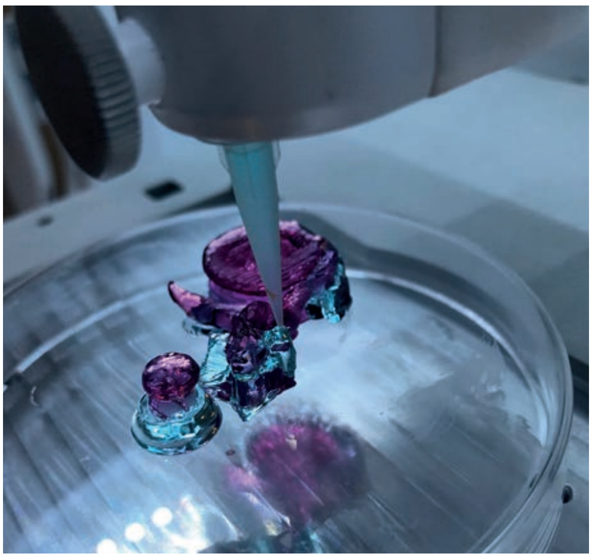
ANNUAL REPORT 2017/2018

09.01.2017 - 08.31.2018

CONTENT



THE YEAR IN BRIEF

INCREASE OF NET SALES
The Company's net sales have increased during the year, from SEK 13,2 million to SEK 45,3 million, equivalent to a 245% increase.

INCREASE OF EMPLOYEES
The number of employees have increased as the Company and its operations grow. At the end of fiscal year 2017/2018, the Company had 74 employees to compare with 24 employees for the previous fiscal year.

INCREASED NUMBER OF EXPORTING COUNTRIES
CELLINK exports goods to 50 countries today, compared to a year ago when the company exportedv their products to 30 countries, which is a significant increase and positive development.

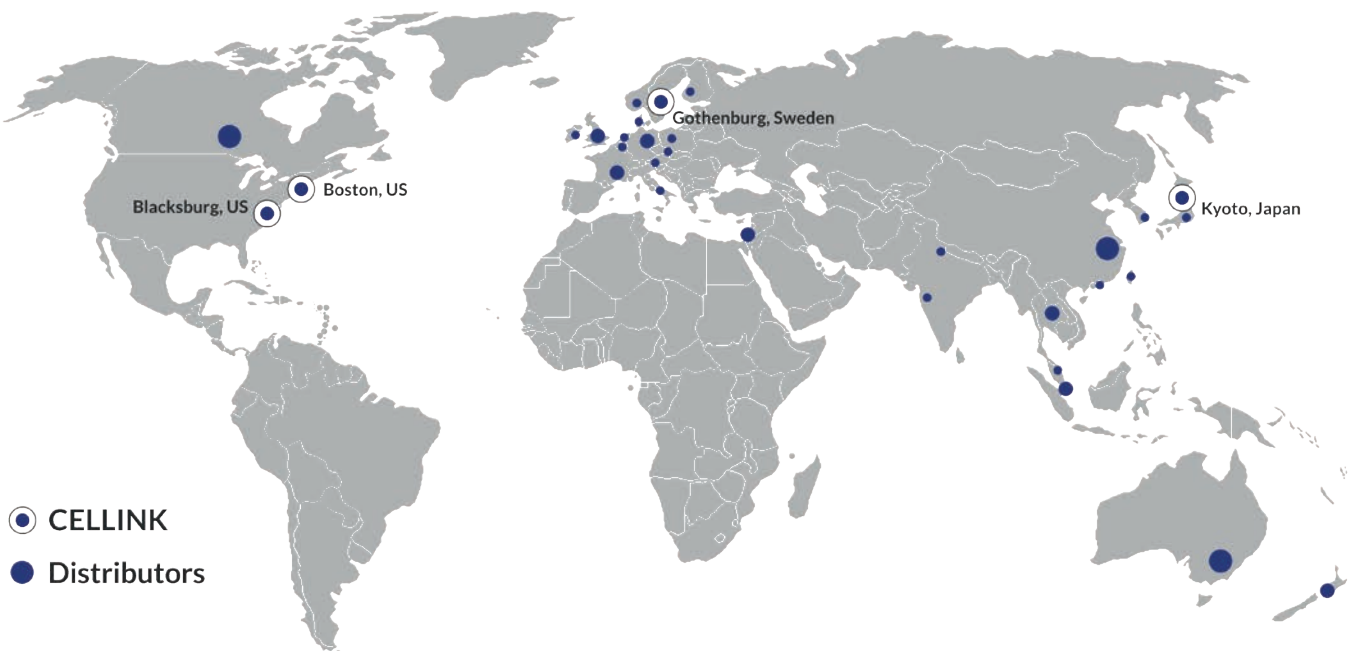
NEW FACILITIES
During the year, the Company established a new office in Boston, USA, to strengthen the local presence where CELLINK sees great potential. This expansion will benefit the Company's position in the US market.

NEW TECHNOLOGY
The Company has focused on expanding the bioink range and has launched several new tissue-specific bioinks during the year, to meet the demand from the growing customer base.

NEW RESEARCH COLLABORATIONS
During the year, the Company has begun several new research collaborations. For example, the EU-funded SilkFusion project.

COMPANY DESCRIPTION

CELLINK has created one of the world's first universal bioink that today is being used by many of the world's most reputable research institutions. A bioink is mixed with living cells in order to be able to print functional human tissues that can be used for drug development, cosmetics and, in the long run, be able to print complete human organs using a 3D Bioprinter. CELLINK's universal bioink displays excellent results and can be used in both CELLINK's 3D Bioprinters, as well as with 3D printers developed by other companies. The Company's 3D Bioprinter BIO X is focusing at advanced research and development and is used in laboratories worldwide, both in academic research and companies of drug development and cosmetics.



CEO STATEMENT

The year has been characterized by increased growth with positive results, geographical expansion, continued research collaborations and talent acquisition.

It is with great joy and pride that we at CELLINK finish our third fiscal year and second year as a public Company with continued growth, expansion and with profit. During the fiscal year, total operating income amounted to 64.4 million net sales to SEK 45.3 million, equivalent to an increase in net sales of 245% compared to previous fiscal year. The Company has strengthened its position in the global 3D Bioprinting market through continued strong focus on product development and new launches, effective work by the global sales team and further development of staff and corporate culture. CELLINK is now launching a new exciting year with validation of a number of application areas, a growing global market and the realization of the growth and acquisition strategy.

Growth

The demand for CELLINK's technology platform has increased globally during the fiscal year and the sales team has gained great success in the market through conferences and trade fairs, but primarily through its own demonstrations of the products for customers. CELLINK has concluded several collaborative agreements with strategically selected distributors and the Company have reached a position where we can continue to strengthen the global position with our partners to maximize growth, awareness of CELLINK's brand and our products' customer benefits across the globe. During the year, the Company has succeeded in attracting investments of SEK 130 million from investors and partners and secured project funding of approximately SEK 28 million from the EU, where the Company's technology will be further developed towards cancer research. We are grateful for the support from both the investors and the European Union and we look forward to exciting cooperations next year.

The Company has during the year gone from having products in 30 countries to support a complete range of products in 50 countries worldwide, with North America as the largest market followed by Europe and Asia. As the installed base of 3D Bioprinters increases, the consumption of bioink also increases, where the Company's margins are higher. CELLINK have worked intensely on widening the offer of tissue-specific bioinks, where there are many benefits for customers and a higher margin.

During the fiscal year, CELLINK has successfully established contact with several pharmaceutical companies and will continue to develop its technology platform and offers to pharmaceutical companies. The demand for the Company's 3D Bioprinter and bioink has increased significantly in the field of pharmaceutical research during the year, with the help of the new research areas and research findings, developed with current academic clients and partners. We thank you for the good cooperation during the year!

Expansion

CELLINK's expansion journey has been focused on global growth and has been driven with a passion for the Company's customers. During the year, the Company has increased from 24 full-time employees to 74 at the end of the fiscal year. The company's strong growth and expansion have been possible due to a strong corporate culture and a goal oriented work force. During the year, the Company had a strong focus on quality, reduced delivery times combined with increased growth and improved profitability, as demonstrated in the fourth quarter profit. The Company has expanded the production area on two occasions during the fiscal year and delivery times has decreased while margins have improved. We thank all suppliers for the good cooperation and their ability to follow our pace.

”The Company has strengthened its position in the global 3D Bioprinting market through continued strong focus on product development and new launches, effective work by the global sales team and further development of staff and corporate culture”

During the fiscal year, the Company has implemented two directed new share issues with a total of SEK 130 million with a number of reputable financial institutions and partners to strengthen the financial position and enable to realize the Company’s acquisition strategy

Talent and Culture

As described above, the Company continues to grow in talent acquisition. The total number of employees at the end of the year was 74, with the majority working in sales and product development / research. I can proudly announce that there are more than 27 different nationalities in the Company today, which helped us create a diversified and open workplace. During the fiscal year, CELLINK has grown from an ”employer branding” perspective and has achieved a position in the labor market in which thousands of applications to the respective different positions come in. CELLINK’s unique corporate culture plays a vital role in growth and the constant synchronization between the various departments ensures that the entire Company is moving towards the same united vision.

I would like to thank the whole CELLINK team for the amazing work, the Board for all support, and all shareholders and investors who showed continued trust in me and the Company. We are now entering the start of the next exciting fiscal year.

Gothenburg, 14 November 2018
Erik Gatenholm, CEO

THE OPERATIONS DEVELOPMENT

In this section, the operations development throughout the year is presented.

Sales

The interest and demand for CELLINK's products continue to increase and we see a strong growth of interest from all customer groups globally. The Academy still stands for a large part of our sales, but we see a significant increase of interest from corporate customers worldwide, which want to include CELLINK's technology in their research and product development. The business development, such as pharmaceutical and cosmetics companies, is an area that will be extra interesting for the future and is in line with the development we seek.

The development of CELLINK's latest platform BIO X and its accessories opens for new applications and we now have an even more flexible platform than before.

CELLINK has continued to recruit globally during the year to strengthen its local presence in strategically important markets , as well as strengthened and built new relationships with CELLINK's distributor network worldwide.

Hardware and production

Early this financial year, CELLINK was granted a design patent for our BIO X 3D bioprinter. Our Hardware and Software Development teams together with our Production and Quality Control team have worked diligently and persistently to deliver to our customers around the world with a stand-alone bioprinting system designed for maximum user-friendliness, flexibility, and un-paralleled functionality in its price class. Our team of engineers, assembly technicians and quality controllers take pride in delivering high-end products to world-class research institutions around the world!

We are making an impact in this amazing new era of biological revolution and every one of our team members can feel the vibrant pulse and how we, as individuals and as a team, are contributing to advancing the future of medicine.

Our team of engineers has also developed multiple bioprinting technologies that adapt to the researcher's unique needs. These bioprinting technologies are all compatible with the CELLINK BIO X 3D bioprinter. Our BIO X customers have access to pneumatic-based and mechanical-based extrusion printheads (PH) such as the Heated Pneumatic PH, Temperature Controlled PH and Syringe Pump PH for the bioprinting of bioinks and cells or printing of scaffolds with thermoplastics utilizing the Thermoplastic PH.

We are also proud to recently have introduced our latest addition to the family of BIO X printheads, the Inkjet Printhead. The CELLINK Inkjet Printhead is based on electromagnetic jet technology for accurate jetting of bioinks and human cells.

Our BIO X users' needs are unique, and so are our products to address the ever-growing demand for bioprinting technologies that can provide better control and more accurate dispensing of cell-laden bioinks, cell suspensions and growth factors. Our hardware, software and wetware teams at CELLINK are excited and thrilled to see what great innovations will flourish from the hundreds of research laboratories around the world that now have access to our bioprinting technologies.

Software development

The past year has been successful for the software team at CELLINK. We have gone from two software developers to ten, we have developed and released several enhancements to our world-leading 3D Bioprinter BIO X. We have worked with internal processes and gone from that an update taking several hours, to complete in just a few minutes, allowing us to test and send out software easier and faster.

When we look at the future, there are many exciting things ahead . We continue to work with the functionality associated with our 3D Bioprinter being connected, creating a new social platform for 3D Bioprinting and broaden our portfolio of both bioprinters and software.

Bioink and tissue engineering

During the past fiscal year, the Bioink team has focused on expanding and validating our existing bioink products with new formulations, blends and developed new bioink solutions for our users. In addition, the Bioink team worked in collaboration with the hardware and software team with the development and testing of new BIO X printheads and related software to provide the best possible bioprinting experience for our users. The Bioink team continues to deliver high quality bioink to our customers worldwide.

The team is motivated, organized and has focused on revolutionizing the bioprinting market through standardization of bioink, protocol development, tissue model technology and customer support. We will continue to work with the hardware and software teams to continue to support each other and produce the best possible products for our users.

Some of the highlights of the past year:

• Extension of GelMA series with new blends and formulations. We want to offer different GelMA products to users. We have improved the printability, ease of use and stability of GelMA through our blends.
• The development of bioinks containing Fibrin to open up new areas in the wound healing market. These bioinks imitate the wound healing environment in-vivo. These bioinks are an excellent basis for regeneration of many tissues and are compatible with many cell types.
• We have also developed more tissue-specific bioinks, CELLINK SKIN and CELLINK SKIN +, which are specially developed for the production of skin tissue models.
• Development of bioinks containing different Laminins. They are an important part of basal lamina that lines the outer surface of the cell membrane. This protein is characterized by its cross-like structure that serves as a structural basis for many tissues.

Human Resource

People in focus to create results.

We are determined to change the world for the better, not only for future research and our customers - but also for our employees.

In order to continue this journey successfully and preserve the amazing corporate culture, we have focused on three areas: Attracting people with the right skill-set and ambition, being able to educate and motivate the talents we have, as well as further develop and future-proof internally to continue to grow continuously.

We have received a good response, which also gives us the advantage of being able to accommodate a greater selection opportunity to reach the best-suited candidate.
When recruiting a new person, we are very careful with our ”onboarding” and development plan for employees for each department. For this we have an individual ”onboarding program” where everyone can influence and make a plan for their own future at CELLINK. This means the following: To quickly help a new employee understand their strengths in connection with their new environment. To ensure that a new employee receives professional advice on priorities and focus during the first 100 days. Ensure communication between all parties on expectations. Formalization of performance and integration.

In 2019, we will offer career coaching that is result-oriented and action-based. This in order to create the conditions for helping key people to develop their opportunities and become more successful.

Together with our respective managers and HR, we allow the organization to identify the solutions needed to handle ongoing challenges and decide what needs to be done to reach the next level of performance. We work individually for a variety of development reasons: Integration in the organization, understanding their ability and career development.

After this we will be able to make future advances with career development programs and also be able to secure the talents of tomorrow.

THE IMPORTANCE OF BIOINK

Bioprinting community,

What came first, the bioink or the bioprinter? At CELLINK we like to say the bioink because we started with one standardized bioink and no bioprinters and now we have over 25 standardized bioinks and the three top of the line bioprinters systems in the world. This philosophy has driven and focused us on our journey with you in the bioprinting field. Bioinks are the engines of the bioprinting field. They are what the cells grow in. They are what the cells remodel. They are what will constitute the engineered tissues of tomorrow.

To enable this tomorrow, it is critical to develop bioprinter systems such as the BIO X to print these bioinks as easily as possible. This goes back to our philosophy, that the bioink comes before the bioprinter. The system should bend to the bioink and not the other way around. At CELLINK we do not simply provide you a biomaterial adopted from an existing product-line and put the bioprinting optimization on you. At CELLINK we provide you with a bioink that we can stand behind, that we have printed ourselves, optimized to be used with a bioprinter system, and optimized for different cell types. We understand that some bioinks can be difficult to print, there will be failures, there will be challenges. At CELLINK we constantly work to adopt and improve the hardware (whether new printheads, surface controls, or software improvements) to print these bioinks. The BIO X system was developed for this purpose, the flexibility comes from the shear diversity of bioinks that need to be printed.

We ask you choose CELLINK as your bioink and bioprinter partner not because we claim to be the best, but we will be your partner in your research as we seek to make you the best. We understand your struggles and the challenges with printing certain bioinks. We have gone through much of the same developing, optimizing, and producing our bioinks. Experience is the best teacher. We want to share this knowledge with you. We will be with you on all steps of your bioprinting journey and on the way, we hope to provide bioinks and bioprinters we can stand behind as we drive the field forward together.

Happy bioprinting,

Patrick Thayer, PhD
Bioink Officer

"Bioinks are the engines of the bioprinting field. They are what the cells grow in. They are what the cells remodel. They are what will constitute the engineered tissues of tomorrow."


CELLINK START
PCL
SUPPORT
PLURONICS

FISCAL YEAR SEPTEMBER 2017 – AUGUST 2018

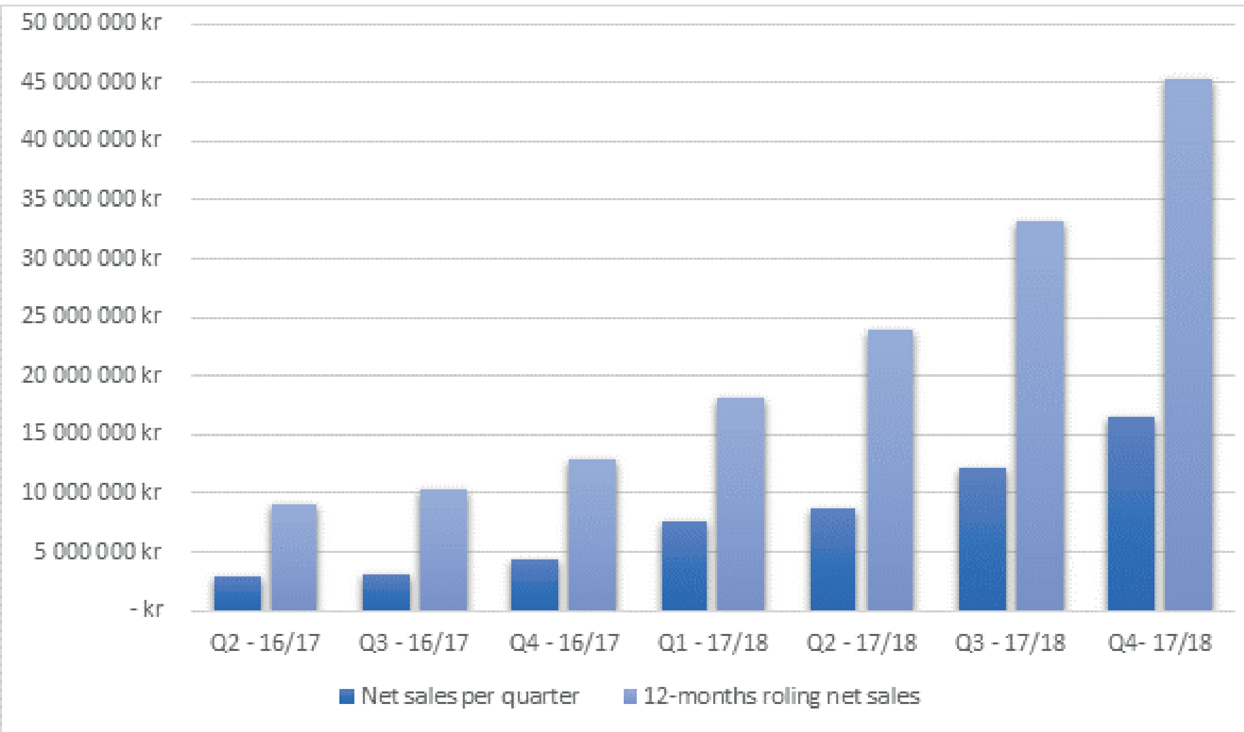
Net sales increase of 245 % and positive result

Operations

The group's net sales for the full fiscal year amounted to SEK 45,337 thousand (SEK 13,159 thousand). The group's reported total income amounted to SEK 64,444 thousand (SEK 21,876 thousand) and includes: SEK 6,935 thousand (SEK 2,740 thousand) in other operating income that is mainly attributable to grant-funded projects, SEK 10,474 thousand (SEK 4,012 thousand) in own work capitalized and SEK 1,697 thousand (SEK 1,965 thousand) in inventory changes. The largest market for the year was North America, followed by Europe, Asia and the rest of the world. The cost of raw materials and consumables amounted to SEK -17,949 thousand (SEK - 6,158 thousand). Operating profit amounted to SEK 372 thousand (SEK -887 thousand) and the result after financial expenses amounted to SEK 1,068 thousand (SEK -728 thousand). The cash flow from operating activities for the fiscal year was SEK -12,263 thousand (SEK -1,491 thousand) and the net cash flow for the fiscal year was SEK 12,141 thousand (SEK 7,669 thousand).

Finance

During the fiscal year two new share issues were issued, aimed at strengthening the Company's financial position and allowing for strategic acquisitions. The first share issue was conducted in October 2017, amounting to approximately SEK 30 million, the other was completed in June and amounted to approximately SEK 100,3 million. At the end of the fiscal year, the Company had cash and cash equivalents and short-term investments of SEK 136.5 million, cash flow from operating activities for the full year amounted to SEK -12.3 million and cash flow from investing activities amounted to SEK -97.4 million, which shows that the Company is



well-financed for continued expansion. The excess liquidity of the Company is mainly invested in short-term funds.

During the year, the Company's first incentive program was rolled out. The program comprises a total of 378 338 options, each giving the right to subscribe for a Class B share at the price of SEK 177.5 in 2021. As of August 31, 2018, the Company's registered share capital amounted to SEK 832,344 (SEK 724,068) consisting of 8 323 439 shares (7 240 667 shares) of which 375 000 Class A shares (375 000 Class A shares) and 7 948 439 Class B shares (6 865 667 Class B shares) with a quota value of 0.1 SEK.

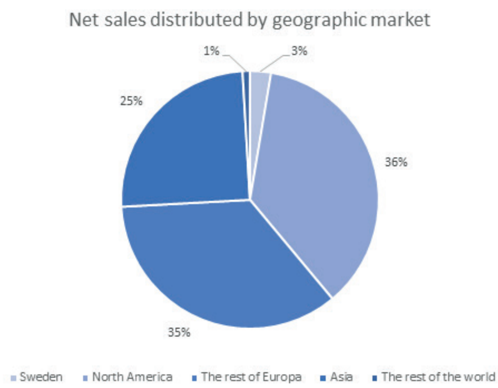
Growth

Net sales growth compared to the previous year amounted to SEK 32.2 million, which corresponds to a percentage change of 245%. The growth is attributable to the increase in demand for the Company's products. The increased demand is attributable to the development of more scientist moving in direction to 3D Bioprinting combined with a better supply of products from the Company.

The Company's margins improved during the fiscal year due to to better costs management, more efficient production and an improved product mix. As the installed base increases, the consumption of ink increases, where the Company´s margins are higher. The number of employees in the Group increased from 24 full-time employees at the start of the fiscal year to 74 at the end of the fiscal year. The majority of the Company's employees work with the development of the Company's future products.

Development work during the year

The Company has continued to invest in the development of new bioink, software and hardware. During the year, intangible assets increased by SEK 16 million to SEK 30 million. Of this increase, SEK 10 million was reported under capitalized work. In addition to the Company's capitalized development project, two EU-funded and Vinnova-funded development projects have been carried out, for which the development work have been recognized at cost in the profit and loss statement. These projects have totaled about SEK 5 million during the fiscal year and are reported under other operating income.

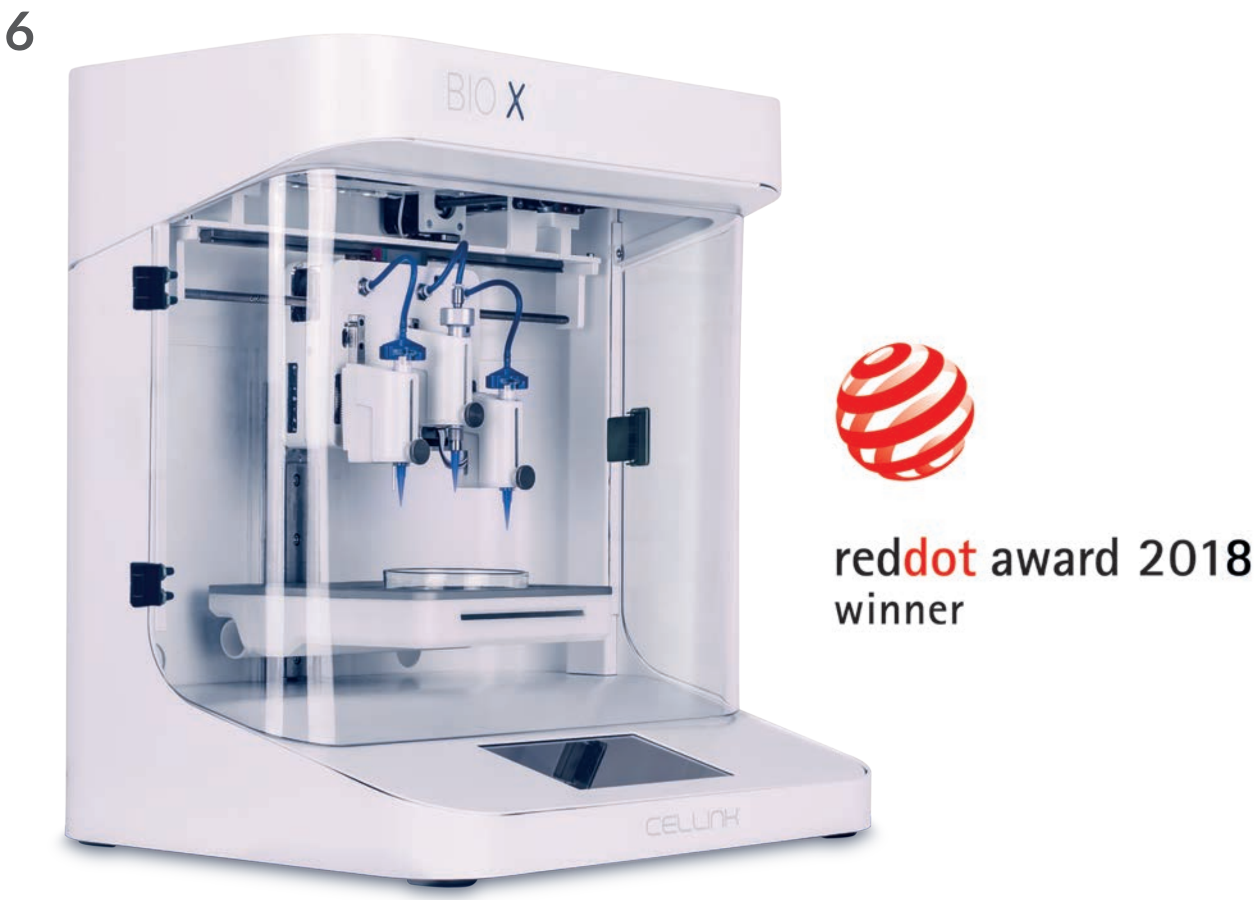



1
Forbes
30 UNDER 30


2
TEDxWHU
x = independently organized TED event
Hector Martinez


3
100
the Medicine Maker
Power List
2018


4



CELLINKS year in pictures:

1. Erik Gatenholm, co-founder and CEO, got listed in the prestigious Forbes list ”30 under 30” 2018.
2. Hector Martinez, co-founder and CTO, held a TEDx talk WHU.
3. Erik Gatenholm, co-founder and CEO, got placed at Global Medicine Maker’s top list ”100 power list of most influential people in Healthcare in the world.”
4. Erik Gatenholm, co-founder and CEO, spoke at C2 conference in Montreal.
5. The German Chancellor Angela Merkel got familiar with BIO X.
6. BIO X won the RedDot Award for extraordinary design.

PRINTHEADS

NEWS

During the year, CELLINK launched several different print- and toolheads so further improve the user's result when using the BIO X.

CELLINKs platform BIO X is the most flexible and versatile bioprinter on the market, thanks to its exchangeable printheads which enables new research possibilities. BIO X offers several extrusion methods to meet the user's unique needs. We know that every users research is unique, and with that in mind we offer a unique flexibility.

By offering several different mountable printheads, we can ensure that the user's research is always progressive. The function of mountable printheads allows a quick change of a wide range of different printheads, including temperature control, thermoplastic, inkjet, syringe, HD-camera and UV-curing tool.
Our range in combination with our innovative bioprinter makes it possible to print several different materials, from low viscosity to high viscosity. The printheads also offers careful control of temperature on the printbed and printhead, which allows a higher printing quality, no matter the viscosity of the bioink.

Our platforms makes it possible to create constructs that contains different types of cells, which opens up the possibility to print human tissue and organ models. Furthermore, the printheads can handle different cells for different applications, create 3D models for screening of drugs and models of vascular tissue etc.

Our printheads are carefully developed to consider our customer's needs, and always keeps high quality.

CELLINK's printheads enables an extraordinary flexibility and secures that the user's research always keep progressive.

BIOINKS

NEWS

CELLINK has during 2017/2018 expanded its product portfolio of bioinks. The range consisted of 25 bioinks in the end of the fiscal year.

CELLINK developed the first universal bioink. The ink is currently being used in laboratories in more than 50 countries worldwide. We work with some of the world's leading cosmetics companies to eliminate animal experiments and replace it with 3D bioprinted human tissues. At CELLINK, we are launching new bioinks with good printability and bioactive properties that help in the cellular process. Our goal is to provide support to tissue engineers, cell biologists and physicians in order to transfer innovative 3D bioprinting techniques and bioinks into clinical applications.

In 2017/2018, CELLINK launched 15 new inks, distributed in 4 different series.

CELLINK-based bioink
The base of these inks is the original CELLINK-ink, the universally optimized human tissue biobacteria. CELLINK-based bioink have been developed and used with a variety of cells. The biological functionality of the CELLINK series has undergone extensive analyzes for applications of tissue techniques in bone, skin and tumor models.

GelMA series
GelMA is modified with methacrylate to enhance stability of physiological conditions through crosslinking and improved printability. Compared to unmodified gelatin, this methacrylate gelatin retains its form at physiological temperature and conditions. The CELLINK GelMA series is compatible with most cells. They can be used as base materials in a variety of tissues.

A series
The A series is based on the naturally recovered polysaccharide, alginate. Alginate is extracted from the walls of brown algae and is a versatile biomaterial that has been used in multilayer applications ranging from food to pharmaceuticals.

Laminin series
Laminin is a protein consisting of three subgroups which are referred to as α-chain, β-chain and γ-chain. They are the major main components in basal lamina that cover the outer surface of the cell membrane.

Support series
The support series consists of support materials and support kits to help the user to print structures with higher complexity. The products can be used in most areas, including testing and evaluation of geometry to create pipes and channels within the design and more.

At CELLINK we develop bioinks with good printability and bioactive properties that helps in the cellular process.

ADMINISTRATION REPORT

Nature and direction of the business
The Company is operating in the 3D bioprinting market. The Company intends to develop, produce and sell biological ink, 3D Bioprinters intended for printing of 3D cell cultures, as well associated consumables and related activities. The Company also manages subsidiaries and hold tangible, intangible and intellectual property in bioprinting and related areas. The Company is based in Gothenburg and operates parts of their operations from their premises at Arvid Wallgrens Backe 20 in Gothenburg. This report includes the annual report and the consolidated financial statement for the fiscal year 2017/2018. The balance sheet date for the report is 2018-08-31 and the fiscal year covers the period 2017-09-01 - 2018-08-31.

Ownership
The Company is listed on the unregulated trading venue Nasdaq First North. The Company has approximately 2,000 shareholders and approximately 89.1% of the shares are controlled by the Company's 10 largest owners. The Company's 5 largest owners (capital) are Erik Gatenholm 33.5% Hector Martinez 22.2%, Fore C Investment Holding AB 8.7%, Handelsbanken funds 6.9% and Carl Bennet AB 4.8%.

Significant events during the fiscal year
The Company prepares consolidated financial statements for the first time this year and has in connection transferred to the framework, International Financial Reporting Standards (IFRS). For more information about the transition, see note 2.

During the fiscal year, the Company continued its efforts to develop and commercialize the Company's technology. The Company was in September 2017 granted design protection for BIO X, the Company's most advanced 3D Bioprinter. The Company entered, during the year, into several research/development cooperation with MIT (Massachusetts Institute of Technology), Takara Bio and CTI Biotech among others. Moreover, the Company completed two successful share issues, a directed share issue of SEK 30 million to Handelsbanken Fonder in October 2017 and a directed share issue of SEK 100 million in June 2018 to investors such as the 4-AP Fonden, Handelsbanken Fonder and Carl Bennet AB and others. The issues aimed to strengthening the Company's financial position to enable continued expansion and acquisition. The Company seeks acquisition in its field of activity, focusing on technologies that enable and simplify the process of the Company's customers.

During the year, sales work continued through direct sales and developed cooperation with distributors and new distributors. Work with distributors is expected to improve the local support and increase sales during the 2018/2019 fiscal year. During the fiscal year, CELLINK's technologies are still validated by customers and partners. Several breakthroughs in the research area have been made using the Company's technologies and products, some of which have been presented through the Company's press releases during the year.

Development of business, position and results
During the fiscal year, the Company continued to grow at a high pace, both in sales, development and organizational. In line with increased revenues, the Company has increased staff, premises and market initiatives. Sales in the Group have increased by 245% against the previous fiscal year.

The increase in revenue is attributable to increased interest in the Company's products, especially the BIO X. The Company's financial position is very good and the Company's total assets and shareholders' equity have increased significantly due to the new share issue. The equity ratio in the Group amounts to 95.5%. The profit for the year has turned from negative at Group level in the previous year to positive during this fiscal year, SEK 1,183 thousand.

(SEK thousand)	2017/2018	2016/2017	2016 (8 months)
Net sales	45 337	13 159	3 618
Operating profit	372	-887	-335
Result after financial items	1 068	-728	-347
Total assets	194 982	68 964	7 089
Equity ratio (1)	95,5%	86,5%	40,2%
Return on equity (2)	0,6%	-1,1%	-11,8%
Return on assets (3)	0,6%	-1,0%	-4,7%
Average number of employees	48	18	7

(1) Adjusted equity / total assets. Adjusted equity related to equity + untaxed reserves reduced with deferred tax liability.
(2) Profit/loss for the year / average adjusted equity
(3) (result after financial income and expenses + interest expenses) / Average total assets

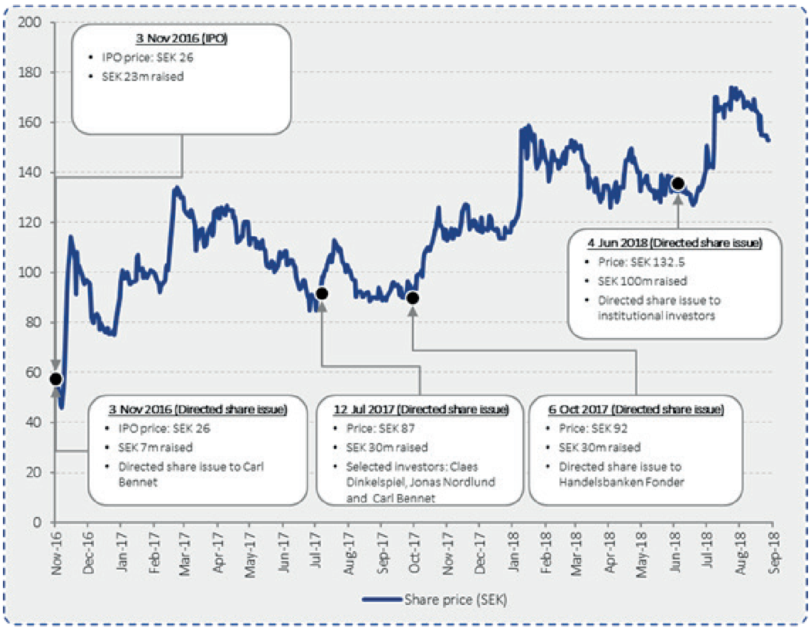
Investments and Financing
In total, the Group invested SEK 18,469 thousand in intangible assets during the fiscal year, distributed on the development of bioink and bioprinters. The surplus liquidity of completed new issues has been invested in short-term securities (bond funds), at the end of the fiscal year SEK 113,468 thousand was invested in short-term securities. During the fiscal year, the Company received SEK 123 487 thousand in equity through new issues after transaction costs.

Outlook for the fiscal year 2018/2019

The market for 3D Bioprinters is expected to be an growing market for many years to come. The growth rate will depend on the adoption rate of the new technology.

Dividend Policy

The Board proposes no dividend to be paid for the 2017/2018 fiscal year considering the growth phase in which the Company is located, and is expected to continue in 2018/2019, whereby the Company wishes to be able to finance it primarily with its own resources.



Related party transactions

The transactions with related parties that took place during the fiscal year refers to consulting services from Wallmander & CO AB for web design of SEK 730 thousand. Fore C Investments Holding AB, owned by CELLINK Chairman Göran Nordlund, is a shareholder in Wallmander & CO AB. In addition, the Company has acquired consulting services from Advanced Polymer Technology AB of SEK 60 thousand attributable to project development. The Company is owned by relatives of the CEO of CELLINK, Erik Gatenholm.

Parent Company

The Parent Company is an operating Company, where the majority of operations take place. In this annual report the development for the Group is reported as well as the Parent Company. The Company's B-share is listed on Nasdaq First North under the ticker CLNK.

Risks

The Board always has overall responsibility for the Company's risk management. The CEO is responsible for the ongoing risk management according to the guidelines issued by the Board. Our aim is to achieve the overall objectives of the Group with a well-considered risk taking within defined limits. The most significant risks and uncertainties for the Group can be divided into operational and financial factors.

Risks are mainly attributable to the following areas:

Risks associated with suppliers

CELLINK works with high-tech equipment and in some cases hard-to-reach materials. A weakened position for and / or against any of the Company's suppliers may result in CELLINK failing to negotiate favorable supplier agreements which may adversely affect profitability. Furthermore, inaccurate, delayed or non-deliveries from suppliers may result in the Company's deliveries being delayed or inadequate or incorrect, which may result in reduced sales and thus affect the Company's operations, financial position and results. CELLINK strive to maintain a good and long-term relationships with its suppliers, without being dependent on a few suppliers at the same time.

Larger distributors

A large part of the Group's sales is attributable to sales through distributors. Should one of the Company's major distributors end up in financial difficulties, it cannot be excluded that sales and earnings are adversely affected. CELLINK is considering the risk of excessive dependence on distributors and monitoring the current financial status of current distributors.

Limited resources

CELLINK is a small Company with limited resources in terms of management, administration and capital. For the implementation of the Company's strategy it is important that the Company's resources are disposed of in an optimal manner for the Company. There is a risk that the Company's resources are insufficient and therefore affected by both financially and operationally related problems.

Ability to handle growth

Operations will grow in the future both organically and through acquisitions. As employees and operations grow, CELLINK needs to be sure to have effective planning and management processes in order to implement the business plan in a fast-paced market. In order to handle growth, investments and allocation of valuable management, resources are required. If CELLINK does not handle growth effectively, this can negatively impact the result. CELLINK is considering in acquisition and investment decisions what resources the existing organization needs to handle growth.

Dependent on key people and employees
CELLINK's future development is dependent on the Company's ability to retain and recruit staff with relevant experience, knowledge and commitment. CELLINK also has acquisitions as part of its growth strategy and, in many cases, will depend on the fact that sales entrepreneurs remain within the Group with long-term commitment.

Risks associated with acquisitions
CELLINK has acquisitions as part of its growth strategy. There is always a risk that acquisitions will not yield the results expected in terms of integration and profitability. Such an outcome may hamper CELLINK's development rate and adversely affect the Group's prospects, financial position and liquidity. To handle these risks, thorough due diligence is carried out and demands are made on what warranties sellers should leave.

Financial risks and uncertainties
The Group is exposed to various types of financial risks in its operations. The financial risks to which the Group is exposed are credit-, currency-, liquidity- and interest risks. The overall responsibility for managing the Group's financial risks and developing methods and principles for managing financial risks lies within the management / Board .

Currency risks
The Group's sales and purchases are to a large extent in SEK and USD, as a result, the Group's currency risk is limited on the cost side. On the other hand, the Company is dependent on the USD / SEK exchange rate as the Company's sales and price lists are made in USD. This means that the Company has inflows in USD but the majority of outflows in SEK. The Company is actively working to reduce exchange rate risks by hedging parts of sales revenues with derivative.

Credit risks
Credit risk arises mainly through credit exposures in open receivables. Individual ratings of customers creditworthiness and credit risk are made where the counterparty's financial position is considered, as well as previous experiences and other factors. The management does not expect any losses due to non-payment of counterparties in addition to what is booked as doubtful accounts receivables.

At the disposal of the Annual General Meeting, the following unrestricted equity are available (SEK)

Share premium reserve	184 133 349
Retained earnings	-24 831 620
Profit/loss for the year	3 013 716
	162 315 446

The Board proposes that the unrestricted equity of 162 315 446 SEK is carried forward.

Carried forward	162 315 446 SEK
	162 315 446 SEK

CONSOLIDATED INCOME STATEMENT

(SEK thousand)	Note	2017-09-01–2018-08-31	2016-09-01–2017-08-31
Operating income, changes in inventory, etc.			
Net sales	4	45 337	13 159
Changes in inventory		1 697	1 965
Own work capitalized		10 474	4 012
Other operating income	7	6 935	2 740
		64 444	**21 876**
Operating expenses			
Raw materiels and consumables		-17 949	-6 158
Other external expenses	6, 22	-16 334	-7 104
Personnel costs	5	-26 668	-8 439
Depreciation and amortization of fixed assets	11, 12, 13, 14	-2 625	-450
Other operating expenses	8	-495	-612
Operating profit/loss		**372**	**-887**
Result from financial income and expenses			
Interest income and similar items	9	737	304
Interest expenses and similar items	9	-42	-144
Result after financial income and expenses		**1 068**	**-728**
Taxes	**10**	**116**	**21**
Profit/loss for the year		**1 183**	**-707**
Attributable to			
Parent Company shareholders		1 183	-707
Earnings per share before diliution (SEK)	**25**	**0,15**	**-0,11**
Earnings per share after diliution (SEK)	**25**	**0,15**	**-0,11**

OTHER COMPREHENSIVE INCOME GROUP

Profit/loss for the year	1 183	-707
Other comprehensive income that has not been reclassified to the income statement in subsequent periods		
Translation differences	-86	60
Total comprehensive income	**1 097**	**-647**

CONSOLIDATED BALANCE SHEET

(SEK thousand)	Note	2018-08-31	2017-08-31	2016-09-01
ASSETS				
Fixed assets				
Intangible fixed assets				
Patent and trademarks	11	5 991	3 894	1 858
Capitalized expenditure for development work	12	24 415	10 546	0
		30 406	**14 440**	**1 858**
Tangible fixed assets				
Leasehold improvements	13	65	50	-
Equipment, tools and installations	14	934	305	74
		998	**354**	**74**
Other fixed assets				
Deferred tax assets	10	1 733	851	-
		1 733	**851**	**0**
TOTAL FIXED ASSETS		**33 137**	**15 645**	**1 932**
Current assets				
Inventory	18	4 012	2 315	350
		4 012	**2 315**	**350**
Current receivables				
Accounts receivables	16, 19	16 834	3 637	1 283
Derivative	16	9	-	-
Other current receivables	16	1 928	1 438	145
Prepaid expenses and accrued income	16	2 555	709	323
		21 327	**5 783**	**1 751**
Short-term investments, cash and cash equivalents				
Short-term investments	16	113 468	34 556	-
Cash and cash equivalents	16	23 038	10 664	3 056
		136 506	**45 221**	**3 056**
TOTAL CURRENT ASSETS		**161 845**	**53 319**	**5 158**
TOTAL ASSETS		**194 982**	**68 964**	**7 089**

CONSOLIDATED BALANCE SHEET

(SEK thousand)	Note	2018-08-31	2017-08-31	2016-09-01
EQUITY AND LIABILITIES				
Equity	24			
Share capital		832	724	57
Other contributed capital		184 133	60 019	3 109
Translation reserve		40	-30	32
Retained earnings including profit/loss for the period		1 154	-1 055	-348
Equity attributable to Parent Company shareholders		**186 160**	**59 659**	**2 851**
TOTAL EQUITY		**186 160**	**59 659**	**2 851**
Liabilities				
Non-current liabilities				
Liabilities to credit institutions	16, 17	600	2 700	2 700
		600	**2 700**	**2 700**
Current liabilities				
Liabilities to credit institutions	16, 17	0	300	300
Advance from customers		639	683	382
Accounts payable	16	3 756	2 840	515
Tax liabilities	10	2	2	0
Other current liabilities	16	933	223	135
Accrued expenses and prepaid income	16, 20	2 446	2 458	158
Other provisions	16, 21	445	99	49
		8 221	**6 605**	**1 538**
TOTAL LIABILITIES		**8 821**	**9 305**	**4 238**
TOTAL EQUITY AND LIABILITIES		**194 982**	**68 964**	**7 089**

CONSOLIDATED CASHFLOW STATEMENT

(SEK thousand)	Note	2017-09-01-2018-08-31	2016-09-01-2017-08-31
Operating activities			
Operating profit/loss		372	-887
Adjustments for items not included in the cash flow:			
Depreciations		2 625	450
Change in provisions		346	50
Change in market value for short-term investments		-727	-295
Share-based payments		335	-
Interest received		737	304
Interest paid		-42	-144
Income taxes paid		-31	-2
CASH FLOW FOR OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL		**3 615**	**-524**
Cash flow from changes in working capital:			
Increase (-) / Decrease (+) of inventory		-1 697	-1 964
Increase (-) / Decrease (+) of accounts receivables and other current receivables		-15 018	-4 242
Increase (+) / Decrease (-) of accounts payables and other current liabilities		838	5 240
NET CASH FLOW FROM OPERATING ACTIVITIES		**-12 263**	**-1 491**
Investment activities			
Acquisition of tangible fixed assets		-721	-380
Acquisition of intangible fixed assets		-18 469	-12 946
Allocation of short-term investments		-78 184	-34 261
CASH FLOW FROM INVESTMENTS ACTIVITIES		**-97 374**	**-47 587**
Financing activities			
New shares issued	24	130 290	60 000
Cost relating to new shares issued	24	-6 803	-3 252
Option premiums		690	-
Proceeds from loans	17	600	-
Repayments of loans	17	-3 000	-
CASH FLOW FROM FINANCING ACTIVITIES		**121 777**	**56 748**
NET CASH FLOW		**12 141**	**7 669**
Cash and cash equivalents at the beginning of the year		**10 664**	**3 056**
Exchange rates difference in cash and cash equivalents		233	-60
Cash and cash equivalents at the end of the year		**23 038**	**10 664**

CONSOLIDATED CHANGES IN EQUITY

(SEK thousand)	Share capital	Other contributed reserve	Translation reserve	Retained earnings including profit/ loss for the year	Total equity
CLOSING BALANCE AS OF 31 AUGUST 2016	**57**	**3 109**	**32**	**-347**	**2 851**
Opening balance as of 1 September 2016	57	3 109	32	-347	**2 851**
Profit/loss for the year	**-**	**-**	-	**-707**	**707**
Other comprehensive income	-	-	-62	0	-62
Total change in valuation	**-**	**-**	**-62**	**-707**	**-769**
New shares issue	667	59 333	-	-	**60 000**
New shares issues costs, net of the taxes	-	-2 423	-	-	**-2 423**
Total transactions with shareholders	**667**	**56 910**	**-**	**-**	**57 577**
CLOSING BALANCE AS OF 31 AUGUST 2017	**724**	**60 019**	**-30**	**-1 055**	**59 659**
Opening balance as of 1 September 2017	724	60 019	-30	-1 055	**59 659**
Profit/loss for the year	**-**	**-**	-	**1 183**	**1 183**
Other comprehensive income	-	-	70	-	70
Share-based payments	-	-	-	335	**335**
Option premiums	-	-	-	690	**690**
Total change in valuation	**-**	**-**	**70**	**2 208**	**2 278**
New shares issue	108	130 182	-	-	**130 290**
New shares issues costs, net of the taxes	-	-6 068	-	-	**-6 068**
Total transactions with shareholders	**108**	**124 114**	**-**	**-**	**124 222**
CLOSING BALANCE AS OF 31 AUGUST 2018	**832**	184 133	40	1 154	186 160

INCOME STATEMENT FOR THE PARENT COMPANY

(SEK thousand)	Note	2017-09-01–2018-08-31	2016-09-01–2017-08-31
Operating income, changes in inventory, etc.			
Net sales		43 660	13 187
Changes in inventory		1 697	1 965
Own work capitalized		7 222	3 609
Other operating income	7	6 709	2 696
		59 287	**21 456**
Operating expenses			
Raw materiels and consumables		-17 949	-6 158
Other external expenses	6, 22	-13 844	-6 255
Personnel costs	5	-22 094	-8 211
Depreciation and amortization of fixed assets	11, 12, 13, 14	-2 587	-415
Other operating expenses	8	-495	-621
Operating profit/loss		**2 318**	**-205**
Result from financial income and expenses			
Interest income and similar items	9	737	304
Interest expenses and similar items	9	-42	-144
Result after financial income and expenses		**3 014**	**-45**
Taxes	10	-	18
Profit/loss for the year		**3 014**	**-27**
Attributable to			
Parent Company shareholders		**3 014**	**-27**

OTHER COMPREHENSIVE INCOME PARENT COMPANY

Profit/loss for the year		3 014	-27
Total comprehensive income		**3 014**	**-27**

BALANCE SHEET FOR THE PARENT COMPANY

(SEK thousand)	Note	2018-08-31	2017-08-31	2016-09-01
ASSETS				
Fixed assets				
Intangible fixed assets				
Patent and trademarks	11	5 991	3 894	1 858
Capitalized expenditure for development work	12	24 958	10 563	0
		30 949	**14 457**	**1 858**
Tangible fixed assets				
Leasehold improvements	13	65	50	0
Equipment, tools and installations	14	438	159	74
		502	**209**	**74**
Financial fixed assets				
Shares in subsidiaries	15	1 659	1 273	1 273
		1 659	**1 273**	**1 273**
Other fixed assets				
Deferred tax assets	10	1 613	847	0
		1 613	**847**	**0**
TOTAL FIXED ASSETS		**34 723**	**16 786**	**3 205**
Current assets				
Inventory	18	4 012	2 315	350
		4 012	**2 315**	**350**
Current receivables				
Accounts receivables	16, 19	11 930	2 232	1 283
Receivables from Group companies	16	8 239	1 354	0
Derivative	16	9	0	0
Other current receivables	16	1 798	1 000	132
Prepaid expenses and accrued income	16	2 504	709	323
		24 481	**5 294**	**1 738**
Short-term investments, cash and cash equivalents				
Short-term investments	16	113 468	34 556	0
Cash and cash equivalents	16	19 615	10 062	3 056
		133 083	**44 618**	**3 056**
TOTAL CURRENT ASSETS		**161 577**	**52 228**	**5 145**
TOTAL ASSETS		**196 300**	**69 013**	**8 349**

BALANCE SHEET FOR THE PARENT COMPANY

(SEK thousand)	Note	2018-08-31	2017-08-31	2016-09-01
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		832	724	57
Fund for development expenses		24 958	10 563	0
		25 790	**11 287**	**57**
Unrestricted equity				
Share premium reserve		184 133	60 019	3 109
Retained earnings		-24 832	-11 435	-872
Profit/loss for the year		3 014	-27	0
		162 315	**48 558**	**2 237**
TOTAL EQUITY		**188 106**	**59 844**	**2 294**
Liabilities				
Non-current liabilities				
Liabilities to credit institutions	16, 17	600	2 700	2 700
		600	**2 700**	**2 700**
Current liabilities				
Liabilities to credit institutions	16, 17	0	300	300
Advance from customers		639	683	382
Liabilities to Group companies	16	0	0	1 878
Accounts payable	16	3 663	2 743	514
Other current liabilities	16	630	223	74
Accrued expenses and prepaid income	16, 20	2 217	2 422	158
Other provisions	16, 21	445	99	49
		7 594	**6 469**	**3 355**
TOTAL LIABILITIES		**8 193**	**9 169**	**6 055**
TOTAL EQUITY AND LIABILITIES		**196 300**	**69 013**	**8 349**

CASHFLOW STATEMENT FOR THE PARENT COMPANY

(SEK thousand)	Note	2017-09-01 - 2018-08-31	2016-09-01 - 2017-08-31
Operating activities			
Operating profit/loss		**2 318**	**-205**
Adjustments for items not included in the cash flow:			
Depreciations		2 587	415
Change in provisions		346	50
Change in market value for short-term investments		-727	-295
Share-based payments		335	-
Interest received		737	304
Interest paid		-42	-144
Tax paid		-31	-
CASH FLOW FOR OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL		**5 524**	**125**
Cash flow from changes in working capital:			
Increase (-) / Decrease (+) of inventory		-1 697	-1 964
Increase (-) / Decrease (+) of accounts receivables and other current receivables		-18 986	-3 757
Increase (+) / Decrease (-) of accounts payables and other current liabilities		877	3 266
NET CASH FLOW FROM OPERATING ACTIVITIES		**-14 283**	**-2 331**
Investment activities			
Acquisition of tangible fixed assets		-378	-185
Acquisition of shares in subsidiaries		-385	0
Acquisition of intangible fixed assets		-18 996	-12 963
Allocation of short-term investments		-78 184	-34 261
CASH FLOW FROM INVESTMENTS ACTIVITIES		**-97 942**	**-47 410**
Financing activities			
New shares issue	24	130 290	60 000
Cost relating to new shares issued	24	-6 803	-3 252
Option premiums		690	-
Proceeds from loans	17	600	-
Repayments of loans	17	-3 000	-
CASH FLOW FROM FINANCING ACTIVITIES		**121 777**	**56 748**
NET CASH FLOW		**9 552**	**7 007**
Cash and cash equivalents at the beginning of the year		**10 062**	**3 056**
Cash and cash equivalents at the end of the year		**19 615**	**10 062**

CHANGES IN EQUITY FOR THE PARENT COMPANY

(SEK thousand)	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
CLOSING BALANCE AS OF 31 AUGUST 2016	**57**	-	**3 109**	-	**-872**	**2 294**
Opening balance as of 1 September 2016	57	-	3 109	-	-872	**2 294**
Profit appropriation according to the Annual General Meeting	-	-	-	-872	872	-
Profit/loss for the year	-	-	-	-	**-27**	**-27**
Fund for development expenses	-	10 563	-	-10 563	-	-
Total change in valuation	-	**10 563**	-	**-11 435**	**845**	**-27**
New shares issue	667	-	59 333	-	-	**60 000**
New shares issues costs, net of the taxes	-	-	-2 423	-	-	**-2 423**
Total transactions with shareholders	**667**	-	**56 910**	-	-	**57 577**
CLOSING BALANCE AS OF 31 AUGUST 2017	**724**	**10 563**	**60 019**	**-11 435**	**-27**	**59 844**
Opening balance as of 1 September 2017	724	10 563	60 019	-11 435	-27	**59 844**
Profit appropriation according to the Annual General Meeting	-	-	-	-27	27	-
Profit/loss for the year	-	-	-	-	**3 014**	**3 014**
Fund for development expenses	-	14 395	-	-14 395	-	-
Share-based payments	-	-	-	335	-	**335**
Option premiums	-	-	-	690	-	**690**
Total change in valuation	-	**14 395**	-	**-13 397**	**3 041**	**4 039**
New shares issue	108	-	130 182	-	-	**130 290**
New shares issues costs, net of the taxes	-	-	-6 068	-	-	**-6 068**
Total transactions with shareholders	**108**	-	**124 114**	-	-	**124 222**
CLOSING BALANCE AS OF 31 AUGUST 2018	**832**	**24 958**	**184 133**	**-24 832**	**3 014**	**188 106**

NOTES

NOTE 1 Company information

CELLINK AB, organization registration number 559050-5052, is a limited Company registered in Sweden, with its registered office in Gothenburg. The address of its headquarters is Arvid Wallgrens Backe 20, SE-413 46 Gothenburg. The Company's operations include the development and sale of 3D Bioprinters, bioink and services in 3D Bioprinting.

In this annual report, CELLINK AB (publ.) is referred to by its full name, or as the 'Company' or as 'CELLINK'. All amounts are expressed in SEK thousands, unless otherwise stated. The financial statements refer to CELLINK AB and have been approved by the Board of Directors for publication at the Board meeting on November 13, 2018 and will be presented for approval at the 2018 Annual General Meeting.

NOTE 2 Accounting principles

This annual report has been drawn up for the Group in compliance with International Financial Reporting Standards (IFRS), and the interpretations of the applicable standards, the International Financial Reporting Interpretations Committee (IFRIC) as approved by the EU. In addition, the Annual Accounts Act and RFR 1 "Supplimentary Accounting Rules for the Group" have been applied.

The Parent Company applies the same accounting principles as the group except in the cases mentioned in the section 'Accounting principles of the Parent Company' in note 3.

The Group has adopted IFRS for the first time. In compliance with IFRS 1, the Company have analysed the effects of the transition from K3 to IFRS. In its analysis of the transition to IFRS, the Company has taken into consideration that it is also the first-time group accounting is applied. Universal principles have been applied for the comparative figures. No essential differences regarding the reporting of capitalized expenditure for development work have been identified as the Parent Company has previously chosen to report such assets also as a legal entity. Furthermore, there are no differences regarding the application of accounting principles to the Company's income flows, i.e. sales of products and services. The Company has no benefits-defined pension plans and the Company's financial instruments are recognized at acquisition value, which corresponds to the fair value, taking the brief duration of short-term investments into account. As the transition to IFRS has not resulted in any recalculation effect for the calculation of the balance sheet or the income statement, no presentation of the financial position as at the date of the transition to IFRS, i.e. 1 September 2016 has been made.

2.1 Asis of preparation of the financial statements

The consolidated accounts have been drawn up on the assumption that the Group is a going concern. Assets and liabilities are recognized at their historical acquisition values except for derivative instrument and short-term investments valued at fair value. The consolidated accounts are drawn up in accordance with the acquisition method and all subsidiaries in which there is a controlling influence are consolidated from the date this influence is acquired.

Drawing up reports in compliance with IFRS requires several estimations made by the management for accounting purposes. The areas requiring a high degree of assessment, that are complex or such areas where the assumption and estimations are crucial for the consolidated accounts are given in note 2.3. These assessments and the assumption are based on historical experiences as well as other factors which are considered to be reasonable under the present circumstances. Actual outcomes may differ from assessments made if assessments made are changed or if other conditions exist.

Gross reporting is applied thoroughly with regard to the reporting of assets and liabilities, apart from cases where both a receivable and a liability exist in respect of the same counter-party and these are egally allowed to be set off on legal grounds and the intention is to do this. Gross reporting is also applied in regard to revenues and expenses, unless otherwise stated.

2.1.1 Classification of assets and liabilities

Fixed assets and non-current liabilities are expected to be recovered or become due for payment later than twelve months after the closing date. Current assets and current liabilities are expected to be recovered or become due for payment within twelve months after the closing date.

2.2 Summary of significant accounting principles

2.2.1 Consolidated accounts

2.2.1.1 Subsidiaries

Subsidiaries are companies that are under the controlling influence of Cellink AB. A controlling influence exists if Cellink AB has an influence over the investment object, is exposed to or is entitled to a variable return from its commitment and may use its influence over the investment to influence the return. In determining whether a controlling influence exists, potential voting rights are considered and whether de facto control exists. Subsidiaries are consolidated from the date on which the controlling influence is achieved, and they are de-consolidated from the date on which the controlling influence ceases.

2.2.1.1.1 Subsidiaries within the Group

Subsidiary: CELLINK LLC
Registered Company No.: 81-3033020
Head Office: Virginia, USA
Capital share: 100%

Subsidiary: CELLINK Options AB
Registered Company No.: 559144-2008
Head Office: Gothenburg
Capital share: 100%

2.2.1.2 Acquisition of subsidiaries/business combinations

Business combinations are recognized in accordance with the acquisition's method. The purchase price is set at fair value of assets and liabilities transferred and shares issued. The purchase price also includes the fair value of all assets or liabilities that are a consequence of the agreed conditional purchase price. Acquisition-based costs are recognized as an expense when they arise. Identifiable acquired assets and assumed liabilities are initially recognized at fair value on the date of acquisition.

For each acquisition, the Group determines whether all holdings without controlling influence in the acquired Company are recognized at fair value (so-called full goodwill) or at the holding's proportional part of the acquired Company's net assets. The amount by which the purchase price, any holdings without controlling influence and the fair value of the previous shareholdings exceed fair value of the Group's share of identifiable acquired net assets is recognized as goodwill.

If the amount is lower than fair value of the acquired subsidiary Company's assets, in the event of a so-called 'bargain purchase', the difference is recognized direct in the income statement. Goodwill does not depreciate but is tested for impairment at least annually.

InterCompany transactions and balance sheet items as well as unrealized profits and losses on transactions between the Group companies are eliminated. The accounting principles for subsidiaries have been changed in the present case to guarantee a consistent application of the Group's principles.

2.2.1.3 Acquisition of companies that is not regarded as a business combination

When the acquisition of subsidiaries involves the acquisition of assets that do not constitute a business operation, the acquisition costs are divided up into the individual assets and liabilities based on their relative fair value at the time of acquisition. For the classification of acquisitions, see note 2.3.3.1.

2.2.1.4 Segment information

A business segment is part of an enterprise that is able to earn revenues and incur expenses, the operating profit/loss of which are regularly reviewed by the Company's highest executive decision maker, and for which there is independent financial information. The highest executive decision maker is the function responsible for allocating resources and assessing the operating segment results. In the Group, this function has been identified as the CEO. CELLINK's operations consists of one business area. Products offered on the market consist of 3D Bioprinters as well as bioink and consumables. The management justifies the decision of one segment that all the products are directly linked to each other and are not considered to meet the criteria for different separate business segments. The same staff, premises and sales channels are used for all products.

All geographic regions are controlled by management teams in Sweden and do not have their own profit units. Targeted earnings and sales are set at an aggregated level and individual markets are not measured as own segments. The Company's operations in the US market are the individual largest, the sales controlled by the Company's Global Sales Manager and all staff reports to our global team based in Sweden, which means that the Company only have one segment to report.

2.2.2 Translation of foreign currency

2.2.2.1 Functional currency and reporting currency

Items that are included in the financial statements for the various units of the Group are recognized in the currency that is used in the primary financial environment in which the respective unit operates its main activity (functional currency). In the consolidated statements, all amounts are converted into Swedish kronor (SEK), which is the Parent Company's functional currency and reporting currency.

2.2.2.2 Transactions and balance sheet items

Transactions in foreign currency are converted in the respective unit to the unit's functional currency at the currency exchange rates applicable on the date of the transaction. At closing date all monetary items in foreign currency are converted at the prevailing exchange rate on the closing date. Non-monetary items that are recognized at fair value in a foreign currency are converted to the currency exchange rate for the date on which the fair value is determined. Non-monetary items that are recognized at historical cost in a foreign currency are not converted.

Exchange rate differences are recognized in the income statement, as other operating income or other operating expense.

When drafting the consolidated statement, the assets and liabilities of a foreign subsidiary are converted into Swedish kronor at the rate applicable on the closing date. Income and expense items are converted at the average rate for the year, unless the exchange rate has fluctuated significantly during the year, in which case the exchange rate applicable on the date of the transaction is used instead. Any translation differences arising are otherwise recognized in the comprehensive income and transferred to the Group's translation reserve. If a foreign subsidiary is disposed, such translation differences are recognized in the income statement as part of the sales profits.

2.2.3 Revenue

Revenues are recognized at the fair value of the remuneration received or that will be received, reduced for VAT, discounts, returns and similar deductions. The Group's revenue consists mainly of sales of 3D Bioprinters and services within 3D Bioprinting and bioink.

2.2.3.1 Sale of goods

Revenues from the sale of goods are recognized when the goods have been delivered and the ownership has been transferred to the customer, whereby all the following conditions are fulfilled:

- The Group has transferred the significant risks and benefits associated with the ownership of the goods.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of the revenue can be calculated reliably.
- The financial benefits associated with the transaction are likely to go to the Company, and
- The costs that are incurred or expected to be incurred as a result of the transaction can be calculated reliably.

2.2.3.2 Sale of services

Revenue from services charged at current account are recognized as revenue when the work has been performed and materials are delivered or consumed.

2.2.4 Dividends and interest income

Dividends are recognized when the owner's right to receive payment has been determined.
Interest income is recognized as distributed over the period using the effective interest rate method. The effective interest rate is the interest rate that causes the present value of all future incoming payments and outgoing payments during the fixed interest period to be equal to the recognized amount of the receivable.

2.2.5 Borrowing costs

Borrowing costs are recognized in the income statement for the period in which they occur.

2.2.6 Payments to employees

Payments to employees in terms of salaries, bonuses, paid holidays, paid sick leave, etc., as well as pensions, are recognized in line with the vesting. Regarding pensions and other post-employment payments, these are classified as defined-contribution or defined-benefit pension plans. The Group has defined-contribution plans.

2.2.6.1 Defined-contribution plans

For defined-contribution plans, the Group pays the defined contribution to a separate, independent legal entity and has no obligation to pay further fees. Expenses are charged to the Group's profit/loss as the benefits are earned, which usually coincides with the time when premiums are paid.

2.2.6.2 Share-based payments

CELLINK AB has issued equity-adjusted employee stock option plans. The program includes a maximum of 378,338 options, each of which can be redeemed against one share at a price of 177.5 SEK. The program expires in 2021.

2.2.6.2.1 Reporting of equity-regulating programmed

The fair value of the allocated personnel options and shares programmed is calculated at the time of issuance with Black & Scholes valuation model, which takes account of conditions relating to the stock price. The value is recognized as a personnel cost distributed over the earning period, with a corresponding increase of equity. The cost recognized corresponds to the fair value of an estimation of the number of options and shares that are expected to be earned. This expense is adjusted in subsequent periods in order to reflect the actual number of earned options.

In the case of redemption within the framework of equity-regulating programs, delivery of shares to the employee takes place. Shares delivered are new issued shares. At the time of payment, the payment is recognized of the redemption price of the employee in equity. Issued employee stock options go under the Company´s employee stock options program and are paid free of charge. For Board members who have subscribed options, market payment is paid for the options.

2.2.6.2.2 Equity-regulated programme issued to employees

The calculated and recognized value of equity-regulated programmes issued to employees is recognized in the Parent Company as a contribution of capital to the subsidiary Company. The value of shares in the subsidiary increases at the same time as the Parent Company reports an increase of equity. The costs for employees in the related companies are passed on to the respective subsidiary companies and regulated in cash, whereby the increase of shares in the subsidiary is neutralized.

2.2.7 Current and deferred tax

Income tax in the income statement of the consolidated statement consists of current tax based on taxable income for the current period and changes relating to deferred tax. Tax is recognized in the income statement with the exception of when it relates to items recognized in other comprehensive income or direct in equity, in which case the tax cost is also recognized in other comprehensive income or against equity.

The basis for calculating current income tax is the tax rates and taxation laws that are adopted or notified on the closing date. Current tax assets and tax liabilities for the present period and earlier periods are determined at the amount that is expected to be returned from or paid to the tax authorities. Deferred tax is recognized at the closing date in accordance with the balance sheet calculation method for temporary differences between the taxable and accounted values of assets and liabilities.

Deferred tax assets are recognized for all deductible temporary differences, including unused tax losses to the extent that a taxable profit is likely to be available against which the deductible temporary differences may be used.

2.2.8 Tangible fixed assets

Tangible fixed assets are physical assets that are used in the Group's operations and have an expected useful life exceeding one year. Tangible fixed assets are valued at their respective purchase values and depreciate according to plan during their estimated useful life. When tangible fixed assets are recognized, any residual value of the asset is considered in determining the depreciable amount. The depreciation is initiated when the asset is ready to be brought into service. Tangible fixed assets are removed from the balance sheet when it is sold off or when it cannot be expected to bring any financial advantage in the future by being either utilized or sold. Profit and loss are calculated as the difference between the sales price and the asset's recognized value. Profit or loss is recognized in the income statement for the reporting period in which the asset is sold off, as other costs or other income.

The residual value, useful life and depreciation method of assets are examined at the end of each fiscal year and adjusted prospectively, if required, at the end of each reporting period. Additional expenses are added to the acquisition value only if it is likely that the future financial benefits associated with the asset will be part of the acquisition and the acquisition value can be calculated reliably. All other additional expenses are recognized as an expense in the period they arise.

Estimated useful life is 5 years. Estimated useful life and depreciation methods are reconsidered if there are indications that these have changed to any significant extent compared with the estimate on the previous closing date. When the Company changes the assessment of useful life, the asset's residual value will also be reviewed. The effect of these changes is recognized prospectively.

2.2.9 Intangible assets

Internally developed intangible assets – Capitalized expenses for product development

Internally developed intangible assets attributable to the Group's product development are only recognized if the following conditions are met:

- it is technically possible to complete the intangible asset and use it or sell it,
- the Company intends to complete the intangible asset and use it or sell it,
- conditions exist for the use or sale of the intangible asset,
- the Company shows how the intangible asset is likely to generate future financial benefits,
- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- the expenses attributable to the intangible asset during its development can be reliably calculated.

If it is not possible to report any internally developed intangible asset, the expenses for development are recognized as a cost in the period in which they arise.

After the first accounting event, the internally developed intangible fixed assets are recognized at cost, less accumulated depreciation and any accumulated impairment losses.

The estimated useful life is as follows;

Bioink	10 years
Patent	10 years
Hard- and software	5 years
Trade mark	5 years

The estimated useful life and depreciation methods are reconsidered at least at the end of each quarter, and the effect of any changes in the estimation is recognized prospectively.

2.2.10 Depreciation and impairment of tangible and intangible fixed assets

The Group analyses the recognized values of tangible and intangible fixed assets on each closing date in order to determine whether there is any indication that these assets have decreased in value. If so, the asset's recoverable amount is calculated in order to determine the value of any impairment. Where it is not possible to calculate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indeterminable useful lives and intangible assets that are not yet ready for use shall be tested annually for any need of impairment, or where there is an indication of a reduction in value.

The recoverable amount is the highest value of the fair value less sales costs and their value in use. When calculating the value in use, the estimated future cash flow is discounted at the present value with a discount rate before tax, reflecting the current market assessment of the money's value over time and the risks associated with the asset.

If the recoverable amount of an asset (or cash-generating unit) is determined at a lower value than the recognized amount, the recognized amount of the asset (or cash-generating unit) is impaired to the recoverable amount. An impairment shall be recognized immediately in the income statement.

When an impairment is then reversed, the asset's (the cash-generating unit's) recognized value increase to the revalued recoverable value, but the raised recognized value may not exceed the recognized value that would be determined if no impairment has been made of the asset (the cash-generating unit) during previous years. The reversal of an impairment is recognized directly in the income statement.

2.2.11 Acquisition as part of a business combination

Intangible assets that are acquired in a business combination are identified and recognized separately from goodwill when they fulfil the definition of an intangible asset and their fair values can be calculated in a reliable manner. The acquisition value for such intangible assets constitutes their fair value at the time of acquisition. The intangible assets depreciate throughout their expected useful life, which is 5-10 years.

After the first reporting occasion, intangible assets acquired in a business combination are recognized at acquisition value, less accumulated depreciations and any accumulated impairment losses, in the same way as for separately acquired intangible assets.

2.2.12 Financial instruments

Financial instruments are any type of agreement that gives rise to a financial asset in a Company and a financial liability or equity instrument of another Company.

2.2.12.1 Financial assets

The Group's financial assets are divided into four categories:

- Financial assets recognized at fair value via profit/loss for the year.
- Financial assets that are held for trade.
- Financial assets that are identified on the first reporting occasion as an item recognized at fair value.
- Loan receivables and accounts receivables valued at the amortised cost according to the effective interest model.
- Financial assets that are held to maturity valued at the amortised cost according to the effective interest model.
- Financial assets that can be sold recognized at fair value against other comprehensive income.

Financial instruments are initially classified based on one of the above four categories. CELLINK AB only holds financial assets in the form of accounts receivables and cash and cash equivalent, valued at the amortised cost and short-term investments and derivative recognized at fair value.

Accounts receivables

Accounts receivables are financial assets that are not derived from fixed or determinable payments that are not listed on an active market. They are initially recognized at fair value and thereafter at the amortised cost by applying the effective interest method and after deductions for any impairments. The amortised cost is calculated by taking any discounts, fees and advance payments that form part of the effective interest rate into account.

The value of accounts receivable is tested continuously if there is objective evidence that the carrying amount will not be affected. If an accounts receivable is considered insecure, a provision is made for the difference between the recognized amount and the expected cash flow. Losses attributable to insecure accounts receivables are recognized in the income statement under other operating expenses.

Cash and cash equivalents

Cash and cash equivalents include cash and balances with banks, as well as other short-term liquid investments that can easily be converted into cash and are subject to an insignificant risk of value fluctuations. Cash funds and accounts in banks are categorised as 'loan receivables and accounts receivables', which means they are valued at the amortised cost. Since funds on bank accounts are payable on request, the amortised cost is equivalent to a nominal amount.

Short-term investments

Short-term investments are categorised as 'holdings for trade' and are recognized at fair value with changes in the value recognized in the income statement. These assets are recognized at fair value at the end of each fiscal period and changes in valuation are recognized in financial result in the income statement.

Financial liabilities

- Financial liabilities recognized at fair value via the profit/loss for the year.
- Other financial liabilities recognized at the amortised cost.

Financial instruments are initially classified on the basis of one of the above two categories. CELLINK AB only holds financial liabilities in the form of accounts payable and liabilities to credit institutions, valued at the amortised cost and financial derivative recognized at fair value.

2.2.12.2 Inventories

Inventories are recognized at the lowest of acquisition value and net sale value, where the acquisition value is calculated by applying the FIFO method ('first in - first out'). The inventory acquisition value includes expenses for purchase, manufacturing and other expenses to bring the goods to their current location and condition. The acquisition value of a proprietary asset includes, in addition to costs directly attributable to the production of the asset, a reasonable share of indirect manufacturing costs.

2.2.12.3 Accounts payables

Accounts payable are categorized as 'Other financial liabilities', which means they are recognized at the amortised cost. The expected duration of accounts payables is, however, short, which is why the liability is recognized at a nominal amount without discount.

2.2.12.4 Liabilities to credit institutions and other liabilities

Interest-bearing bank loans, current account credits and other loans are categorised as 'Other financial liabilities' and are recognized at the amortised cost according to the effective interest rate method. Any differences between a loan amount received (net after transaction costs) and the repayment or amortisation of the loan are recognized over the term of the loan.

2.2.12.5 Derivative

The Group includes derivative transactions with the purpose of managing currency risks. The Group does not apply hedge accounting, and all derivative are therefore categorized as ”Fair value through profit or loss” in the subcategory ”Holdings for trade”. Derivative with positive fair value are recognized as assets in the ”Derivative Instrument” line. Derivative with negative fair value are recognized as liabilities on the ”Derivative Instrument” line. Changes in value from derivative are recognized either in net financial items or in operating income depending on the purpose of the instrument.

2.2.12.6 Provisions

Provisions are recognized when the Group has an existing obligation (legal or informal) as a result of an event occurring and when it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The amount that is set aside is the best estimate of the amount required to settle the existing obligation on the closing date, considering the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the outgoing payments that are expected to be required to settle the obligation, the recognized amount must be equivalent to the current value of these payments.

Where part or all of the amount required to settle a provision is expected to be replaced by a third party, the redemption shall be recognized separately as an asset in the report on the financial situation when it is as good as certain that it will be obtained if the Company settles the obligation and the amount can be reliably calculated.

2.2.13 Share capital

Ordinary shares are classified as equity. Costs that are directly attributable to issuances of new ordinary shares or options are recognized net as equity.

2.2.14 Public contributions

Revenue from public contributions that are not linked to future performance requirements is recognized as revenue when the conditions for receiving the contribution and the financial benefits associated with the transaction are likely to accrue to the Company and income can be calculated reliably. Public contributions have been recognized at fair value of the asset the Company has received.

Revenue from public contributions that are linked to future performance requirements is recognized as revenue when the performance is completed, and the financial benefits associated with the transaction are likely to accrue to the Company and income can be reliably calculated. Public contributions have been recognized at fair value of the asset the Group has received.

Contributions received before the conditions for recognizing them as income have been met are recognized as liabilities

2.2.15 Reporting of cash flow

Cash flow analyses are prepared in accordance with the indirect method.

2.2.16 Leasing

A finance lease is an agreement whereby the economic risks and benefits associated with ownership of an asset are essentially transferred from the lessor to the lessee. Other leases are classified as operating leases. All Group leases have been classified and recognized as operational. Leasing fees under operating leases are expensed on a straight-line basis over the lease term, unless another systematic way better reflects the user's economic benefits over time.

2.2.17 New or amended IFRS standards and new interpretations

2.2.17.1 New or amended IFRS standards and new interpretation not yet effective

A number of new and amended IFRS have not yet entered into force and have not been pre-applied in drawing up the Group's and the Parent Company's financial reports. IFRS that may influence the Group's or Parent Company's financial reports are described below. None of the other new standards, amended standards or IFRIC interpretations is expected to have any effect on the Group's or the Parent Company's financial reports.

IFRS 9 entered into force for companies with 1 January 2018 as start of the fiscal year. Amendments compared with earlier standards relate to, among other things, new views on classification and another model for impairments, where reserves for bad debts are not only to be based on events that have occurred but also on events that are expected to occur. CELLINK's accounts receivables consist essentially of short-term accounts receivables without any elements of financing, and the Company has historically had a small amount of bad debts losses. On this basis, the Company has concluded that the transition, with start 1 September 2018, to the new accounting standard is expected to not have any essential effects on the Group's financial reports.

IFRS 15 entered into force for companies with 1 January 2018 as start of the fiscal year. The vast majority of CELLINK's sales consist of products, which clearly represents separate performance obligations. CELLINK also sells services in terms of services linked to products. The services are invoiced predominantly in advance, and revenue is recognized as the service agreement progresses. Unrecognized service revenues are recognized as deferred revenue in the balance sheet. CELLINK also considers that these services constitute a separate performance obligation. On this basis, there is not believed to be any significant differences between the current accounting and the accounting in compliance with IFRS 15, and CELLINK makes the conclusive assessment that the transition, with start 1 September 2018, to IFRS 15 is not expected to not have any significant effect on the Group's financial reports.

IFRS 16 Leasing was approved by the EU in 2017 and replaces IAS 17 as of 1 January 2019. Accounting in accordance with IFRS will mean that in principle all leasing agreements will be recognized on the balance sheet as assets and liabilities. This reporting is based on the point of view that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for this right. No assessment of the effects of the standard has not yet been begun.

Other amended standards that have not yet entered into force have no effect on the Group's financial reports.

2.3 Critical accounting estimates and judgments

When the Board of Directors draws up financial reports in accordance with applied accounting principles, certain estimations and assumptions must be made, which affect the recognized value of assets, liabilities, revenue and expenses. The areas where the estimations and assumptions are of great significance for the Group and that may affect the income statement and balance sheet if they change are described below.

2.3.1 Assessment of the valuation of intangible assets.

Intangible assets are recognized at acquisition value less accumulated depreciation and impairment. An assessment is made every closing date of whether there is any indication of a reduction in the value of the Group's intangible assets. Losses attributable to impairment are recognized in the income statement under other operating expenses.

2.3.2 Assessment of bad debts

Accounts receivables are recognized initially at fair value and thereafter at the expected realizable value. An estimation of bad debts based on an objective evaluation of all open items is made on each closing date. Losses attributable to insecure accounts receivables are recognized in the income statement under other operating expenses.

2.3.3 Assessments of the application of accounting principles

When management applies the Group´s accounting principles, assessments are made apart from those that include estimates which may have a significant effect on the amounts the Group reports in its financial statements.

2.3.3.1 Classification of acquisitions

An assessment must be made as to whether it concerns a business combination or an asset acquisition. An operation consists of resources and processes that can result in production. When a Company is acquired, an assessment is made as to how the reporting of the acquisition should be made on the basis of, among other things, the following criteria: whether there are any employees, the Company's assets and the complexity of the internal processes. Furthermore, account is taken of the number of activities and whether there is an agreement with various grades of complexity. A high presence of these criteria means the acquisition is classified as a business combination and a low presence as an asset acquisition.

When the acquisition of subsidiaries involves the acquisition of assets that do not constitute a business operation, the acquisition costs are divided up into the individual assets and liabilities based on their relative fair value at the time of acquisition. If the assessment were to have resulted in a classification as a business combination instead, this would have led to the initially recognized value being higher, such as accrued tax liability and probably also goodwill.

2.3.3.2 Classification of public contributions

An assessment must be performed as to whether the public contribution is attributable to projects the Company plans to implement as well as whether the projects are expected to generate economic benefits or not. When receiving public contributions, an assessment is made of how the accounting of the contribution for the project in question should be based on, inter alia, the following criteria: The criteria in IAS 38 (see Note 2.2.9 for the criteria's), the ownership of the final product, and if the Company consider the project to be relevant to implement without public contributions.

2.3.4 Calculation of fair value of financial instruments

Financial instruments recognized at fair value are classified either at fair value over the profit/loss for the year or as being available for sale. The valuation may be based on one of the following conditions:

- Quoted prices (unadjusted) on active markets for identical assets or liabilities (level 1)
- Other observable data for the asset or liability than quoted prices either directly (i.e. as quotations) or indirectly (i.e. attributable to quotations) (level 2).
- Data for the asset or liability that is not based on observable market data (level 3)

The fair value of financial instruments traded on an active market is based on quoted market prices on the closing date. A market is regarded as active if the quoted prices from a stock exchange, broker, industry group, pricing service or supervisory authority are easily and regularly available and these prices represent actual and regular market transactions at arm's length. The Group has short-term investments in the form of interest relief funds. The Group recognizes the short-term investments at fair value as level 1 valuation. Changes in the value, i.e. the unrealised profit/loss, are recognized as interest income/expense in the income statement.

Fair value of financial instruments that are not traded on an active market (i.e. OTC derivative) are determined by means of valuation techniques. For this purpose, market information is used as far as possible, as this is available while Company-specific information is used as little as possible. If all essential input data that is required for the valuation is observable, the instruments are classified as a level 2 valuation. CELLINK AB currently reports no financial instruments belonging to this category.

In the event that one or more pieces of input data is not based on observable market information, the instrument concerned is classified at level 3. CELLINK AB currently reports derivative for currency belonging to this category.

Estimated fair value of the Group's financial instruments is based on market prices and valuation methods that are described below.

Cash and cash equivalents

Fair value is assumed to be the same as book-value.

Interest-bearing liabilities
The Group reports interest-bearing liabilities at the amortised cost. The fair value of interest-bearing liabilities is regarded as being approximate to the book-value, as all interest-bearing liabilities are based on floating rates, and the Group does not see any indications that the margin has changed since borrowing.

Accounts receivables, accounts payables and other liabilities
These items are initially recognized at fair value and in the following periods at the amortised cost. Discounting is not normally considered to have any significant effect on this type of assets and liabilities

Parent Company´s accounting principles

NOTE 3 Accounting principles
This annual report has been prepared for the Parent Company in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities, prepared by the Financial Reporting Board. According to RFR 2, the Parent Company shall apply all International Financial Reporting Standards, adopted by the EU, so as possible within the framework of the Annual Accounts Act regulation. The Parent Company adopts RFR 2 for the first time. The transition from K3 to RFR 2 has not resulted in any significant effects. The differences between the Parent Company and the Group´s accounting principles are described below:

3.1 Shares in subsidiaries
Shares in subsidiaries are recognized in the Parent Company at cost less any impairment losses. If the carrying amount of the shares exceeds its fair value, an impairment is made to the fair value. The impairment loss is recognized in the income statement. In cases where the impairment is no longer required, the impairment loss is reversed over the income statement.

3.2 Summary of significant accounting principles

3.2.1 Accounting of shareholder contributions
Provided shareholder contributions are recognized as an increase in value of the share.

3.3 Critical accounting estimates and judgments
When preparing the financial statements in accordance with applied accounting principles, certain estimations and assumptions must be made, that affect the carrying value of assets, liabilities, revenue and expenses. The areas where the estimations and assumptions are of great significance for the Parent Company and that may affect the income statement and balance sheet if they change are described below:

3.3.1 Valuation of shares in subsidiaries and impairment testing requirements
To calculate any impairment requirements for shares in subsidiaries, the Company has used the net asset value of the individual subsidiary. When calculating the net asset value, the Company's future earning capacity is based on the agreements and rights the Company has considered and that the book-value of other items in the subsidiary is comparable to the fair value. The Company believes that this is a reasonable assumption when calculating the fair value of the shares in the subsidiary.

Note 4 Net sales distributed

Net sales distributed by geographic market	2017-09-01-2018-08-31	2016-09-01-2017-08-31
Sweden	1 194	132
North America	16 461	5 171
The rest of Europe	15 959	4 333
Asia	11 309	3 347
The rest of the world	415	176
Total	**45 337**	**13 159**

The distribution of net sales per geographic market is based on the customers' location. Revenues are distributed over goods and services. Revenue attributable to goods amounted to SEK 44,570 thousand (SEK 12,847 thousand). Revenue attributable to services amounted to SEK 767 thousand (SEK 312 thousand).

Note 5 Salaries and other remuneration, social expenses and pension expenses

2017/2018	Salaries and other remuneration	Social security costs	Pensions expenses
Group	19 598	4 405	1 020
Parent, Sweden	15 865	4 058	860

2016/2017	Salaries and other remuneration	Social security costs	Pensions expenses
Group	6 701	1 659	192
Parent, Sweden	6 229	1 616	188

Salaries and other remuneration

	Board of Directors and CEO	(of which variable salary)	Other staff	Total
2017/2018				
Sweden	904	0	14 961	15 865
USA	0	0	3 733	3 733
Total	**904**	**0**	**18 694**	**19 598**
Parent, Sweden	904	0	14 961	15 865

	Board of Directors and CEO	(of which variable salary)	Other staff	Total
2016/2017				
Sweden	434	0	5 796	6 229
USA	0	0	471	471
Total	**434**	**0**	**6 267**	**6 701**
Parent, Sweden	434	0	5 796	6 229

Average number of employees

Per country 2017/2018	Number of employees	Women	Men
Sweden	39	13	26
USA	9	4	5

Total	**48**	**17**	**31**
Parent, Sweden	39	13	26

Per country 2016/2017	**Number of employees**	**Women**	**Men**
Sweden	16	4	12
USA	2	1	1
Total	**18**	**5**	**13**
Parent, Sweden	16	4	12

Proportion of women in executive positions	**2017/2018**	**2016/2017**
Board of Directors	29%	20%
Senior Executives	0%	0%

Board of Directors

In accordance with the decision of the 2017 Annual General Meeting, SEK 345 thousand was paid in remuneration to the Board during the year. The Chairman of the Board received SEK 225 thousand and two Board members received SEK 60 thousand each. No pension expenses or pension commitments for the Board exist.

The Board discusses and decides on the principles of remuneration to senior executives. Senior executives have been appointed by the CEO. Remuneration to senior executives consists of basic salary.

Severance pay

The Company shall take into account the 12-month notice period and the CEO shall take into account 6 months notice period. The CEO is entitled to 6 months severance pay at the end of the service. If the CEO finds another employment that the Company approves during the notice period, the Company shall be entitled to settle against the compensation received by the CEO from the new employment. In connection with either party's termination of the agreement, the Company has the right to require that the CEO with immediate effect leave office.

In the case of termination of senior executives, the Group shall, as well as senior executives, comply with a notice period of three months.

Remuneration to members of the Board and Group Management

2017/2018	**Fixed salary/ Board remuneration**
Göran Nordlund, Chairman of the Board	225
Klementina Österberg, Board member	0
Bengt Sjöholm, Board member	60
Artur Aira, Board member	0
Ingela Hallberg, Board member	60
Total Board of Directors	**345**
Erik Gatenholm, CEO and Chief of Group Management*	559
Other Group Management	1 072
Total CEO and Group Management	**1 631**
Total	**1 976**

* The Group Management consisted of three person as of 31 August 2018. The Group Management consisted of the Chief of Group Management, CFO and CTO.

2016/2017
No remuneration were paid to the Board during the fiscal year. Remuneration to the CEO amounted to SEK 434 thousand . Fees to other Group Management amounted to SEK 836 thousand. The Group Management consisted of three persons as at 31 August 2017. The Group Management consisted of CEO, CFO and CTO.

Note 6 Remuneration to auditors

	Group	
	2017-09-01- 2018-08-31	**2016-09-01- 2017-08-31**
Audit assignments	210	100
Audit activities in addition to the audit assignments	175	174
Total	**385**	**274**

Auditing assignments refer to the audit of the annual report and accounting, as well as the administration of the Board and the managing director, other duties that the company´s auditor is required to perform, as well as counseling or other assistance resulting from such audits or the carrying out of such other duties. Auditing activities in addition to the audit assignment shall include quality assurance services, including assistant advisory services for such audits, which shall be performed in accordance with the constitution, articles of association, statutes or agreements, which appear in a report intended for others other than the client. Advice on tax issues is reported separately. Everything else is other services.

	Parent Company	
	2017-09-01- 2018-08-31	**2016-09-01- 2017-08-31**
Audit assignments	210	100
Audit activities in addition to the audit assignments	175	174
Total	**385**	**274**

Note 7 Other operating income

	Group	
	2017-09-01-2018-08-31	2016-09-01-2017-08-31
EU grants	5 053	2 366
Exchange gains	1 582	296
Other	300	78
Total	**6 935**	**2 740**

	Parent Company	
	2017-09-01-2018-08-31	2016-09-01-2017-08-31
EU grants	5 053	2 366
Exchange gains	1 582	296
Other	74	34
Total	**6 709**	**2 696**

Note 8 Other operating expenses

	Group	
	2017-09-01-2018-08-31	2016-09-01-2017-08-31
Exchange losses	495	621
Total	**495**	**621**

	Parent Company	
	2017-09-01-2018-08-31	2016-09-01-2017-08-31
Exchange losses	495	621
Total	**495**	**621**

Note 9 Financial items

	Group	
Interest income and similar items	**2017-09-01-2018-08-31**	**2016-09-01-2017-08-31**
Interest income from securities	727	303
Other financial income	10	1
Total	**737**	**304**

Interest expenses and similar items	**2017-09-01-2018-08-31**	**2016-09-01-2017-08-31**
Interest expense for securities	-25	-139
Other financial expenses	-18	-5
Total	**-42**	**-144**

	Parent Company	
Interest income and similar items	**2017-09-01-2018-08-31**	**2016-09-01-2017-08-31**
Interest income from securities	727	303
Other financial income	10	1
Total	**737**	**304**

Interest expenses and similar items	**2017-09-01-2018-08-31**	**2016-09-01-2017-08-31**
Interest expenses for securities	-25	-139
Other financial expenses	-18	-5
Total	**-42**	**-144**

Note 10 Current and deferred tax

The main components of tax expense for the fiscal year ending 31 August 2018 are as follows:

	Group	
	2017-09-01-2018-08-31	2016-09-01-2017-08-31
Income statement Group		
Current tax on profit/loss for the year	0	0
Tax effect of transaction costs	116	21
Tax recognized in the income statement	**116**	**21**

Reconciliation of effective tax rate	**2017/2018**	**2016/2017**
Profit/loss before taxes	1 068	-728
Tax expenses calculated on 22%	-235	0
Non taxable income/ Non-deductible expenses	-37	0
Effect of other tax rates attributable to foreign subsidiaries	0	-2
Tax effect of transaction costs	388	23
Total tax	**116**	**21**

The average effective tax rate is 10,9% (-2,9%)

Deferred income tax is attributable to:		
	Deferred tax asset 2017/2018	Deferred tax asset 2016/2017
Differences regarding:		
Valuation of loss carryforwards	1 613	847
Other temporary differences:		
InterCompany profit intangible fixed assets	119	4
Total	**1 733**	**851**

	Parent Company	
	2017-09-01-2018-08-31	2016-09-01-2017-08-31
Income statement Parent Company		
Current tax on profit/loss for the year	0	0
Tax effect of transaction costs	0	18
Tax recognized in the income statement	**0**	**18**

Reconciliation of effective tax rate	2017/2018	2016/2017
Profit/loss before taxes	3 014	-45
Tax expenses calculated on 22%	-663	10
Effect of other tax rates attributable to foreign subsidiaries	-37	-10
Tax effect of transaction costs	700	18
Total tax	**0**	**18**

The Company's tax deficit amounts to SEK 7,334 thousand (SEK 3,711 thousand), for which deferred tax assets of SEK 1,613 thousand (SEK 847 thousand) were reported.

Note 11 Patent och trademarks

	Group		
	2018-08-31	2017-08-31	2016-09-01
Opening acquisition balance	**3 922**	**1 858**	**0**
Acquisitions	2 256	2 064	1 858
Closing accumulated acquisition balance	**6 178**	**3 922**	**1 858**
Opening accumulated depreciations	**-28**	**0**	**0**
Depreciation for the year	-159	-28	0
Closing accumulated depreciations	**-187**	**-28**	**0**
Closing book value	**5 991**	**3 894**	**1 858**

	Parent Company		
	2018-08-31	2017-08-31	2016-09-01
Opening acquisition balance	**3 922**	**1 858**	**0**
Acquisitions	2 256	2 064	1 858
Closing accumulated acquisition balance	**6 178**	**3 922**	**1 858**
Opening accumulated depreciations	**-28**	**0**	**0**
Depreciation for the year	-159	-28	0
Closing accumulated depreciations	**-187**	**-28**	**0**
Closing book value	**5 991**	**3 894**	**1 858**

Book value for patent amount to SEK 5,167 thousand (2016/2017; SEK 3,059 thousand, 2016; SEK 1,858 thousand).
Book value for trademarks amount to SEK 824 thousand (2016/2017; SEK 835 thousand, 2016; SEK 0 thousand).

Note 12 Capitalized expenditure for development work

	Group		
	2018-08-31	2017-08-31	2016-09-01
Opening acquisition balance	**10 882**	**0**	**0**
Internally developed assets	16 214	10 882	0
Closing accumulated acquisition balance	**27 096**	**10 882**	**0**
Opening accumulated depreciations	**-336**	**0**	**0**
Depreciation for the year	-2 345	-336	0
Closing accumulated depreciations	**-2 681**	**-336**	**0**
Closing book value	**24 415**	**10 546**	**0**

	Parent Company		
	2018-08-31	2017-08-31	2016-09-01
Opening acquisition balance	**10 899**	**0**	**0**
Internally developed assets	16 739	10 899	0
Closing accumulated acquisition balance	**27 638**	**10 899**	**0**
Opening accumulated depreciations	**-336**	**0**	**0**
Depreciation for the year	-2 344	-336	0
Closing accumulated depreciations	**-2 680**	**-336**	**0**
Closing book value	**24 958**	**10 563**	**0**

Capitalization for the year relates to salaries to staff who worked with the projects and rent for the premises in which the project has been developed. The Company does not conduct any research.

Note 13 Closed expenses incurred on another person´s property

	Group		
	2018-08-31	2017-08-31	2016-09-01
Opening acquisition balance	**55**	**0**	**0**
Acquisitions	28	55	0
Closing accumulated acquisition balance	**83**	**55**	**0**
Opening accumulated depreciations	**-5**	**0**	**0**
Depreciation for the year	-12	-5	0
Closing accumulated depreciations	**-18**	**-5**	**0**
Closing book value	**65**	**50**	**0**

	Parent Company		
	2018-08-31	2017-08-31	
Opening acquisition balance	**55**	**0**	**0**
Acquisitions	28	55	0
Closing accumulated acquisition balance	**83**	**55**	**0**
Opening accumulated depreciations	**-5**	**0**	**0**
Depreciation for the year	-12	-5	0
Closing accumulated depreciations	**-18**	**-5**	**0**
Closing book value	**65**	**50**	**0**

Note 14 Equipment, tools and installations

	Group		
	2018-08-31	2017-08-31	2016-09-01
Opening acquisition balance	**382**	**74**	**0**
Acquisitions	693	325	74
Translation difference	57	-17	0
Closing accumulated acquisition balance	**1 131**	**382**	**74**
Opening accumulated depreciations	**-77**	**0**	**0**
Depreciation for the year	-109	-80	0
Translation difference	-12	3	0
Closing accumulated depreciations	**-198**	**-77**	**0**
Closing book value	**934**	**305**	**74**

	Parent Company		
	2018-08-31	2017-08-31	2016-09-01
Opening acquisition balance	204	74	0
Acquisitions	**350**	**130**	**74**
Closing accumulated acquisition balance	555	204	74
Opening accumulated depreciations	-45	0	0
Depreciation for the year	**-72**	**-45**	**0**
Closing accumulated depreciations	**-117**	**-45**	**0**
Closing book value	**438**	**159**	**74**

Not 15 Financial assets

Subsidiaries within the Group are listed in the table below.

	2017/2018	2016/2017	2016
Opening acquisition value	**1 858**	**1 858**	**0**
Acquisitions	50	0	1 858
Shareholder contributions	335	0	0
Closing accumulated acquisition value	**2 243**	**1 858**	**1 858**
Opening accumulated impairments	**-585**	**-585**	**0**
Impairment for the year	0	0	-585
Closing accumulated impairments	**-585**	**-585**	**-585**
Closing book value	**1 659**	**1 273**	**1 273**

Subsidiary	Capital-share	Voting-share	Number of shares	Book value
Cellink LLC	100%	100%	10 000	1 273
Cellink Options AB	100%	100%	50 000	385

Book value for CELLINK LLC as of 2016/2017 amounts to SEK 1,273 thousand (2016; SEK 1,273 thousand)

Subsidiary	Registered Company No.	Head office
Cellink LLC	81-3033020	Virginia, US
Cellink Options AB	559144-2008	Göteborg

Note 16 Financial instruments and financial risk management

Financial risk management

Cellink AB is exposed to a number of financial risks such as market risk, credit risk and liquidity risk. The overall goal is to have cost-effective financing within the Group.

The table below shows the Group's financial assets and liabilities that are subject to financial risk management.

	Group			
2018-08-31				
	Assets recognized at fair value through profit/ loss for the year	**Loan receivables and accounts receivables**	**Total**	**Book value**
Assets in the balance sheet				
Accounts receivables	0	16 834	16 834	16 834
Derivative	9	0	9	9
Short-term investments	113 468	0	113 468	113 468
Other current receivables	0	1 928	1 928	1 928
Accrued income	0	1 181	1 181	1 181
Cash and cash equivalents	0	23 038	23 038	23 038
Total	**113 477**	**42 981**	**156 458**	**156 458**

	Other financial liabilities	Total	Book value
Liabilities in the balance sheet			
Liabilities to credit institutions	600	600	600
Advance from customers	639	639	639
Accounts payables	3 756	3 756	3 756
Other current liabilities	933	933	933
Accrued expenses	2 266	2 266	2 266
Other provisions	445	445	445
Total	**8 639**	**8 639**	**8 639**

2017-08-31

	Assets recognized at fair value through profit/ loss for the year	Loan receivables and accounts receivables	Total	Book value
Assets in the balance sheet				
Accounts receivables	0	3 637	3 637	3 637
Short-term investments	34 556	0	34 556	34 556
Other current receivables	0	1 438	1 438	1 438
Cash and cash equivalents	0	10 664	10 664	10 664
Total	**34 556**	**15 739**	**50 295**	**50 295**

	Other financial liabilities	Total	Book value
Liabilities in the balance sheet			
Liabilities to credit institutions	3 000	3 000	3 000
Advance from customers	683	683	683
Accounts payables	2 840	2 840	2 840
Other current liabilities	223	223	223
Accrued expenses	1 129	1 129	1 129
Other provisions	99	99	99
Total	**7 974**	**7 974**	**7 974**

2016-09-01

	Loan receivables and accounts receivables	Total	Book value
Assets in the balance sheet			
Accounts receivables	1 283	1 283	1 283
Other current receivables	145	145	145
Cash and cash equivalents	3 056	3 056	3 056
Total	**4 484**	**4 484**	**4 484**

	Other financial liabilities	Total	Book value
Liabilities in the balance sheet			
Liabilities to credit institutions	3 000	3 000	3 000
Advance from customers	382	382	382
Accounts payables	515	515	515
Other current liabilities	135	135	135
Accrued expenses	158	158	158
Other provisions	49	49	49
Total	**4 238**	**4 238**	**4 238**

Parent Company

2018-08-31				
	Assets recognized at fair value through profit/ loss for the year	**Loan receivables and accounts receivables**	**Total**	**Book value**
Assets in the balance sheet				
Accounts receivables	0	11 930	11 930	11 930
Receivables from Group companies	0	8 239	8 239	8 239
Derivative	9	0	9	9
Short-term investments	113 468	0	113 468	113 468
Other current receivables	0	1 798	1 798	1 798
Accrued income	0	1 181	1 181	1 181
Cash and cash equivalents	0	19 615	19 615	19 615
Total	**113 477**	**42 763**	**156 240**	**156 240**

	Other financial liabilities	Total	Book value
Liabilities in the balance sheet			
Liabilities to credit institutions	600	600	600
Advance from customers	639	639	639
Accounts payables	3 663	3 663	3 663
Other current liabilities	630	630	630
Accrued expenses	2 037	2 037	2 037
Other provisions	445	445	445
Total	**8 014**	**8 014**	**8 014**

2017-08-31				
	Assets recognized at fair value through profit/ loss for the year	Loan receivables and accounts receivables	Total	Book value
Assets in the balance sheet				
Accounts receivables	0	2 232	2 232	2 232
Receivables from Group companies	0	1 354	1 354	1 354
Short-term investments	34 556	0	34 556	34 556
Other current receivables	0	1 000	1 000	1 000
Cash and cash equivalents	0	10 062	10 062	10 062
Total	**34 556**	**14 648**	**49 204**	**49 204**

	Other financial liabilities	Total	Book value
Liabilities in the balance sheet			
Liabilities to credit institutions	3 000	3 000	3 000
Advance from customers	683	683	683
Accounts payables	2 743	2 743	2 743
Other current liabilities	223	223	223
Accrued expenses	1 093	1 093	1 093
Other provisions	99	99	99
Total	**7 841**	**7 841**	**7 841**

2016-09-01			
	Loan receivables and accounts receivables	Total	Book value
Assets in the balance sheet			
Accounts receivables	1 283	1 283	1 283
Other current receivables	132	132	132
Cash and cash equivalents	3 056	3 056	3 056
Total	**4 471**	**4 471**	**4 471**

	Other financial liabilities	Total	Book value
Liabilities in the balance sheet			
Liabilities to credit institutions	3 000	3 000	3 000
Liabilities to Group companies	1 878	1 878	1 878
Advance from customers	382	382	382
Accounts payables	514	514	514
Other current liabilities	74	74	74
Accrued expenses	158	158	158
Other provisions	49	49	49
Total	**6 055**	**6 055**	**6 055**

The table below shows the fair value of the Group's financial assets and liabilities.

	Valuation at fair value 2018-08-31			
	Level 1	Level 2	Level 3	Total
Assets				
Financial derivative	0	0	9	**9**
Short-term investments	113 468	0	0	**113 468**
Liabilities				
Financial derivative	0	0	0	**0**
Total	**0**	**0**	**9**	**113 477**

	Valuation at fair value 2017-08-31			
	Level 1	Level 2	Level 3	Total
Assets				
Financial derivative	0	0	0	**0**
Short-term investments	34 556	0	0	**34 556**
Liabilities				
Financial derivative	0	0	0	**0**
Total	**0**	**0**	**0**	**34 556**

Level 1: Financial instruments where the valuation is based on quoted prices (unadjusted) on active markets for identical assets or liabilities.

Level 2: Financial instruments where the valuation is based on other observable data for the asset or liability than quoted prices either directly (i.e. as quotations) or indirectly (i.e. attributable to quotations).

Level 3: Financial instruments where the valuation is based on data for the asset or liability that is not based on observable market data (level 3)

Liquidity and refinancing risk
Financing risks refer to the risk of obtaining financing for operations at a given time. The Company should be an attractive borrower and have such a premise that the Company can be offered financing on good terms. The Company currently has few external loans.

Interest risk
The Company's external financing is currently relatively low. Interest on loans from credit institutions corresponds to interest rate repo rate + 2% margin.

Sensitivity analysis for interest risks
Changes in market interest rates affect the Group's interest income and interest expenses. The following summary shows the effect of a change in market interest rates on the consolidated income statement.

	Change, %	2017/2018	2016/2017	2016
Market interest rate	(+/-) 1	6	30	0

Currency risk
Exchange rate fluctuations affect the Group's profit and equity in various ways, either as transaction exposure or as translation exposure. Transaction exposure consists of commercial flows in foreign currency. When translating the foreign subsidiary's profit/loss and net assets, a currency exposure arises that, in exchange rate fluctuations, may affect the Group's earnings and equity. Changes in the exchange rate USD / SEK are the main reason for exchange rate reductions in other comprehensive income. The Company has the majority of its revenues in USD and sets out exclusively price lists in USD. This means that a more expensive USD during the year has a positive impact on the Group's earnings.

Sensitivity analysis for currency risks
Changes in market interest rates affect the Group's profit/los and position. The following summary shows the effect of a change in exchange rates on the Group's profit/loss for the year.

The most important currency is USD which at 10% change in valuation generates following effect on profit/loss:

	2017/2018	2016/2017	2016
Profit/loss for the year	**2 983**	**685**	**182**
Equity	**118**	**177**	**189**

Customer Credit Risk
Credit risk is the risk of losses resulting from the fact that the counterparty can not fulfill its obligations under an agreement. The risk is mainly linked to accounts receivable and other receivables. In order to control the risk, the Company conducts thorough audits of the customer and continuously monitors the development of the customer's creditworthiness. Where there is doubt, the company requests advance payments from new customers. Management believes that there is no significant concentration of credit risk with any individual customer, counterpart or geographical region of CELLINK.

	Group				
Expected cash flow (non-discounted) 2017/2018					
	Year 1	**Year 2**	**Year 3-5**	**After year 5**	**Total**
Financial liabilities					
Interest bearing liabilities*	8	8	25	608	650
Accounts payables	3 756	0	0	0	3 756
Other current liabilities	933	0	0	0	933
Total	**4 697**	**8**	**25**	**608**	**5 339**
Expected cash flow (non-discounted) 2016/2017					
	Year 1	**Year 2**	**Year 3-5**	**After year 5**	**Total**
Financial liabilities					
Interest bearing liabilities*	438	724	2 007	314	3 483
Accounts payables	2 840	0	0	0	2 840
Other current liabilities	223	0	0	0	223
Total	**3 501**	**724**	**2 007**	**314**	**6 546**
Expected cash flow (non-discounted) 2016					
	Year 1	**Year 2**	**Year 3-5**	**After year 5**	**Total**
Financial liabilities					
Interest bearing liabilities*	438	724	2 007	314	3 483
Accounts payables	515	0	0	0	515
Other current liabilities	135	0	0	0	135
Total	**1 088**	**724**	**2 007**	**314**	**4 133**

	Parent Company				
Expected cash flow (non-discounted) 2017/2018					
	Year 1	**Year 2**	**Year 3-5**	**After year 5**	**Total**
Financial liabilities					
Interest bearing liabilities*	8	8	25	608	650
Accounts payables	3 663	0	0	0	3 663
Other current liabilities	630	0	0	0	630
Total	**4 301**	**8**	**25**	**608**	**4 943**
Expected cash flow (non-discounted) 2016/2017					
	Year 1	**Year 2**	**Year 3-5**	**After year 5**	**Total**
Financial liabilities					
Interest bearing liabilities*	438	724	2 007	314	3 483
Accounts payables	2 743	0	0	0	2 743
Other current liabilities	223	0	0	0	223
Total	**3 404**	**724**	**2 007**	**314**	**6 449**
Expected cash flow (non-discounted) 2016					
	Year 1	**Year 2**	**Year 3-5**	**After year 5**	**Total**
Financial liabilities					
Interest bearing liabilities*	438	724	2 007	314	3 483
Accounts payables	514	0	0	0	514
Other current liabilities	74	0	0	0	74
Total	**1 026**	**724**	**2 007**	**314**	**4 071**

* Interest-bearing liabilities includes both current and non-current liabilities. Expected cash flow includes interest and amortization.

Risk management of capital
The Group's capital structure must be maintained at a level that ensures the ability to drive the business further to generate returns to shareholders and benefits for other stakeholders while maintaining an optimal structure for reducing capital costs. In order to maintain or adjust the capital structure, the Group may, depending on shareholders' approval, where appropriate, vary the dividend to shareholders, reduce the share capital for payment to shareholders, issue new shares or sell assets to reduce the debt / equity ratio. The Group analyzes the current relationship between debt and equity and the ratio between debt and equity. Net debt includes interest-bearing financial liabilities. The Group's capital consists of assets reduced by interest-bearing liabilities. The Group does not have internal or external capital requirements.

SEK thousand	2018-08-31	2017-08-31	2016-08-31
Interest-bearing net debt	600	3 000	3 000
Total equity	186 160	59 659	2 851
Relationship between debt and equity	**0,003**	**0,05**	**1,05**

The equity ratio amount per 2018-08-31 to 95,5 % (2016/17; 86,5%, 2016; 40,2%)

Note 17 Interest-bearing credits and loans

The loans in the Group are included in the Parent Company.

	2018-08-31	2017-08-31	2016-09-01
Non-current:			
Loans from credit institutions	600	2 700	2 700
Total non-current liabilities	**600**	**2 700**	**2 700**
Current:			
Loans from credit institutions	0	300	300
Total current liabilities	**0**	**300**	**300**
The loan amount	600	3 000	3 000

The table below summarizes the repayment plans for the Group's credit and loans

Maturity loans	2018-08-31	2017-08-31	2016-09-01
Maturity			
2018	0	300	300
2019	0	600	600
2020	0	600	600
2021	0	600	600
2022 or later	600	900	900
Total	**600**	**3 000**	**3 000**

The Group's exposure, in respect of loans, for interest rate changes and contractual dates for the renegotiation of interest rates, is as follows:

Interest rate maturity

2018-08-31	**External creditors**		**Total portfolio**	
	Volume	**Interest rate, %**	**Volume**	**Interest rate, %**
Less than 1 year	0	0	0	0
2-5 years	0	0	0	0
More than 5 years	600	2,0	600	2,0
Total	**600**	**2,0**	**600**	**2,0**

2017-08-31	**External creditors**		**Total portfolio**	
	Volume	**Interest rate, %**	**Volume**	**Interest rate, %**
Less than 1 year	300	4,6	300	4,6
2-5 years	2 400	4,6	2 400	4,6
More than 5 years	300	4,6	300	4,6
Total	**3 000**	**4,6**	**3 000**	**4,6**

2016-09-01	**External creditors**		**Total portfolio**	
	Volume	**Interest rate, %**	**Volume**	**Interest rate, %**
Less than 1 year	300	4,6	300	4,6
2-5 years	2 400	4,6	2 400	4,6
More than 5 years	300	4,6	300	4,6
Total	**3 000**	**4,6**	**3 000**	**4,6**

Note 18 Inventory

	Group		
	2017/2018	**2016/2017**	**2016**
Inventory	4 012	2 315	350
Total	**4 012**	**2 315**	**350**

	Parent Company		
	2017/2018	**2016/2017**	**2016**
Inventory	4 012	2 315	350
Total	**4 012**	**2 315**	**350**

Impairment of raw materials of SEK 124 thousand (2016/2017; SEK 0.0 thousand, 2016; SEK 0.0 thousand) is included in current inventories.

Note 19 Accounts receivables

	Group		
	2018-08-31	**2017-08-31**	**2016-09-01**
Accounts receivables	16 834	3 637	1 283
Total	**16 834**	**3 637**	**1 283**

Age analysis of accounts receivables

2018-08-31	**Overdue receivables**	**Overdue receivables-provisions made**	**Overdue receivables-no provisions made**
Overdue less than 30 days	2 051	0	2 051
Past due 31-60 days	1 234	0	1 234
Past due 61-90 days	886	0	886
Due for more than 91 days	1 672	6	1 666
Total overdue receivables	**5 843**	**6**	**5 837**
Not due receivables	10 997	0	10 997
Total	**16 840**	**6**	**16 834**

2017-08-31	**Overdue receivables**	**Overdue receivables-provisions made**	**Overdue receivables-no provisions made**
Overdue less than 30 days	191	0	191
Past due 31-60 days	592	0	592
Past due 61-90 days	169	0	169
Due for more than 91 days	362	26	336
Total overdue receivables	**1 314**	**26**	**1 288**
Not due receivables	2 349	0	2 349
Total	**3 663**	**26**	**3 637**

2016-09-01	Overdue receivables	Overdue receivables- provisions made	Overdue receivables- no provisions made
Overdue less than 30 days	94	0	94
Past due 31-60 days	131	0	131
Past due 61-90 days	420	0	420
Due for more than 91 days	229	0	229
Total overdue receivables	**875**	**0**	**875**
Not due receivables	408	0	408
Total	**1 283**	**0**	**1 283**

	Parent Company		
	2018-08-31	**2017-08-31**	**2016-09-01**
Accounts receivables	11 930	2 232	1 283
Total	**11 930**	**2 232**	**1 283**

Age analysis of accounts receivables

2018-08-31	Overdue receivables	Overdue receivables- provisions made	Overdue receivables- no provisions made
Overdue less than 30 days	1 603	0	1 603
Past due 31-60 days	736	0	736
Past due 61-90 days	886	0	886
Due for more than 91 days	934	6	928
Total overdue receivables	**4 160**	**6**	**4 154**
Not due receivables	7 776	0	7 776
Total	**11 936**	**6**	**11 930**

2017-08-31	Overdue receivables	Overdue receivables- provisions made	Overdue receivables- no provisions made
Overdue less than 30 days	5	0	5
Past due 31-60 days	14	0	14
Past due 61-90 days	87	0	87
Due for more than 91 days	362	26	336
Total overdue receivables	**468**	**26**	**442**
Not due receivables	1 791	0	1 791
Total	**2 258**	**26**	**2 232**

2016-09-01	Overdue receivables	Overdue receivables- provisions made	Overdue receivables- no provisions made
Overdue less than 30 days	94	0	94
Past due 31-60 days	131	0	131
Past due 61-90 days	420	0	420
Due for more than 91 days	229	0	229
Total overdue receivables	**875**	**0**	**875**
Not due receivables	408	0	408
Total	**1 283**	**0**	**1 283**

Overdue receivables

At the time of the presentation of the signed financial statements, the group has no overdue receivables older than 91 days considering closing date. All overdue receivables older than 91 days have been settled through payment.

Note 20 Accrued expenses and prepaid income

	Group		
	2018-08-31	2017-08-31	2016-09-01
Accrued payroll	827	212	46
Accrued holiday pay	467	116	0
Social security expenses and special payroll tax	708	222	42
Prepaid EU grants	0	1 329	0
Other accrued expenses	264	579	71
Other prepaid income	180	0	0
Total	**2 446**	**2 458**	**158**

	Parent Company		
	2018-08-31	2017-08-31	2016-09-01
Accrued payroll	598	176	46
Accrued holiday pay	467	116	0
Social security expenses and special payroll tax	708	222	42
Prepaid EU grants	0	1 329	0
Other accrued expenses	264	579	71
Other prepaid income	180	0	0
Total	**2 217**	**2 422**	**158**

Note 21 Provisions

	Group		
	2017/2018	2016/2017	2016
Provision at the start of the year	**99**	**49**	**0**
Claimed funds	-99	-49	0
Provisions during the year	445	99	49
Provisions at year-end	**445**	**99**	**49**

	Parent Company		
	2017/2018	2016/2017	2016
Provision at the start of the year	**99**	**49**	**0**
Claimed funds	-99	-49	0
Provisions during the year	445	99	49
Provisions at year-end	**445**	**99**	**49**

Provisions related to guarantee obligations attributable to the sale of 3D Bioprinters.

Note 22 Leasing

The Group's operational leases concern rented premises where the business is conducted and a pool car.

Cost of leasing charges attributable to:	2017/2018	2016/2017
Rent	1 643	779
Cars	50	0
Total	**1 693**	**779**

	Parent Company	
Cost of leasing charges attributable to:	**2017/2018**	**2016/2017**
Rent	1 059	676
Cars	50	0
Total	**1 109**	**676**

The Group's operational lease agreements do not contain any variable fees of material value.

Future operational minimum lease payments on August 31, which are non-cancellable in advance and last for more than one year, are due:

2018/2019	**619**
2019/2020	**832**
2020/2021	**411**
2021/2022	**0**
2022 or later	**0**
Total	**1 862**

Note 23 Related party transactions

The Parent Company has a related party relationship with its subsidiaries, see Note 15. Of the Parent Company's total purchases and sales, 0 percent (0) of purchases and 38 percent (37) of the sale refer to interCompany transactions. Transfer prices within the Group are based on the principle of "arm's length" ie between parties that are independent of each other, well-informed and with an interest of parties that are independent of each other, well-informed and with an interest in carrying out the transactions.

Transactions with key executives
The related party transactions that took place during the fiscal year refer to consulting services from Wallmander & CO AB for web design of SEK 730 thousand. Fore C Investments Holding AB, owned by CELLINK Chairman Göran Nordlund, is a shareholder in Wallmander & CO AB. In addition, no Board members in CELLINK have received any other remuneration in addition to the Board fee. For further information, see Note 5.

Related party transactions
During the year, SEK 60 thousand was paid in compensation for Advanced Polymer Technology AB attributable to project development. The Company is owned by relatives of the CEO of CELLINK, Erik Gatenholm.

Note 24 Share capital

Share capital	2017/2018	2016/2017	2016
Opening value	**724**	**57**	**50**
New shares issue	108	667	7
At the end of the period	**832**	**724**	**57**

As of August 31, 2018, the Company's registered share capital amounted to SEK 832,344 (SEK 724,068) consisting of 8,323,439 (7,240,676) shares of which 375,000 Class A shares and 7,948,439 Class B shares with a quota value of 0.1 SEK.

Other contributed reserve
Refers to equity contributed by the owners. This includes share premium reserves that have arisen in connection with issues.

Translation reserve
Translation reserve includes all exchange rate differences arising from the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

Dividend
Dividends are proposed by the Board in accordance with the rules of the Companies Act and are decided by the Annual General Meeting. The Board proposes that no dividend be paid for the fiscal year 2017/2018.

Issue
During the year two issues have taken place. The first issue of SEK 30 million was made in October. The second issue of SEK 100 million took place in June.

Note 25 Earnings per share

Profit/loss for the year, SEK thousand		
	2017/2018	**2016/2017**
	1 183	-707

Number of shares	2017/2018	2016/2017
Before dilution		
Average number of outstanding shares	7 716 352	6 729 037
After dilution		
Average number of outstanding shares	8 094 690	6 729 037

Earnings per share, SEK		
Before dilution	0,15	-0,11
After dilution	0,15	-0,11

Earnings per share before dilution are calculated by dividing the profit for the period with the average number of shares. The average number of shares is weighted by number of shares outstanding during the year following new share issues.

Earnings per share after dilution are calculated by adjusting the average number of shares to all potential dilution of shares. The dilution from CELLINK's incentive program is attributable to outstanding employee stock warrants and warrants.

Note 26 Pledged collateral and contingent liabilities

The Group has no collateral or contingent liabilities.

Note 27 Significant events after the end of the fiscal year

On October 2, 2018, the Company announced that it was granted project funding of approximately SEK 3 million from the EU. The project aims at developing three different medical devices designed to treat specific osteoporotic fractures through a synergistic convergence of smart nanomaterials, 3D manufacturing technologies and targeted cell activation.

Note 28 Proposed distribution of earnings

At the disposal of the Annual General Meeting, the following unrestricted equity are available (SEK):

Share premium reserve	184 133 349
Retained earnings	-24 831 620
Profit/loss for the year	3 013 717
Total	**162 315 446**

The Board proposes that the unrestricted equity of SEK 162,315,446 is carried forward.

Gothenburg

Göran Nordlund
Chariman of the Board

Klementina Österberg
Board member

Hector Martinéz
Board member

Bengt Sjöholm
Board member

Artur Aira
Board member

Ingela Hallberg
Board member

Erik Gatenholm
CEO / Board member

Our audit report has been submitted
on

Deloitte AB

Fredrik Jonsson
Public Authorized Accountant

AUDITOR'S REPORT

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Cellink AB for the financial year 2017-09-01 - 2018-08-31. The annual accounts and consolidated accounts of the company are included on pages 16-57 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 August 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 August 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.
In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cellink AB for the financial year 2017-09-01 - 2018-08-31 and the proposed appropriations of the company's profit or loss.
We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.
Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.
The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group´s financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:
- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

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

Göteborg 14 November
Deloitte AB
Signature on Swedish original

Fredrik Jonsson
Authorized public accountant

OTHER INFORMATION

Publication date for financial information
14 November 2018 Annual Report
13 December 2018 Annual General Meeting

The information in this annual report is such as CELLINK shall publish in accordance with the Securities Market Act. The information was submitted for publication on 14 November 2018. This annual report, as well as any additional information, is available on the CELLINK website, www.cellink.com.

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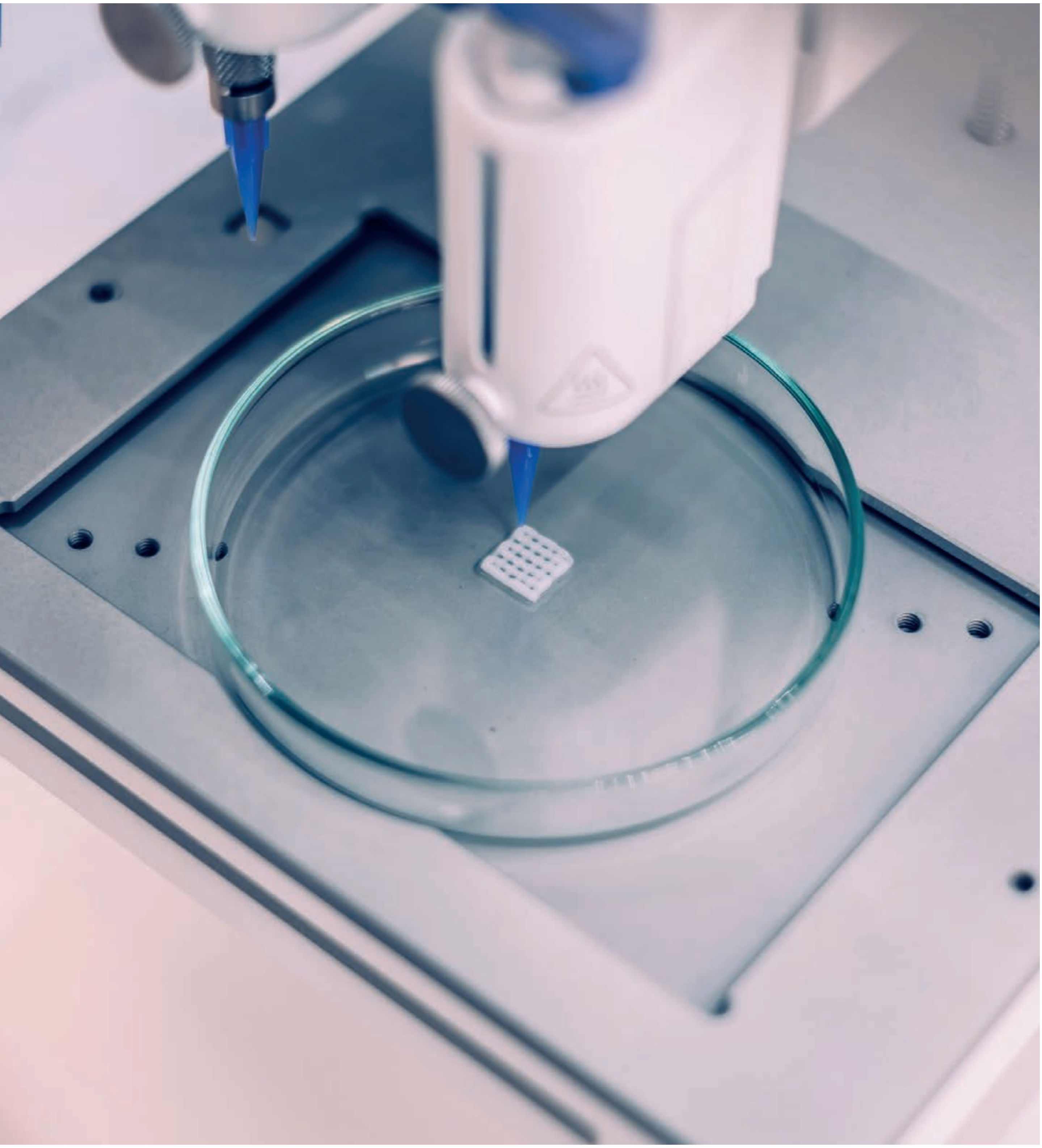

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