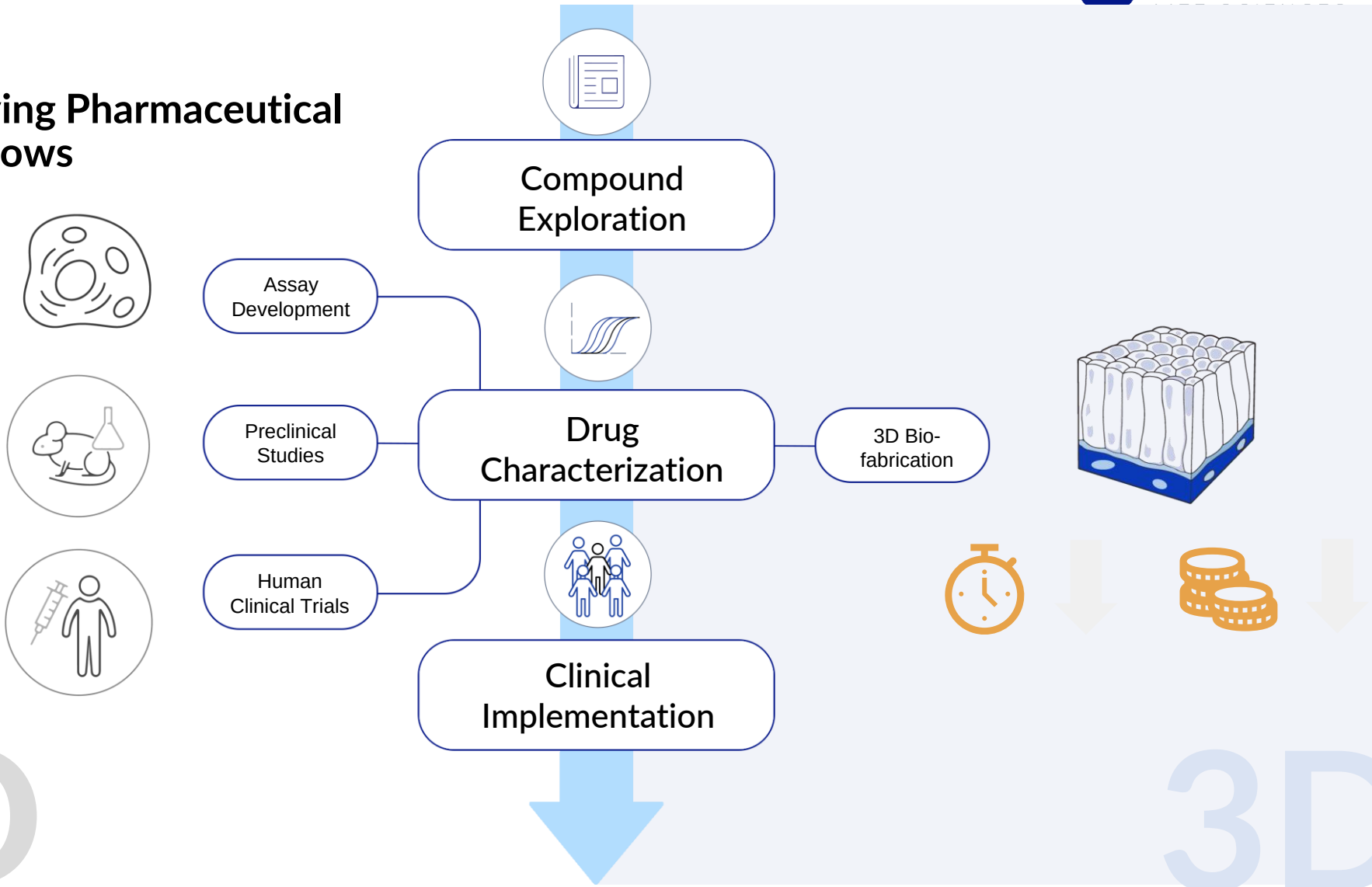
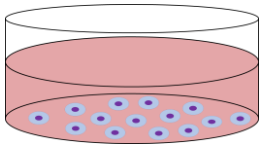
APPENDIX

Improving Pharmaceutical Workflows



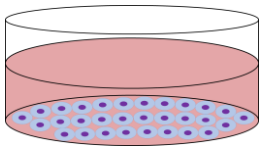
The 3D Revolution



Culture cells in dish

Poor intercellular communication

Negative influence from substrate



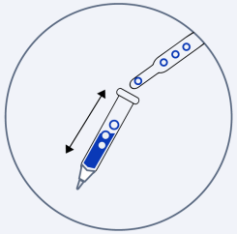
Grow cells

2D cell sheet

Embed cells

Incubate

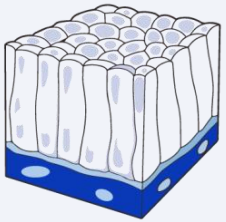
Analyze



Bioprint

Physiologically relevant

More information



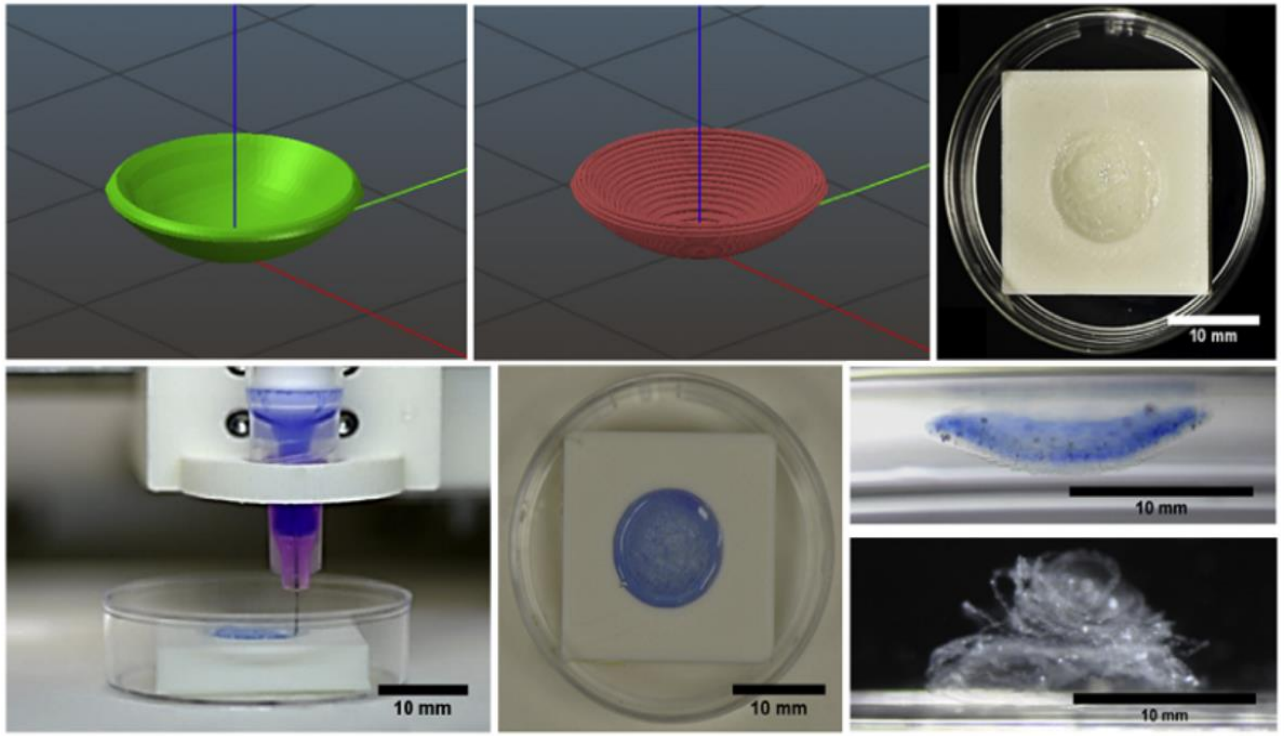
Improved models

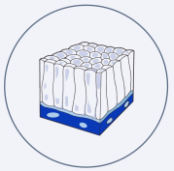
2D

3D

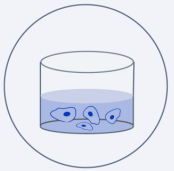
3D bioprinting of a corneal stroma equivalent

https://doi.org/10.1016/j.exer.2018.05.010



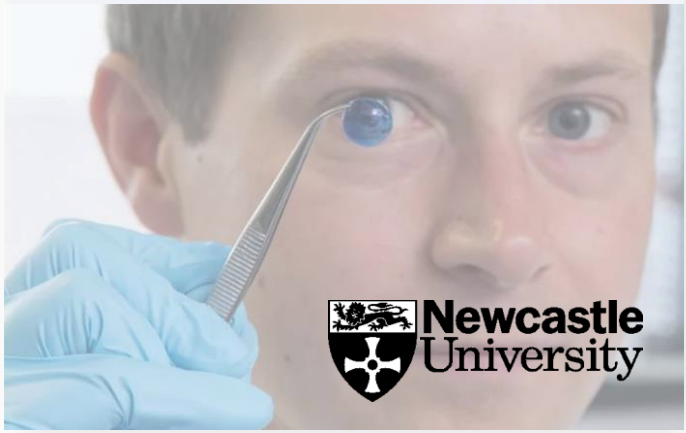


Rational design of human tissue with CELLINK



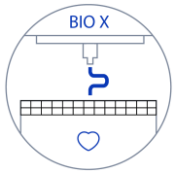
Printed into CELLINK Pluronics bed to allow 3D growth

Collagen patterns mirrored living tissue



Printing Vascularized Perfusable Skin

https://doi.org/10.1089/ten.tea.2019.0201

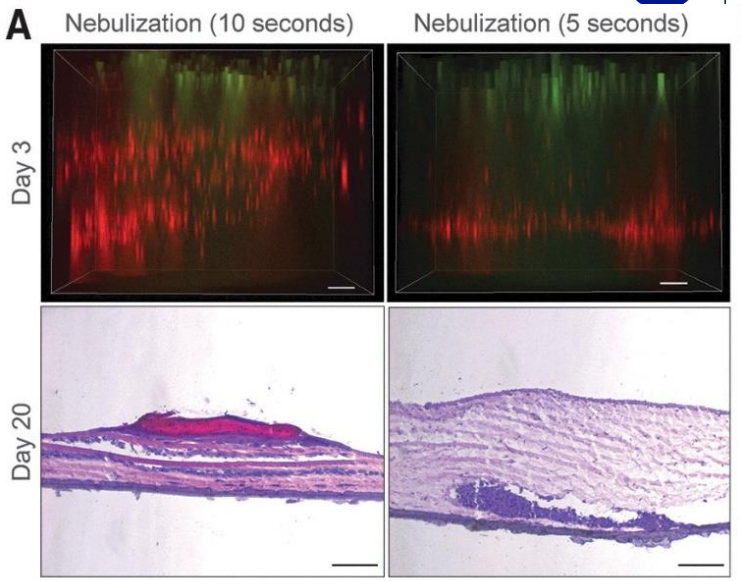


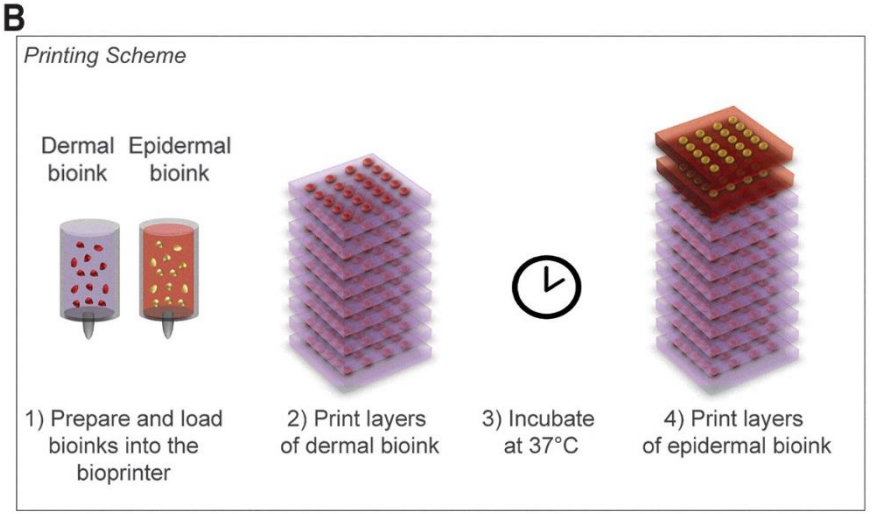
Vasculiarized skin models developed on the BIO X.

Leveraged a cooled printhead to print out a novel bioink.

Potential to overcome the limitations of graft survival.

Rensselaer





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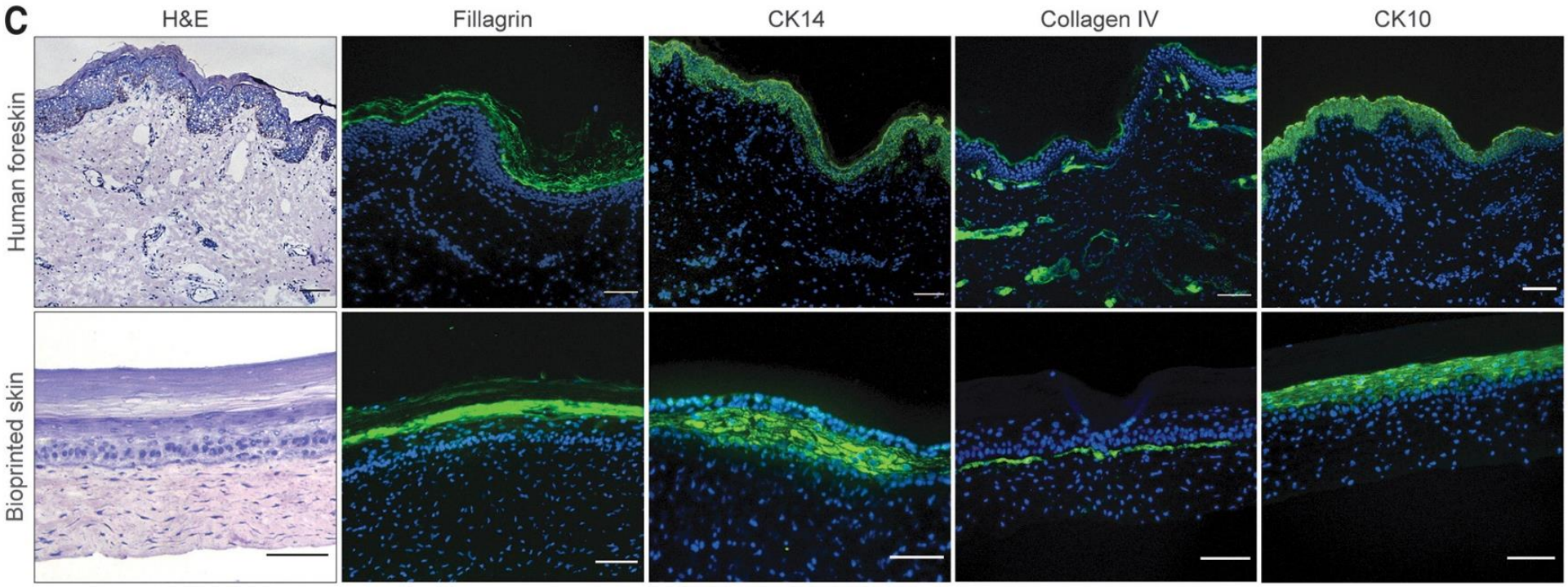
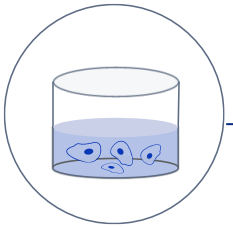
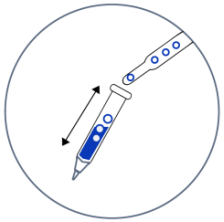


Comparing 2D to 3D Cell Culture

In house study observed multiple cell types in 2D and 3D to qualitatively demonstrate the benefits of 3D.



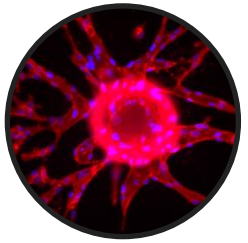
Grow cells



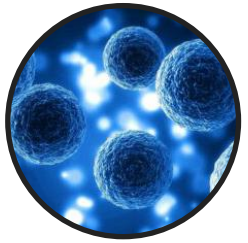
Embed cells in bioink

BIO X™

Bioprint 3D models



Vascular cells



Stem cells

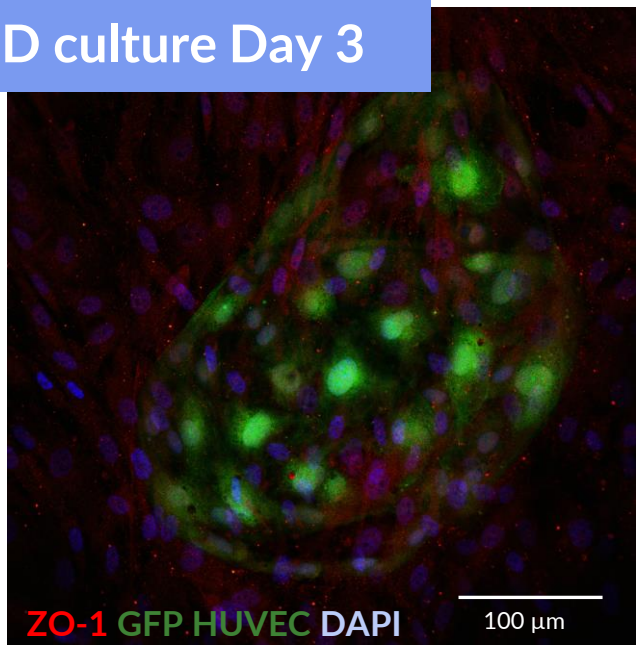
Cancer cells

Liver cells

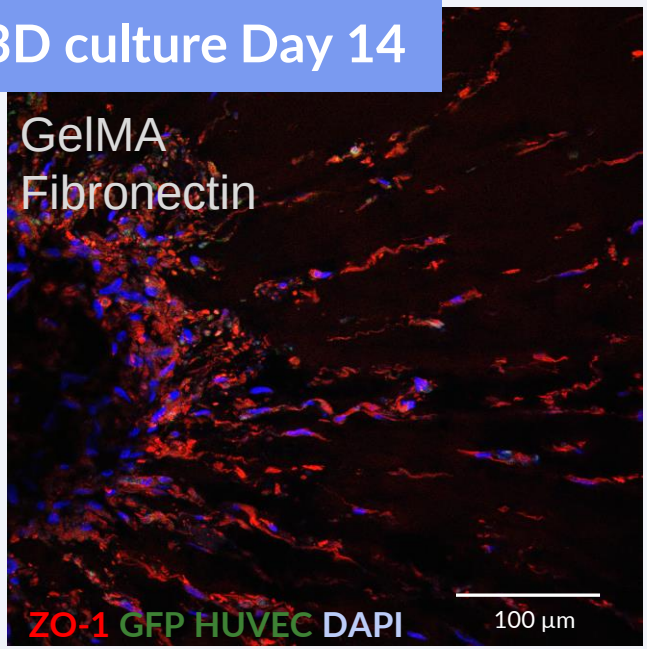
A 3D environment is crucial for the development of complex structures and the network formation of HUVECs.

Sprouting of HUVECs can only be seen in 3D culture and not in 2D.

2D culture Day 3



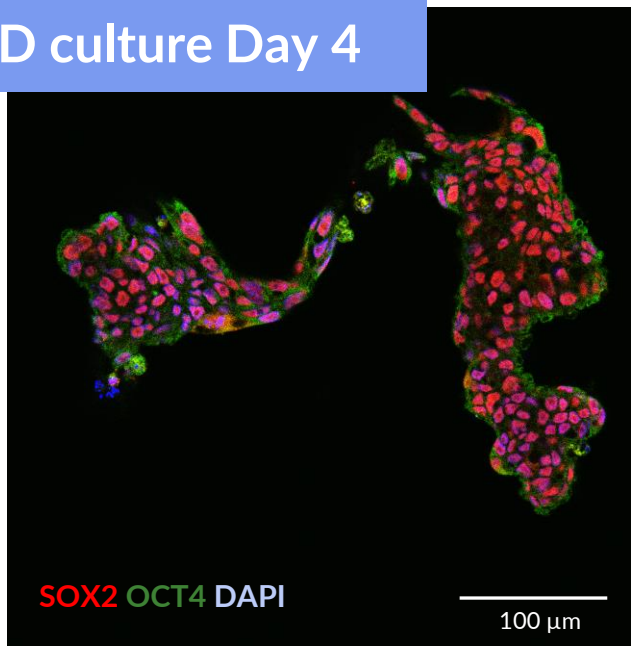
3D culture Day 14



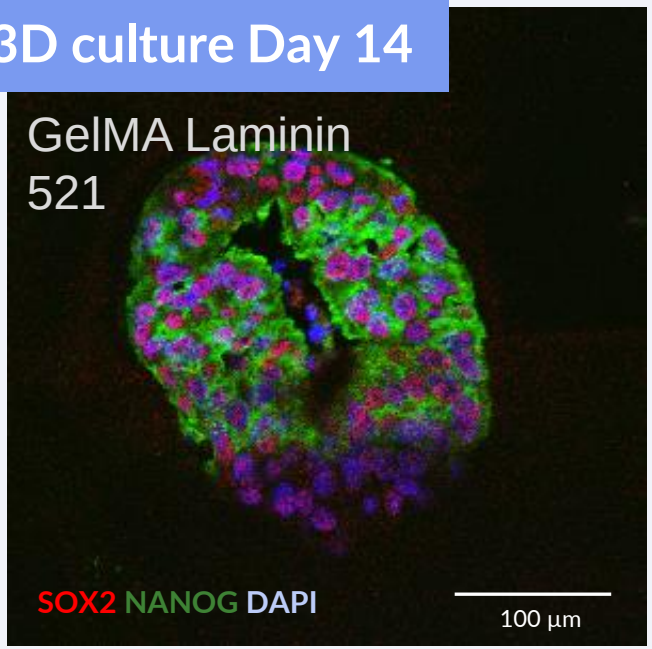
Stem cells retain their pluripotency in 3D cultures

iPSCs stains for Pluripotency Markers OCT4, SOX2 and NANOG in 3D Cultures after 7 days.

2D culture Day 4



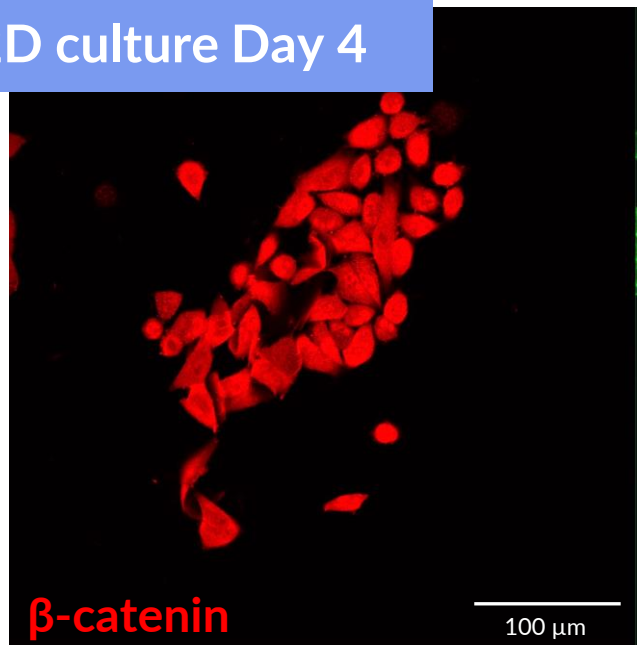
3D culture Day 14



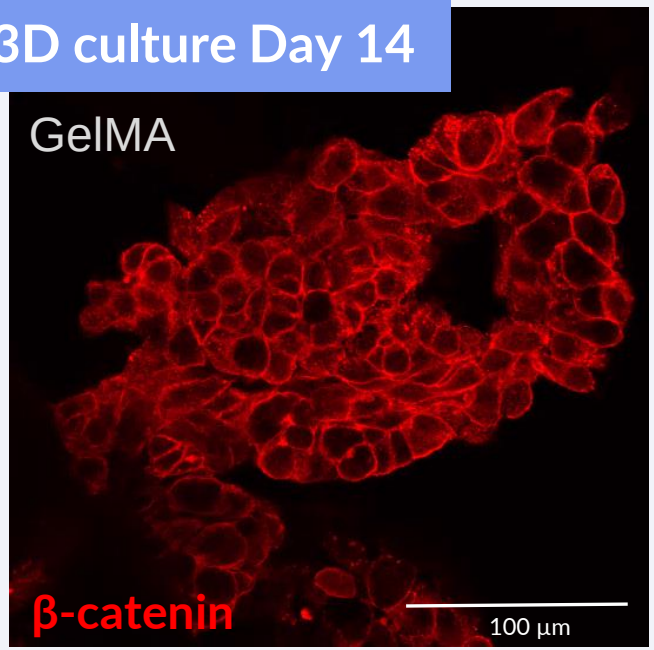
Lung cancer marker in 3D cultures resembles the *in vivo* like expression

Specific Cell Marker* β-Catenin *Show More Relevant Staining in 3D Models with A549 Lung Adenocarcinoma Cells.

2D culture Day 4



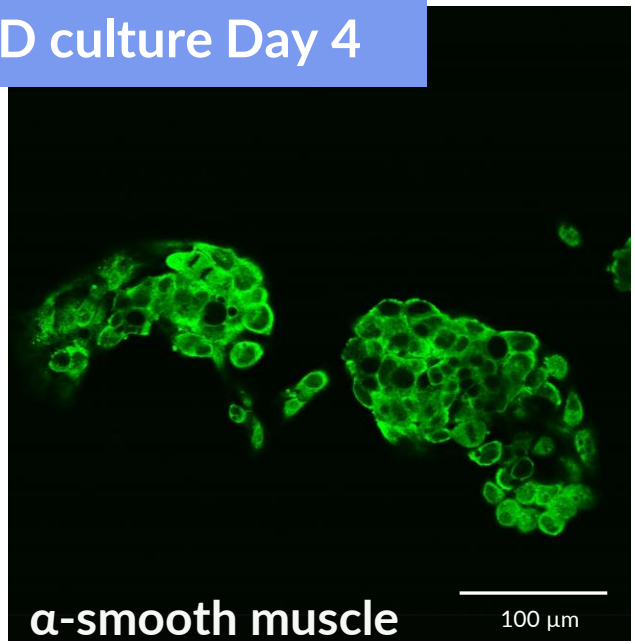
3D culture Day 14



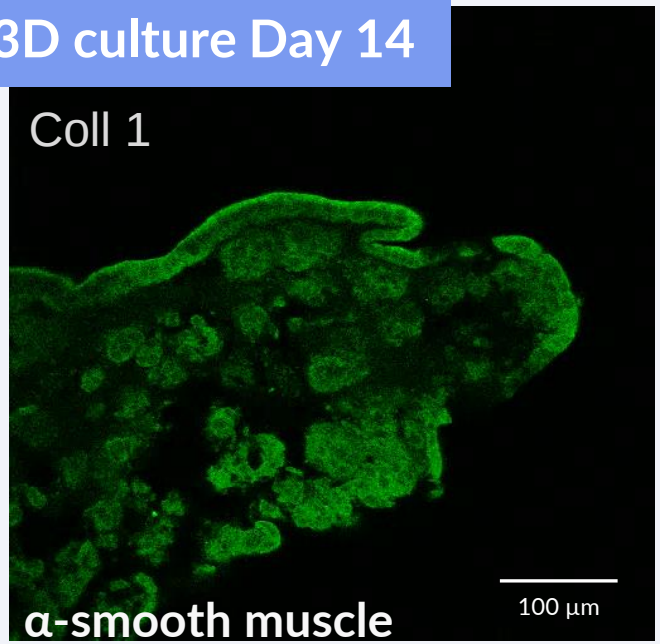
Rearrangement of liver cells to a more organotypic phenotype

HepG2 Rearrangement and Organotypic Phenotype in 3D culture.

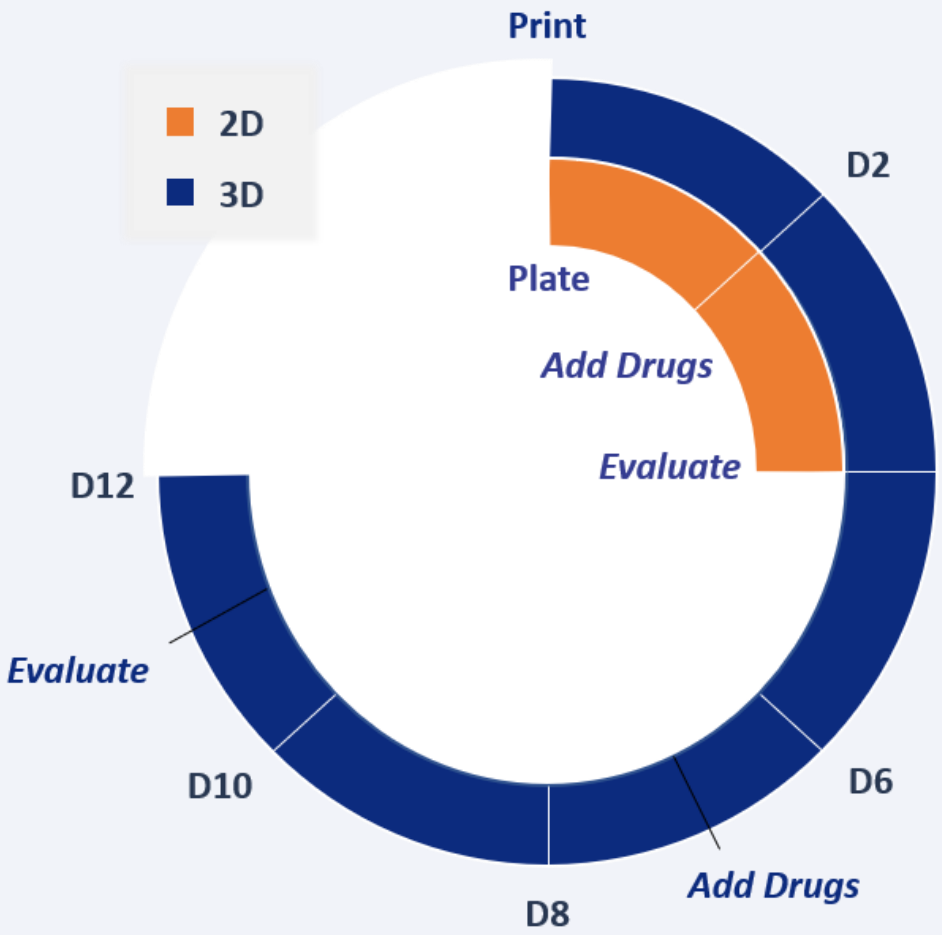
2D culture Day 4



3D culture Day 14

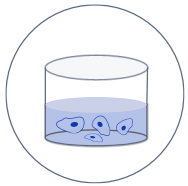


Comparing Cancer Drug Efficacy in 2D vs 3D

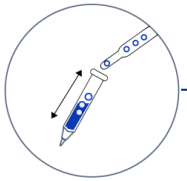


3D tumor models better recapitulate the tumor microenvironment.

Bioprinting opens the door to improved drug testing workflows. 3D models provide more physiologically relevant interactions and enable longer culture leading to more comprehensive results.



Harvest Cells:
- 2 pancreatic (BxPC3,Panc-1)
- 2 breast cancer (MCF7, MDA MB 213)



Embed cells in GelMA and Coll 1

BIO X™

Bioprint 3D “mini tumors”

I-DOT ™

Dose 3D models with Cisplatin (DNA-Inhibitor) and Geftinib (EGFR-inhibitor)

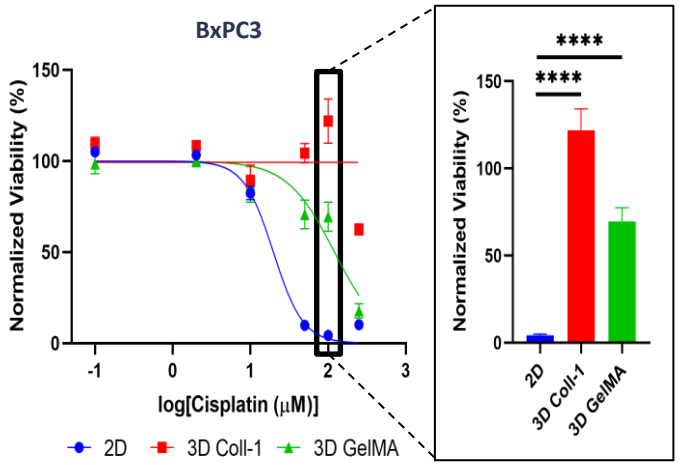
Screen the result in 3D environment

Avoid false results due to 2D screening

With improved 3D models like the mini tumors minimize the risk of false positives and negatives.

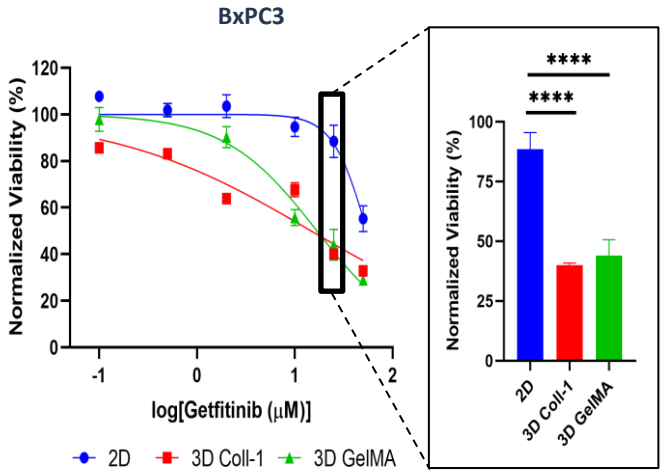
False Positive

CISPLATIN



False Negative

GEFITINIB



Want the full picture?

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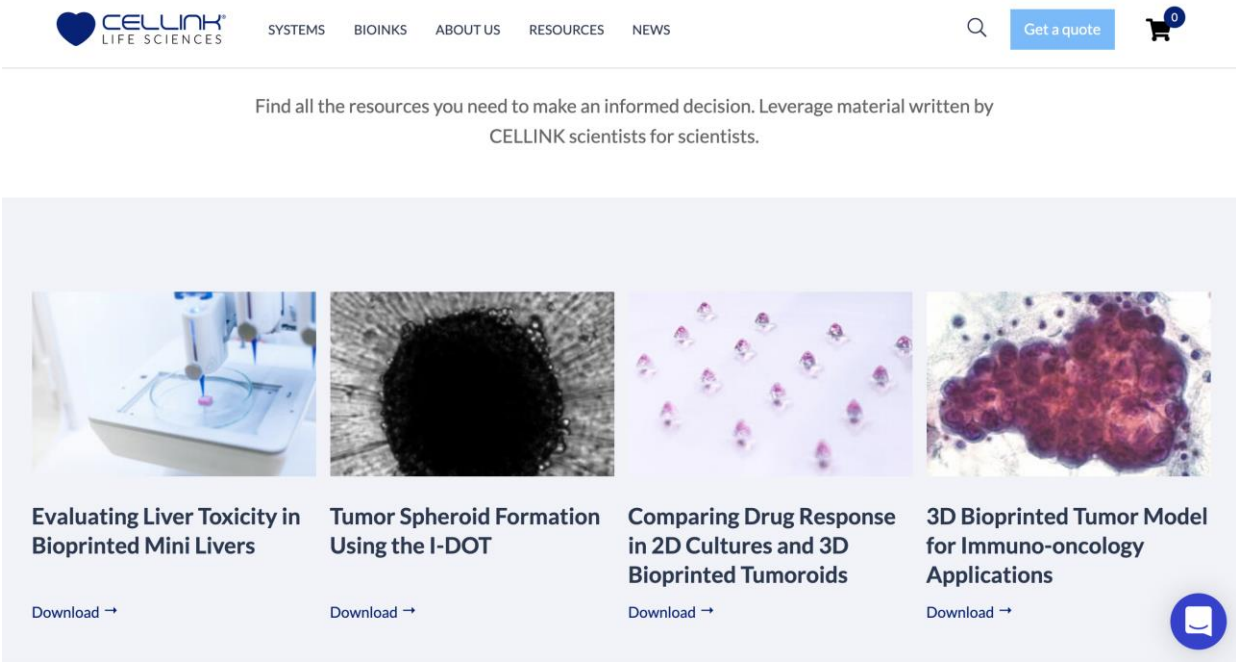

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