



CELLINK AB (publ)

Quarterly report Q1

September-November
2019/2020

Strong sales growth and successful integration of acquisitions

First quarter

- Net sales rose to 46,430 kSEK (19,971 kSEK), corresponding to an increase of 132% (148%) compared to the first quarter of the previous financial year, of which 51% (148%) was organic growth.
- Operating profit before depreciation and amortization (EBITDA) amounted to -884 kSEK (1,595 kSEK), corresponding to a negative margin (8.0%).
- Net income amounted to -5,147 kSEK (667 kSEK), which generated earnings per share of -0.53 SEK (0.08 SEK) after dilution.

The Group's key figures

SEK thousands	Sept-Nov 2019/2020	Sept-Nov 2018/2019	Full year 2018/2019
Net sales	46,430	19,971	105,457
Total revenue, etc.	66,865	27,201	147,613
Gross profit	34,190	14,490	75,423
Gross margin, %	74%	73%	72%
Operating profit before depreciation and amortization (EBITDA)	-884	1,595	3,351
Operating margin before depreciation and amortization (EBITDA), % neg		8.0 %	3.2%
Operating profit (EBIT)	-6,466	680	-3,754
Operating margin (EBIT), %	neg	3.4%	neg
Profit for the period	-5,147	667	581
Earnings per share after dilution, SEK	-0.53	0.08	0.07
Net debt (-) / Net cash (+)	68,480	122,559	108,518
Cashflow from operating activities	-19,688	-4,243	-15,818
Average number of shares*	9,843,604	8,323,439	8,726,831
Number of shares at the end of the period	9,746,194	8,323,439	9,746,194
Share price on the balance sheet date, SEK	296	163	265
Market capitalization on balance sheet date, mSEK	2,885	1,357	2,583
Number of employees at the end of the period	180	83	157

*Includes potential shares.
For definitions, see note 7.

Significant events during the period

Events during the quarter (Sept.-Nov. 2019)

- September 3: CELLINK launched a new product designed to be the most flexible bioprinting platform with six printheads on the market.
- October 1: CELLINK was granted a design patent for BIO X.
- October 2: CELLINK announced that the company was awarded the Merck Innovation Award for the latest technology designed to enhance pharmaceutical research.
- October 14: The company announced that CELLINK's four founders had been named "Entrepreneurs of the Year 2019" in Sweden.
- October 22: Research was published from the Karolinska Institute that shows I-DOT's ability to facilitate genetic research in cancer diagnosis.
- October 25: CELLINK announced the opening of a new office in France.
- November 4: A study was published from Rensselaer Polytechnic Institute demonstrating CELLINK technology's capability to produce live skin models.
- 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 on a timeline through January 2020.

Events after the end of the period

- December 13: The Board set financial targets for the Group during the 2019-2022 period. CELLINK's goal is to grow organically by at least 35% per year and to grow further through acquisitions. CELLINK's goal is also to show a positive EBITDA margin. Normally, the company's net debt compared to EBITDA should not exceed a factor of three.
- December 18: The Annual General Meeting was held. It was decided to implement a 4:1 stock split, extend the company's fiscal year to December 31, 2020 and to establish a new long-term incentive program for employees and the board of directors within the CELLINK Group.
- December 19: It was announced that BIO X won the GOOD DESIGN award from The Chicago Athenaeum Museum of Architecture and Design and Metropolitan Arts Press Ltd.
- December 23: An agreement was signed for a new production area in Gothenburg, increasing the production area size from 300 to 1600 meters squared.
- January 10: The 4:1 stock split was implemented.

Letter from the CEO

Growth, acquisitions and continued global expansion

It is with pride and strength that CELLINK finishes the first quarter and the start of its fourth year as a public company. The quarter is marked by strong growth, product development, and continuing global expansion. During the first quarter, net sales increased to 46.4 MSEK (20.) and total operating revenue to 66.9 MSEK (27.2), which resulted in a net sales growth of 132%. Organic growth amounted to 51%. The company's position on the global market has been strengthened thanks to our new product launches and efficient work by the global sales team and further development of the global workforce. The company's first quarter is seasonally strong, and the quarter ended with several major incoming orders that resulted in unusually strong growth. During the quarter, costs increased significantly as a consequence of investments in the global sales organization, preparations for the Nasdaq Stockholm listing (2.6 MSEK) and general expansion. Cashflow has also weakened as a consequence of continued increased investment in development and that payments from revenues linked to research projects were received after the end of the quarter.



Growth and customer work

During the quarter CELLINK has worked focused on the global direct sales team, which has resulted in record-high revenues and our establishment in exciting application areas and markets. The direct sales work has continually improved with the help of an active sales team that spends time at customer locations with products and applications specialist to reach new customers while upgrading current customers' instrument installations. In the same effort, our active recruitment of sales executives has been vital to continuing to increase sales' strength in new regions and for the multiple new products that have been launched. An office in Lyon, France, has been established and a combination of sales executives and applications specialists have been employed to support this growing region. The Boston office has also been extended with the establishment of an inside sales team that works actively with outreach and support for our external sales team, who focuses their time on demos and presentations.

This past November, CELLINK held its annual Collaborative Partnership Conference in New Orleans, La., where more than 100 researchers from all over the world came to share their research and network with each other and company representatives, and introduce new products and research areas. Representatives from different companies were on-site, offering direct contact with customers as well as an opportunity listen and learn from our customers' needs. Some of the world's leading bioprinting experts were also on-site to present the latest events in their field of research and inspire other researchers. The conference has doubled in size every year and has become a flagship event within the bioprinting industry. Together with our customers, we look forward to the fourth annual CELLINK Collaborative Partnership Conference.

Product development

During the quarter, we have focused on expanding the product portfolio with complementary products that can bring value for our customers. The company has invested in continued development of both hardware and software solutions that can combine multiple products in a single workflow.

This workflow contains products from several companies within the Group and will lay the groundwork for future direct sales opportunities where customers can seamlessly combine bioprinters, microscopes and automated dispensing. A number of projects have also started between acquired companies that will generate new application areas and data with the potential to increased sales in the long-term. One of the more innovative areas being evaluated is single-cell genomics, which, with the help of Dispindex's I-DOT and cytena's f.sight can enable the analysis of genetic composition of single cells. With this workflow, researchers will be able to generate more specific data on individual cells and better understand mutations and cancer progression.

CELLINK launched its latest bioprinter system in September, BIO X6 – a new bioprinting system with six printheads that will enable production of even more sophisticated constructs for our customers. The BIO X6 system was developed to meet customers' growing requirements for advanced bioprinting, and we received orders for several systems within the first weeks of the launch. The BIO X6 system builds on the BIO X platform; all consumables and accessories work seamlessly with BIO X6, which makes it easy for current BIO X customers to upgrade and take their research to the next level.

Global expansion

CELLINK's expansion continues with global growth driven by passion for customers and their revolutionary research. During the quarter, the company has gone from 157 full-time employees at the beginning of the quarter, to 180 by the end of the quarter – it is largely in part to our unique company culture that the growth and expansion has been able to occur at this rate. The company has focused on integrating new colleagues from acquired companies, as well as recruitment of colleagues, continuously improved quality and centralizing of the commercial team. The company culture continues to be a leading factor in the company's continuing future and in people seeking to work at CELLINK. The unique environment, innovative technology and culture are the reasons that we continue to receive applications from the most talented individuals to the Group.

The newly acquired companies in the Group have given CELLINK the possibility to expand in new markets that will lead to continued growth in time. The new research areas that have opened are, among others, genomics with qPCR, proteomics, live-cell imaging and liquid-handling workflows. With the help of our new products, the company has increased addressable markets for the whole company, and we hope to see more synergies through a centralized direct sales team and marketing organizations. The live-cell imaging market alone, addressed by CELLCYTE X, is expected to have a global market potential of 2.9 billion USD by 2023 with a CAGR of 8.9% ([Markets & Markets](#)). The company has, within 18 months, successfully developed, launched and started deliveries of the live-cell imaging system to customers in several countries.

I want to thank the whole CELLINK team for the fantastic work, the Board for their support, and all of the shareholders and investors who have shown continued trust in the company and me. We now begin a new and exciting quarter.

Gothenburg, January 20

Erik Gatenholm, CEO

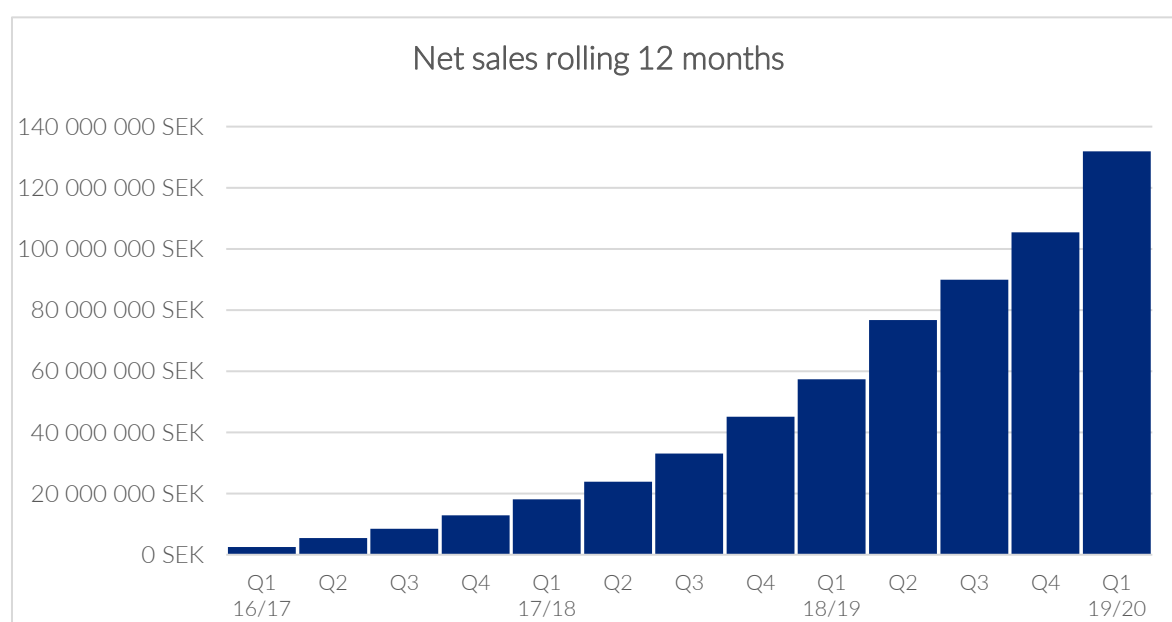
The Group's development

Net sales

In the first quarter, net sales amounted to 46,430 kSEK (19,971), an increase compared to the first quarter of the previous financial year with 132% (148%), of which 51% (148%) was organic growth. The increase in net sales is mainly attributable to increased sales of the company's instruments.

The company's strategic choice to move from using distributors in large parts of Europe to direct sales has continued to be a hampering factor for sales development in the quarter. The effect is expected to have a negative effect on growth in the short-term with a positive effect in the long-term. The company expects that direct sales are going to increase growth and margins in the long-term.

cytena and Dispendix, who were not owned by the Group during Q1 of the previous financial year, have sales, resulting in 16.3 MSEK compared with the previous year.

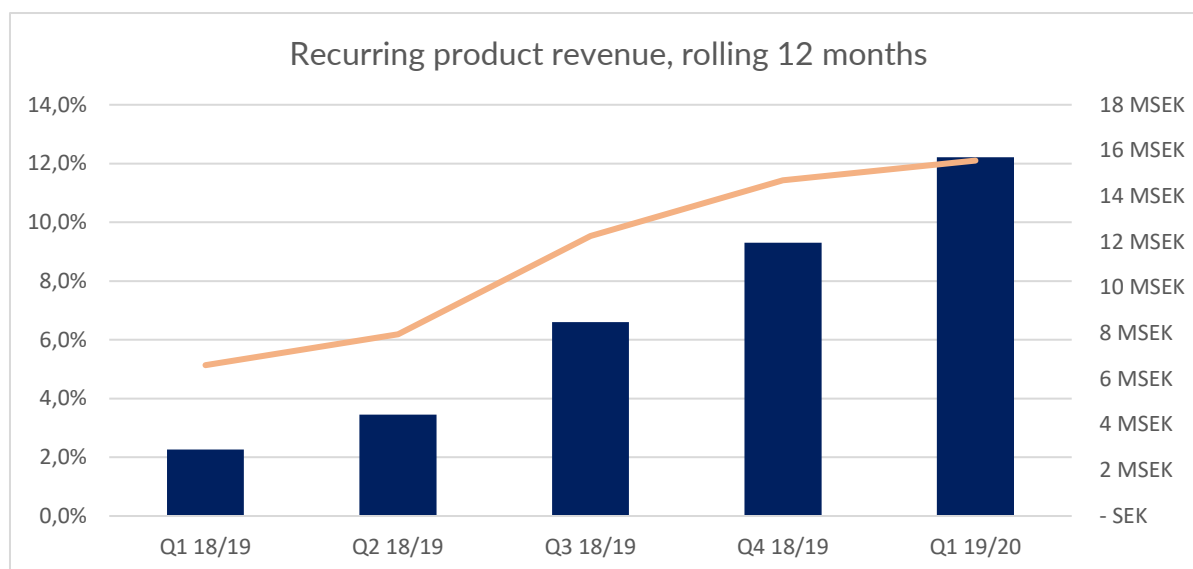


Results

Gross profit in the first quarter amounted to 34,190 kSEK (14,490), representing a gross margin of 74% (73%). Gross margin was 72% for the full year 2018/2019. The improvement in the gross margin can be attributed to a weaker Swedish kronor, cost effects and better prices on raw materials. The acquired companies have also made a positive contribution to the gross margin.

Operating profit for the first quarter amounted to -6,466 kSEK (680), corresponding to a negative operating margin (3.4%). The company has actively invested in strong growth and continued its investment in employees across the commercial organization, resulting in expenses that have increased at a faster rate than net sales during the quarter. Operating profit for the quarter was affected by amortization of acquired intangible assets from cytena and Dispendix which amounted to 1,855 kSEK. The company's work to move to Nasdaq Stockholm (main market) has also negatively impacted operating growth for the quarter by approximately 2.6 MSEK.

Results after tax for the quarter increased to -5,147 kSEK (667), corresponding to an earnings per share of -0.53 SEK (-0.08).



This graph shows the proportion of recurring revenue in relation to total net sales for products in rolling 12 months. Recurring revenue includes bioinks, consumables and accessories. From Q1 18/19 to Q1 19/20, the share increased from about 5% to about 12% of sales for products. The increased proportion is an effect of the ever-growing base of instruments that generate recurring revenue.

Cashflow, investments and liquidity

Cashflow from operating activities in the first quarter amounted to -19,688 kSEK (-4,243). The decrease is mainly attributable to increased investments in the commercial organization. With the majority of deliveries during the quarter occurring during the quarter's final month, accounts receivable increased to 54,000 kSEK (17,804) during the quarter. The Group continues to see increased accounts receivable in the quarter, but accounts receivable seen over twelve months sales has fallen to 41% (44%) compared to August 31, 2019. Cashflow was also adversely affected by a late payment of research support of approximately SEK 10 million, which was received after the end of the quarter.

The cashflow from investment activities during the quarter amounted to 24,637 kSEK (3,751), where 42,583 kSEK (12,467) is attributable to investment and sales of short-term mutual funds during the quarter. During the quarter, the Group invested -13,388 kSEK (-7,887) in intangible fixed assets in the form of patents and balanced expenses for product development. The increase can be attributed to increased investment in product development, where some of the biggest cost drivers during the quarter have been linked to CELLCYTE X and BIO X6. Total R&D costs for the quarter amounted to approximately SEK -22 million.

Cashflow from financing activities amounted to -1,682 kSEK (-302) and consists mainly of amortization of leasing debt. The quarter's cashflow amounted to 3,267 kSEK (-794).

At the end of the quarter, the Group's cash, cash equivalents and short-term investments amounted to 69,080 kSEK (123,159). The Group's external financing is limited to a loan from VGR of SEK 600 kSEK. The Group has a net cash position.

Parent company

The Parent Company's sales during the first quarter amounted to 25,353 kSEK (18,958), of which 9,705 kSEK (3,221) related to internal group revenue. The period's profit after financial items amounted to -8,699 kSEK (1,650), and the period's profit amounted to -6,984 kSEK (1,650).

By the end of the quarter, the parent company's cash, cash equivalents and investments amounted to 38,885 kSEK (120,276). The parent company's external financing is limited to a loan from VGR of 600 kSEK.

Other information

Staff

The number of full-time employees in the CELLINK Group amounted to 180 (83) in last November, 2019. The Group intends to continue growing extensively, and this increase in personnel is in-line with plan.

Seasonal variations

CELLINK's sales are partially affected by seasonal variations. During the vacation period (June-August), there often occurs 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 calendar year than the first. This effect is expected to be dampened by the acquisition of cytena GmbH, which has weaker seasonal variations and more even 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 risk through its operations. Risks can be categorized as industry- and market-related risks, business-related risks and financial risks. Industry- and market-related risks include, among other things, changes in demand resulting from a weakening economy or other macroeconomic change, a changed price point for raw materials central to production and a change in competition or price pressure. Business-related risks include the group's ability to develop and sell innovative products and solutions, its ability to attract and retain qualified employees and profitability dependent on product mix and continued growth in relation to organizational growth. The financial risks are summarized under financing risk, liquidity risk, credit risk and interest rate risk. The group's risks and uncertainties are described in the annual report for 2018/2019 on pages 25-27.

Notes

The company's board and leadership are actively working on preparing to list the company on Nasdaq's main list and expects that the company will be listed early 2020. The costs of the listing have negatively impacted the quarter by about 2.6 MSEK.

Extended financial year

The financial year 2019/2020 extends over the period September 1, 2019 - December 31, 2020, a total of 16 months, this to adjust the year's accounts by calendar year, which means that the year will include 5 quarters, of which the fifth will cover 4 months.

Interim report review

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

Consolidated income statement

SEK thousands	Note	2019-09-01 2019-11-30 Sept-Nov (Q1)	2018-09-01 2018-11-30 Sept-Nov (Q1)	2018-09-01 2019-08-31 Full year
Net sales	3	46 430	19 971	105 457
Changes in inventory		2 274	793	7 816
Capitalized work for its own account		9 237	4 323	15 938
Other operating income	3	8 924	2 114	18 402
Total operating income		66 865	27 201	147 613
Operating expenses				
Raw materials and supplies		-14 514	-6 274	-37 850
Other external expenses		-23 002	-8 139	-45 879
Personnel expenses		-28 542	-11 032	-59 838
Depreciation and amortization of fixed assets		-5 582	-915	-7 105
Other operating expenses		-1 691	-161	-695
Operating profit/loss		-6 466	680	-3 754
Profit/loss from financial items				
Interest income and similar items		247	-	3 920
Interest expenses and similar items		-198	-64	-112
Profit/loss after financial items		-6 417	616	54
Tax for the period	5	1 270	51	527
Net profit/loss for the period		-5 147	667	581
Attributable to				
Parent company's shareholders		-5 147	667	581
Earnings per share before dilution, SEK		-0,53	0,08	0,07
Earnings per share after dilution, SEK		-0,53	0,08	0,07
Average number of shares*		9 843 604	8 323 439	8 726 831
Number of shares at closing day		9 746 194	8 323 439	9 746 194

*Average number of shares including potential common shares

Condensed consolidated statements of comprehensive income

SEK thousands	Note	2019-09-01 2019-11-30 Sept-Nov (Q1)	2018-09-01 2018-11-30 Sept-Nov (Q1)	2018-09-01 2019-08-31 Full year
Net profit/loss		-5 147	667	581
<i>Other comprehensive income items that may be reclassified to the income statement</i>				
Exchange rate differences		-9 956	-5	5 080
Total comprehensive income		-15 103	662	5 661
Attributable to				
Parent company's shareholders		-15 103	662	5 661

Condensed consolidated statements of financial position

SEK thousands	Note	2019-11-30	2018-11-30	2019-08-31
ASSETS				
Fixed assets				
Intangible fixed assets		391 055	37 463	389 850
Tangible fixed assets		12 106	1 740	8 584
Right-of-use asset	1	26 669	-	-
Other financial fixed assets		843	-	543
Deferred tax assets	5	6 567	1 464	5 376
Total fixed assets		437 240	40 667	404 353
Current assets				
Inventory		33 670	4 805	28 678
Tax receivables		62	-	3 146
Accounts receivable		54 000	17 804	46 796
Prepaid expenses and accrued income		8 080	1 815	3 465
Other current assets		8 622	20 955	7 567
Short-term investments	4	26 690	100 933	69 273
Cash and cash equivalents		42 390	22 226	39 845
Total current assets		173 514	168 538	198 770
TOTAL ASSETS		610 754	209 205	603 123
EQUITY AND LIABILITIES				
Equity attributable to the Parent Company's shareholders		534 915	186 388	549 642
Long-term liabilities				
Long-term interest-bearing liabilities		600	600	600
Long-term lease liabilities	1	19 494	-	-
Other provisions		2 651	464	980
Deferred tax liabilities		14 227	-	15 408
Total long-term liabilities		36 972	1 064	16 988
Current liabilities				
Lease liabilities	1	6 308	-	-
Accounts payable		10 837	6 240	14 113
Advance from customers		798	640	260
Current tax liabilities		2 417	2	-
Other current liabilities		4 022	762	11 078
Accrued expenses and deferred income		14 485	14 109	11 042
Total current liabilities		38 867	21 753	36 493
TOTAL EQUITY AND LIABILITIES		610 754	209 205	603 123

Condensed consolidated cashflow statements

	2019-09-01 2019-11-30 Sept-Nov (Q1)	2018-09-01 2018-11-30 Sept-Nov (Q1)	2018-09-01 2019-08-31 Full year
SEK thousands			
Profit/loss after financial items	-6 417	616	54
Adjustments for non-cash items	7 789	1 191	6 228
Tax paid	-257	0	433
Changes in inventory	-5 952	-793	-11 670
Changes in trade receivables	-9 160	-19 277	-20 846
Changes in trade payables	-6 351	14 020	9 983
Cashflow from operating activities	-19 688	-4 243	-15 818
Cashflow from investing activities	24 637	3 751	-110 198
Cashflow from financing activities	-1 682	-302	140 334
Cashflow for the period	3 267	-794	14 318
Opening cash and cash equivalents	39 845	23 038	23 038
Exchange difference in cash and cash equivalents	-722	-18	2 489
Closing cash and cash equivalents	42 390	22 226	39 845

Consolidated changes in shareholders' equity

SEK thousands	Share capital	Other contributed capital	Translation reserve	Retained earnings including net profit/loss for the period holders' equity	Shareholder Capital
Opening balance at September 1, 2018	832	184 133	40	1 154	186 160
Net profit/loss for the period	-	-	-	667	667
Other comprehensive income	-	-	-5	-	-5
Transaction cost, net after taxes	-	-623	-	-	-623
Share-based payments	-	189	-	-	189
Closing balance at November 30, 2018	832	183 699	35	1 821	186 388
Opening balance at September 1, 2019	975	541 853	5 080	1 735	549 642
Net profit/loss for the period	-	-	-	-5 147	-5 147
Other comprehensive income	-	-	-9 956	-	-9 956
Share-based payments	-	535	-	-	535
Transaction cost, net after taxes	-	-159	-	-	-159
Closing balance at November 30, 2019	975	542 229	-4 876	-3 412	534 915

Income statement for the Parent Company

SEK thousands	Note	2019-09-01 2019-11-30 Sept-Nov (Q1)	2018-09-01 2018-11-30 Sept-Nov (Q1)	2018-09-01 2019-08-31 Full year
Net sales		25 353	18 958	77 644
Changes in inventory		2 147	793	8 078
Capitalized work for its own account		1 932	2 672	5 337
Other operating income		9 139	2 056	15 374
Total operating income		38 571	24 479	106 433
Operating expenses				
Raw materials and supplies		-7 529	-6 274	-32 061
Other external expenses		-22 990	-6 763	-30 879
Personnel expenses		-14 014	-8 687	-40 650
Depreciation and amortization of fixed assets		-1 390	-881	-4 876
Other operating expenses		-1 656	-161	-666
Operating profit/loss		-9 008	1 714	-2 699
Profit/loss from financial items				
Interest income and similar items		318	-	3 981
Interest expenses and similar items		-9	-64	-20
Profit/loss after financial items		-8 699	1 650	1 261
Tax for the period		1 716	-	-469
Net profit/loss for the period¹		-6 984	1 650	792

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

Parent company balance sheet

SEK thousands	Note	2019-11-30	2018-11-30	2019-08-31
ASSETS				
Fixed assets				
Intangible fixed assets		65 744	38 239	56 581
Tangible fixed assets		4 514	1 071	1 937
Shares in Group companies		364 859	1 848	364 859
Other financial fixed assets		428	-	259
Deferred tax assets		4 598	1 293	3 005
Total fixed assets		440 143	42 450	426 641
Current assets				
Inventory		15 990	4 805	11 913
Accounts receivables		25 417	13 993	22 214
Receivables from Group companies		28 204	8 216	20 603
Tax receivables		62	-	-
Other current assets		5 481	20 122	4 833
Prepaid expenses and accrued income		7 747	1 779	2 739
Short-term investments		26 690	100 933	69 273
Cash and cash equivalents		12 195	19 343	11 707
Total current assets		121 786	169 190	143 282
TOTAL ASSETS		561 929	211 640	569 924
EQUITY AND LIABILITIES				
Equity		540 153	189 322	546 760
Provisions				
Deferred tax provision		153	-	317
Other provisions		434	464	402
Total provisions		587	464	719
Long-term liabilities				
Long-term interest-bearing liabilities		600	600	600
Total long-term liabilities		600	600	600
Current liabilities				
Advance from customers		305	637	156
Accounts payable		9 075	6 182	10 895
Other current liabilities		913	576	781
Accrued expenses and deferred income		10 296	13 859	10 013
Total current liabilities		20 589	21 254	21 844
TOTAL EQUITY AND LIABILITIES		561 929	211 640	569 924

Notes to the financial statements

Note 1. Accounting principles

This interim report has been prepared for the Group in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Reporting Board, Accounting for Legal Entities. Unless otherwise stated below, the accounting principles applied to the Group and the Parent Company are consistent with the accounting principles used in the presentation of the most recent Annual Report.

Description of IFRS 16 "Leasing Agreement" in summary

Lessees

The Group recognizes a right of use and a lease liability at the commencement date of the lease. The right to use the asset is initially valued at cost, which consists of the original value of the lease debt with the addition of leasing fees paid on or before the start date plus any initial direct expenses. The rights of use are then depreciated on a straight-line basis from the commencement date to the earlier of the end of that asset's useful life and the end of the lease period.

The lease liability is initially valued at the present value of the future lease fees that have not been paid at the commencement date. Leasing fees are discounted with the implicit interest rate of the lease. If this interest rate cannot be easily determined, the Group's marginal borrowing rate is used. The lease debt is valued at amortized cost using the effective interest method. The lease debt is revalued if the future lease fees change due to, among other things, changes in an index or a price ("rate"). When the lease liability is revalued in this way, a corresponding adjustment is made to the reported value of the right of use.

Effects of the transition to IFRS 16 leases in summary

Leases previously classified as operating leases in accordance with IAS 17

At 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 in accordance with the modified retroactive method, which means that the right of use has been valued at an amount corresponding to the lease debt, adjusted for any prepaid or accrued lease fees 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 fairly similar properties.
- Use rights and lease liabilities have not been reported for leases for which the leasing period ends 12 months or earlier (short-term leases), or underlying assets of low value.
- Ex-post assessments made when determining the lease period if the agreement contains possibilities to extend or terminate the lease.

For CELLINK, the standard has primarily been important for the local leases in the Group. The introduction of IFRS 16 has affected the balance sheet total in the Group by approximately 26.9 MSEK at the transition date September 1, 2019.

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

Excerpt from income statement

	IFRS 16	IAS 17	
	Sept-Nov	Sept-Nov	Sept-Nov
	2019	2019	2018
EBITDA	-884	-2510	1595
Operating profit/loss	-6466	-6518	680
Financial items	-198	-65	-64
Profit/loss after financial items	-6417	-6336	616
Net profit/loss for the period	-5147	-5083	667

Excerpt from balance sheet	IFRS 16	IAS 17	2018-11-30
	2019-11-30	2019-11-30	
Assets			
Right-of-use asset	26 669	-	-
Total long-term assets	437 241	410 555	40 667
Total assets	610 756	585 018	209 205
Equity			
Shareholders' equity, attributable to the Parent Company's shareholders	534 915	534 979	186 388
Total Equity	534 915	534 979	186 388
Liabilities			
Long-term lease liabilities	19 494	-	-
Total long-term liabilities	20 094	600	1 064
Short-term lease liabilities	6 308	-	-
Total short-term liabilities	38 868	32 560	21 753
Total liabilities and provisions	75 841	50 039	22 817
Total equity and liabilities	610 756	585 018	209 205

Note 2. Critical estimates and assessments

The preparation of the interim report requires the management to make assessments and estimates and 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 assessments. The critical assessments and sources of uncertainty in estimates during Q1 2019/2020 are generally the same as described in the latest annual report note 3, pp. 41-42.

During Q1 2019/2020, there was no indication of a need for impairment in intangible assets, with no impairment testing carried out. Nor has any business acquisition been completed in Q1 2019/2020. Previous preliminary acquisition analyzes have not been adjusted.

Note 3. Revenue

CELLINK's net sales mostly derive from the sale of products in the form of bioprinters, bioinks and consumables. The company also sells product-related services in the form of maintenance, installations and "workshops." The Group's products offered on the market consist of instruments, bioinks and consumables. The Group's financial results and position are reported and analyzed on an aggregated level to the highest executive decision maker on a monthly basis, with the company's operations being reported as a segment in the financial reports, in accordance with IFRS 8.

Of the Group's other revenues, the majority consists of various types of government grants received by the Group for running development projects.

The tables below present the distribution of net sales for products and services, as well as per geographical market.

Net sales per products and services

	Sept-Nov 2019/ 2020	Sept-Nov 2018/ 2019	Full year 2018/ 2019
SEK thousands			
Products	44 811	19 685	104 186
Services	1 619	286	1 271
Total	46 430	19 971	105 457

Net sales of products distributed between consumables and instruments

	Sept-Nov 2019/ 2020	Sept-Nov 2018/ 2019	Full year 2018/ 2019
SEK thousands			
Consumables	2 947	736	5 817
Instruments	41 864	18 949	98 369
Total products	44 811	19 685	104 186

Net sales by geographic region

	Sept-Nov 2019/ 2020	Sept-Nov 2018/ 2019	Full year 2018/ 2019
SEK thousands			
Europe	15 295	4 880	44 861
North America	15 873	5 362	32 289
Asia	13 445	9 410	23 986
Rest of the world	1 817	319	4 321
Total	46 430	19 971	105 457

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, derivative instruments and short-term investments. All instruments except derivative instruments and short-term investments are valued at amortized cost.

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

Calculation at fair value regarding short-term investments during the period generated an impact on the income statement of SEK 244k (-59). This effect is reported among financial items.

SEK thousands	Fair value levels	2019-11-30	2018-11-30	2019-08-31
Financial assets valued at fair value				
Short-term investments	1	26 690	100 933	69 273
Financial derivatives	2	-	18	-

Note 5. Taxes

In several of the Group's companies, there are tax deficits, whereby total tax expense and the effective tax rate as a percentage may fluctuate over time. However, the Group's assessment is that only a small amount of 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 their entirety as a result of the Group's assessment that these will be utilized in the future.

Note 6. Share-related remuneration

CELLINK has previously 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 the motivation to achieve or exceed the Group's goals.

The first program comprises a maximum of 1,513,352 options* each of which can be exercised against one share at a price of SEK 44.375 *. The program expires in 2021.

The second program comprises a maximum of 1,600,000 options* each of which can be redeemed for one share at a price of SEK 74.34 *. The program expires in 2022.

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

* After split 4: 1 completed January 10, 2020

Note 7. Reconciliation of alternative key ratios

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

Gross profit, SEK thousands

SEK thousands	Sept-Nov 2019/2020	Sept-Nov 2018/2019	Full year 2018/2019
Net sales	46 430	19 971	105 457
Raw materials and consumables reduced by changes in inventory	-12 240	-5 481	-30 034
Gross profit, SEK thousands	34 190	14 490	75 423

Gross margin, %

SEK thousands	Sept-Nov 2019/2020	Sept-Nov 2018/2019	Full year 2018/2019
Gross profit	34 190	14 490	75 423
Net sales	46 430	19 971	105 457
Gross margin, %	74%	73%	72%

EBITDA

SEK thousands	Sept-Nov 2019/2020	Sept-Nov 2018/2019	Full year 2018/2019
Operating profit/loss	-6 466	680	-3 754
Depreciation and amortization	5 582	915	7 105
EBITDA	-884	1 595	3 351

EBITDA margin, %

SEK thousands	Sept-Nov 2019/2020	Sept-Nov 2018/2019	Full year 2018/2019
EBITDA	-844	1 595	3 351
Net sales	46 430	19 971	105 457
Gross margin, %	neg	8,0%	3,2%

Operating profit margin (EBIT), %

SEK thousands	Sept-Nov 2019/2020	Sept-Nov 2018/2019	Full year 2018/2019
Operating profit/loss	-6 466	680	-3 754
Net sales	46 430	19 971	105 457
Gross margin, %	neg	3,4%	neg

Equity/assets ratio, %

SEK thousands	2019-11-30	2018-11-30	2019-08-31
Equity attributable to the Parent Company's shareholders	534 915	186 388	549 642
Total assets	610 754	209 205	603 123
Equity/assets ratio, %	88%	89%	91%

Net debt (-) / Net cash (+)

SEK thousands	Sept-Nov 2019/2020	Sept-Nov 2018/2019	Full year 2018/2019
Short-term investments	26 690	100 933	69 273
Cash and cash equivalents	42 390	22 226	39 845
Long-term interest-bearing liabilities, excluding lease liabilities	-600	-600	-600
Short-term interest-bearing liabilities excluding lease liabilities	-	-	-
Net debt (-) / Net cash (+)	68 480	122 559	108 518

Alternative performance measures

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

Alternative performance measures	Definition	Reason for use
Gross profit	Net sales less raw materials and supplies, increased/decreased with changes in inventory.	Shows effectiveness of CELLINK's operations and together with EBITDA, provides a complete picture of the operating profit generation and expenses..
Gross margin	Gross profit/loss as a percentage of net sales.	The ratio is used for analysis of the Company's effectiveness and profitability.
Operating profit/loss before depreciation and amortization (EBITDA)	Earnings before interest, tax, depreciation and amortization.	CELLINK believes that EBITDA shows the profit generated by the operating activities. As CELLINK's operating profit/loss is impacted by the amortizations of surplus values related to the acquisition that the company has carried out, it is management's assessment that it is appropriate to illustrate the Group's profitability and earning capacity by presenting operating profit/loss before depreciation and amortization (EBITDA).
EBITDA margin	EBITDA as a percentage of net sales.	CELLINK believes that the EBITDA margin is a useful measure for showing the results generated in operating activities.
Operating profit (EBIT)	Earnings before interest and similar items and tax.	CELLINK believes that operating profit/loss (EBIT) shows the profit generated by the operating activities.
Operating margin (EBIT)	Operating profit/loss (EBIT) as a percentage of net sales.	CELLINK believes operating margin (EBIT) is a useful measure together with net sales growth and working capital to monitor value creation
Equity/assets ratio	Equity divided on total assets.	CELLINK believes that the equity/assets ratio is a useful measure of the Company's survival.
Net debt (-) / Net cash (+)	Short-term investments and cash and cash equivalents, reduced by interest-bearing long-term and current liabilities excluding leasing liabilities. A positive number indicates net cash.	CELLINK believes that Net debt (-) / Net cash (+) is a useful measure of the Company's survival.

Consolidated income statements per quarter

SEK thousands	Sept-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	Dec-Feb 2017/2018
Net sales	46 430	31 997	29 624	23 837	19 971	16 465	12 202	8 689
Changes in inventory	2 274	2 075	3 432	1 521	793	406	-79	474
Capitalized work for its own account	9 237	5 484	3 077	3 064	4 323	4 284	2 015	1 399
Other operating income	8 924	7 081	4 761	4 507	2 114	1 976	2 238	1 495
Operating expenses								
Raw materials and supplies	-14 514	-11 931	-10 891	-8 757	-6 274	-5 026	-4 806	-3 886
Other external expenses	-23 002	-17 403	-12 377	-8 012	-8 139	-8 054	-4 161	-2 306
Personnel expenses	-28 542	-19 447	-16 191	-13 193	-11 032	-8 769	-6 316	-4 463
Depreciation and amortization of fixed assets	-5 582	-2 542	-1 861	-1 787	-915	-667	-645	-645
Other operating expenses	-1 691	-290	-142	-102	-161	-213	-49	-152
Operating profit/loss	-6 466	-4 976	-568	1 078	680	402	399	605
Profit/loss from financial items								
Interest income and similar items	247	3 016	766	155	0	222	229	179
Interest expenses and similar items	-198	-	-40	-21	-64	-28	-2	-1
Profit/loss from financial items	-6 417	-1 960	158	1 212	616	596	626	783
Tax for the period	1 270	216	131	128	51	-13	-265	-172
Net profit/loss for the period	-5 147	-1 744	289	1 340	667	583	361	611
Attributable to								
Parent Company's shareholders	-5 147	-1 744	289	1 340	667	583	361	611

Other information

Date of publishing financial information

April 9, 2020	Q2 Interim report
July 9, 2020	Q3 Interim report
October 22, 2020	Q4 Interim report
January 29, 2021	Q5 Interim report (Year-end report)
March 17, 2021	Annual report

The information in this interim report is such that CELLINK is required to publish pursuant to the Securities Market Act and Market Abuse Regulations "MAR". The information was submitted for publication on January 20, 2020. This interim report, as well as additional information, is available on CELLINK's website, www.cellink.com. For physical copy, contact the company's CFO.

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