GENOVIS

ANNUAL REPORT
2021

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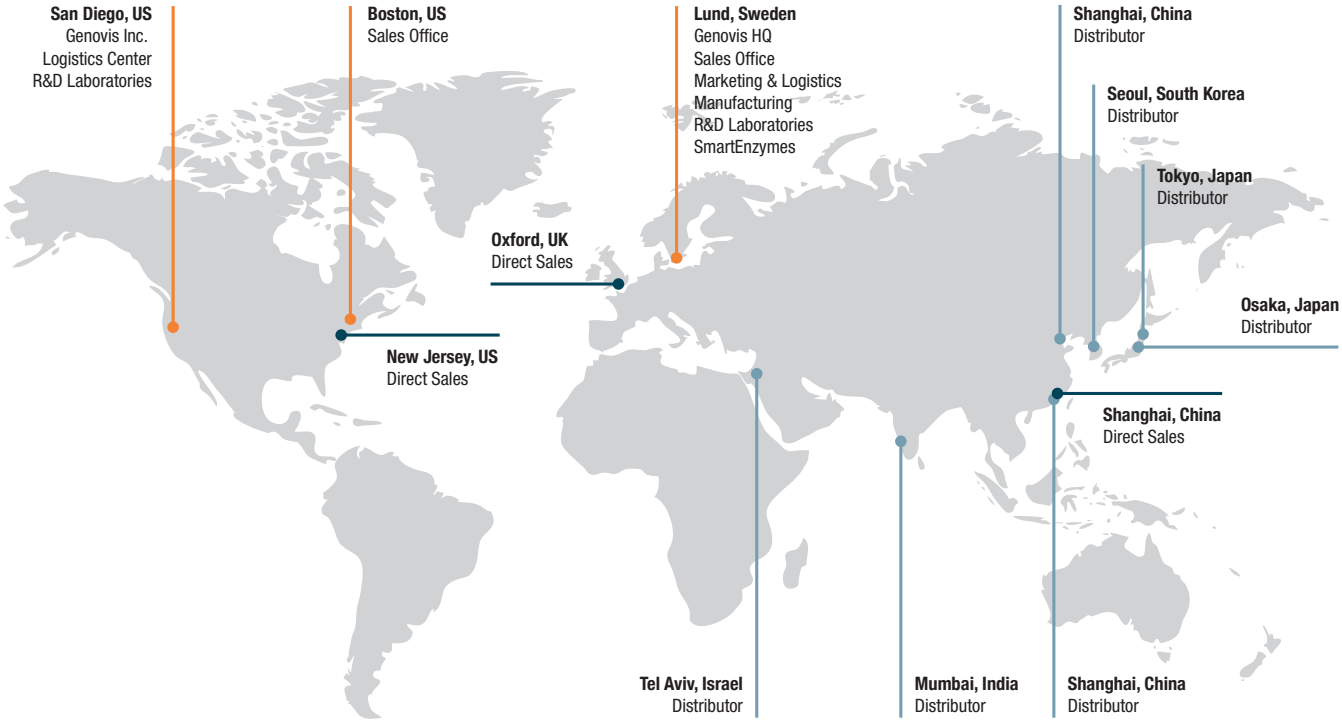
Contents

FINANCIAL INFORMATION

The Genovis Group 2021

Genovis will apply its knowledge and imagination to design and provide innovative tools for development of the drugs of the future.



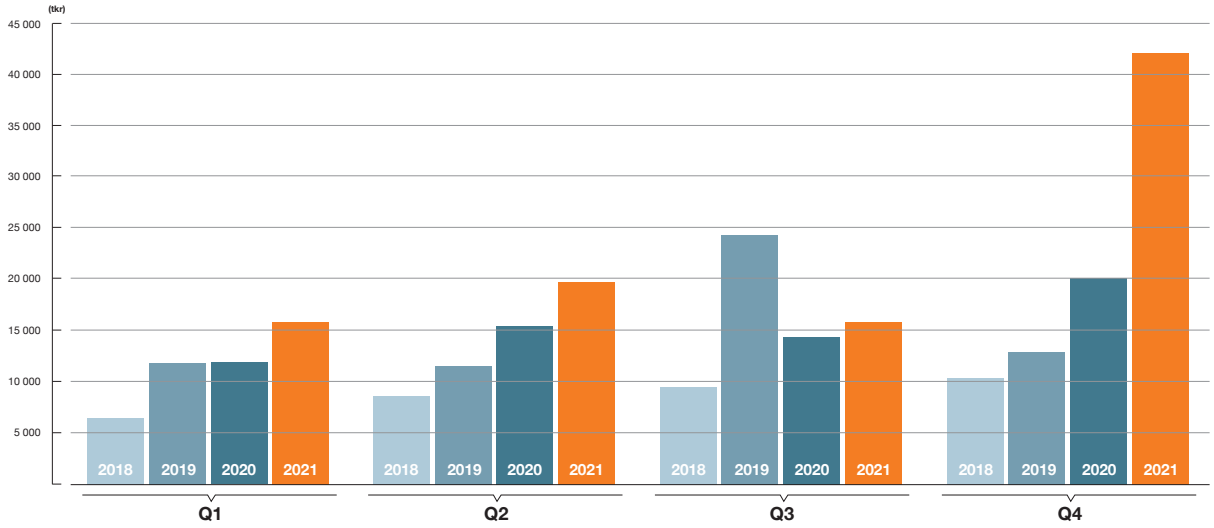
Expanding business – New applications and broadened product portfolio

Genovis' products are in a market that covers the entire global life science and biotech supply industry. The Company markets a total of 20 enzymes in different product formats under the common SmartEnzymes™ brand, as well as technologies for labeling of antibodies and remodeling of antibodies' glycans. The subsidiary Genovis Inc. in the US, is responsible for production, development and sales of antibodies for the research and diagnostics market, in part through direct sales and in part through distributors.

In 2021, the product portfolio was expanded with several new products and technologies from proprietary development and partnerships, as well as in-licensing and out-licensing agreements.

The Parent Company in Lund handles sales and marketing in the European market, as well as development, applications development & support, production and administration. Genovis Inc. is responsible for sales of enzymes in the North American market, with a warehouse and logistics center in San Diego. Sales in North America are handled by sales representatives based in California and Massachusetts. In Asia, sales are handled by distributors who have a good understanding of the local market. Genovis Inc. also engages in sales, marketing and production of antibodies, as well as associated services through both direct sales and distributors in various geographic markets worldwide.

Sales by quarter 2018-2021



Sales

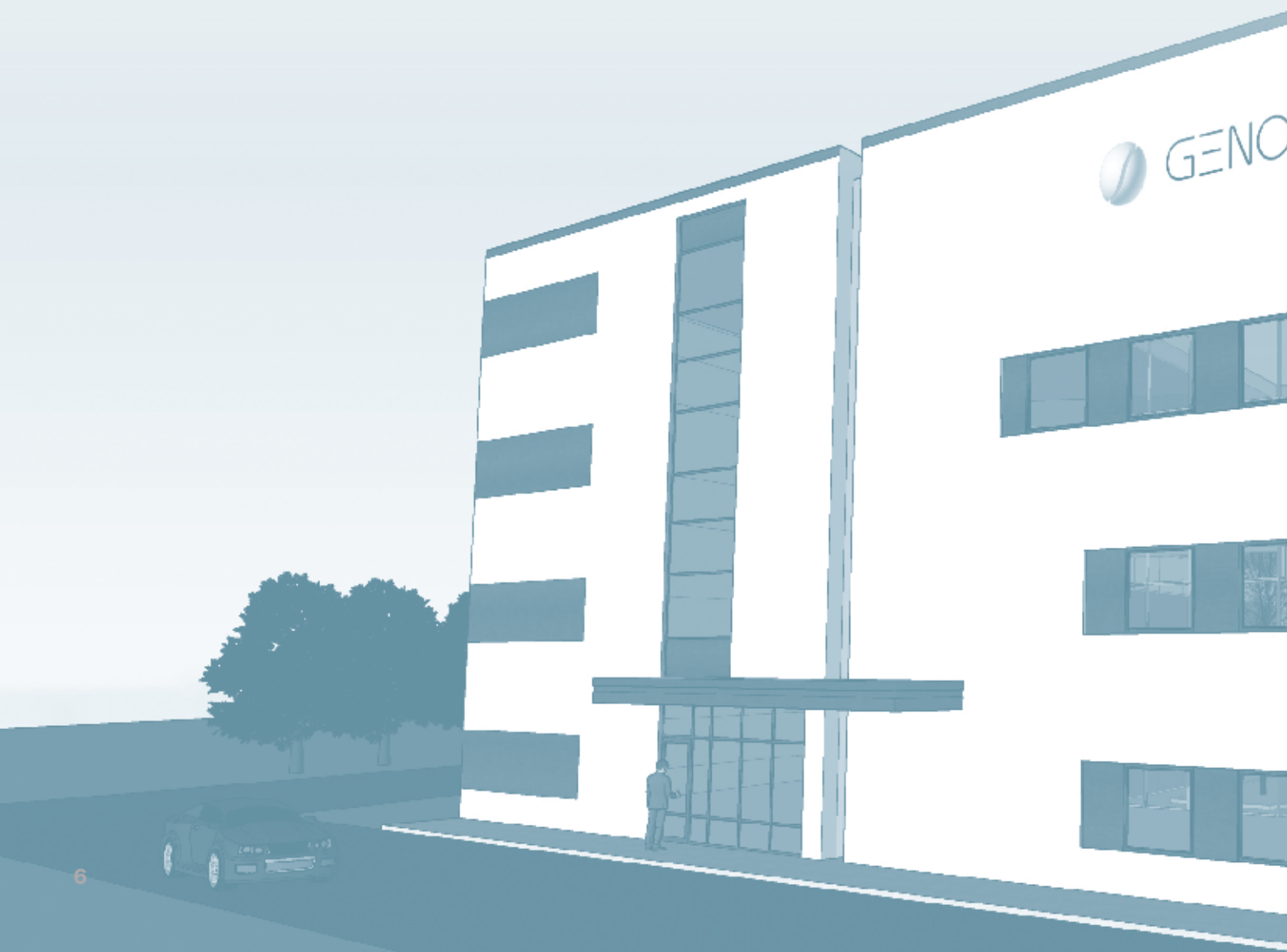
In 2021, sales totaled SEK 93,018 (61,030), corresponding to sales growth of 52%. Sales were driven by growing demand throughout the entire industry where there is a need for better, faster and more reliable analytical methods regarding both choice of biological drug candidate and the entire process leading to the eventual approval and production of a new drug. In 2021, sales also increased as a result of out-licensing of Genovis' enzyme technology for potential therapeutic use within gene therapy and autoimmune diseases.

Sales increased in all main geographic markets – North America, Europe and Asia – and the increase in sales comes from both established and newly developed products that have created clear value for Genovis' customers. Moreover, the revenue stream consisted of both new customers and repeat orders from more established customers, who have now begun to use Genovis products both more frequently and in higher volumes, as well as for new areas of application.

Five Year Summary	2021	2020	2019	2018	2017
Net sales (SEK thousand)	93,018	61,030	60,549	34,568	22,867
Operating income (SEK thousand)	24,543	3,140	10,067	-960	-7,835
Equity/assets ratio (%)	80	82	73	69	69
Acid test ratio (%)	398	431	227	243	237
Equity (SEK thousand)	113,994	87,165	35,621	26,071	18,188
Equity/share (SEK)	1.74	1.34	0.56	0.42	0.31
Number of employees	33	34	24	20	17
Dividend per share (SEK)	0	0	0	0	0
Number of shares at year-end	65,465,714	65,465,714	63,100,000	63,100,000	60,294,162

Product launches

Genovis intensified its efforts to launch new products in 2021 and six new SmartEnzymes products had been launched by year-end. At the beginning of the year, FucosEXO ™, a new exoglycosidase with specific activity against the carbohydrate fucose, was launched. Together with the team at Genovis Inc. in San Diego, the anti-FabRICATOR Affinity Purified, a product used to detect the FabRICATOR enzyme, was developed and launched. During the summer, Genovis completed a licensing deal that provides access to a platform to alter glycan structures on antibodies through transglycosylation. The product launched shortly thereafter is called TransGLYCIT and is used to generate antibodies with defined and homogeneous glycan profiles. In the autumn, Immobilized PNGaseF, a popular glycosidase that did not previously exist in an immobilized format, was also launched. The format offers several advantages for customers who want a simpler workflow. FabDELLO, which makes it possible to analyze mutated antibodies in the same way as with FabRICATOR, was launched in response to reports from several customers that antibodies with mutations in the sequence are becoming more common in their development programs. The most exciting product launched during the year is the new IgG protease Xork, which was developed for use in gene therapy and autoimmune diseases; In October Genovis entered into a license agreement with Selecta Bioscience for clinical development of the enzyme.



Licensing agreement during the year

The big news of the year is the licensing agreement for the newly discovered IgG protease Xork, which Genovis developed at the beginning of the year. Development targeted use of the enzyme in applications to eliminate neutralizing antibodies for patients undergoing gene therapy treatment. Genovis out-licensed Xork to Selecta Bioscience on October 21 for a total business value of USD 604 million. In the spring of 2021, Genovis entered into a licensing agreement with GlycoT Therapeutics regarding enzymes used to transglycosylate antibodies with defined glycoforms, which made it possible to develop and launch the product TransGLYCIT.

Facilities

During the year, Genovis proactively worked to secure future expansion opportunities with respect to both premises and infrastructure to avoid restrictions on future growth. As a result, Genovis will be moving its operations to a newly built building with occupancy planned for early 2023. The new premises will offer all necessary infrastructure such as offices, laboratories and increased production capacity, as well as the opportunity for further expansion in all parts of the business over the years to come. As part of this expansion, investments in machinery and equipment will be made on an ongoing basis in 2022.

Employees

At year-end, the Group had 33 employees, as well as a number of people who work on a consulting basis, mainly in the sales and marketing organization, as well as in finance.

2021 — transformative and successful

I can now look back with both pride and satisfaction at yet another fantastic year for Genovis. Although the pandemic has been challenging at times, we have delivered on our high expectations and growth targets in 2021. With a record-breaking number of product launches that have been positively received by our customers, new industrial partnerships that enable automated analysis and new technology platforms, as well as a license agreement in gene therapy, we have taken several steps forward on our journey. Continuing to develop our agile organization while constantly prioritizing our customers' efforts to develop the drugs of the future is the basic strategy for Genovis' successful progress.

Growing business and new applications

It is tremendously gratifying that we can add yet another year of strong sales growth – and our best performance to date in a single year. Many factors have contributed to this year's success. Curious, courageous and committed employees are the basis of our outstanding performance in the majority of our key markets, along with our expansion into new markets. In addition, we have seen growth in our core business with positive contributions from several successful product launches, along with the development and out-licensing of the new Xork enzyme for therapeutic applications.

Impressive and successful expansion of the product portfolio

Our investments in our product development organization in 2020 clearly produced results in 2021, when we launched six new products. The entire operational chain, from product development and production to marketing and sales, has done an amazing job during the year, which is the background to the record number of products launched over a single financial year.

The product launches span our various product groups. We launched new products in the field of glycomics in various formats of a completely new glycosidase, FucosEXO™. We also launched Immobilized PNGase F, a completely new format of an established enzyme in the field of glycan analysis, which saves time and facilitates handling for customers in the biopharma industry. And we strengthened the product portfolio in proteases with the introduction of FabDELLO, which simplifies the workflow for biochemical analysis of next-generation antibodies in response to clear signals from our customers that this was just what they needed.

We developed and launched products in our antibody business that created clear synergies with Genovis' enzyme technology business. For example, we launched antibodies to our enzymes that are used in gene therapy research, which reflects our ability to rapidly help our customers with new products that are needed on the absolute leading edge of research.

Our technology platform in antibody labeling has undergone strong growth since we first entered the market in 2017. Our enzyme-driven workflows for precisely labeling antibodies with different markers continue to attract the interest of our customers in several different application areas. In response, we expanded our offering with the TransGLYCIT™ platform technology during the year. The technology is based on a combination of Genovis' enzyme technology and technology that we licensed through our collaboration with GlycoT Therapeutics. We launched several versions of the product and see exciting opportunities to continue to expand it within more applications moving forward. The enthusiastic reception of the first products from our customers confirms that our strategy with customer-driven innovation creates value.

Another strategically important area for Genovis entails dealing with the challenges in the biopharma industry related to the need for faster analysis results in several parts of the development process for biological drugs. Our collaboration agreement with Waters, which was announced in April, addresses these specific challenges by combining automation solutions using instruments and software from Waters with Genovis'

unique enzyme technologies. During the year, this collaborative effort resulted in joint presentations of newly developed marketing materials.

Focus on growth

During the financial year, we continued to pursue our strategy for future growth through several key investments. We strengthened our commercial organization by adding a new Vice President of Sales and Marketing with extensive experience in the industry and a dedicated Vice President of Business Development, which will bolster our business and our customer offering through in-licensing and out-licensing of technology, as well as acquisitions of companies and new technologies.

As Genovis' business grows in a global market, the need to ensure conditions for future growth increases. An expanded and improved infrastructure for the business will ensure that we can deliver operationally to meet rising demand while also capitalizing on new business opportunities. During the year, we initiated a project to move to new premises of our own, which are currently under construction. We plan to be able to move into the new building in early 2023, which will provide us with necessary expansion opportunities and serve as yet another milestone on Genovis' growth journey.

Meanwhile, it is with sadness and dismay that I am compelled to comment on the geopolitical situation in early 2022 that has created unimaginable and unjustifiable human suffering. It is extremely difficult to assess the future development of events and any consequences for the future are currently unclear. On behalf of Genovis, I would like to send our deepest sympathies to the Ukrainian people. Nevertheless, despite the uncertain world situation, I maintain my positive fundamental outlook regarding both Genovis and humanity at large.

I would like to close by thanking the Board of Directors and shareholders for yet another extremely successful year at Genovis. At the same time, I would like to give a big compliment to all my colleagues who have done a fantastic job together and in collaboration with our customers, which enabled us to take Genovis to a new level in 2021.

Fredrik Olsson
Chief Executive Officer

This is Genovis

At Genovis, we are convinced that what nature offers can be used as technologies that simplify work for researchers. By developing new biological tools and technology platforms, Genovis' customers can advance basic research, develop faster and more accurate diagnostic tests and, ultimately, make it possible to develop new treatment methods for patients.

The unique portfolio of reagents and technologies offered by the Genovis Group is used by industry-leading and global pharmaceutical companies in research, analytical characterization, process development and quality control. Two product portfolios can be found within the Genovis Group: SmartEnzymes and Antibodies & Services. Researchers use SmartEnzymes to analyze biological drugs and to generate new molecules with defined attributes. Genovis Inc offers Antibodies & Services based on 30 years of experience developing the best antibodies for the research market, diagnostics and as tools for therapeutic antibody development.

We continue our work toward our goal of offering researchers new and better technologies that lead to cutting-edge research, enable early diagnosis and accelerate the development of new biological drugs for patients in need.

Genovis enzymes

Nature offers an abundance of enzymes that have been enhanced through evolution to perform specific reactions. At Genovis we are convinced that enzymes with unique properties can be used as biological tools that contribute to research and development of safe and effective biological drugs for patients in need. We consider it to be our mission to identify useful new enzymes and to give them names. As a group, we call them SmartEnzymes™.

Genovis markets and sells a portfolio of SmartEnzymes that are currently used in development and quality testing of biological drugs by global pharmaceutical companies. Development of biological drugs and research for more effective treatment of serious diseases require new tools. Genovis continues to launch new enzymes and product formats to meet the

needs of the pharmaceutical companies and to contribute to safer and faster development of new medications. In close dialogue with researchers at pharmaceutical companies, new needs for enzymes are identified and Genovis intends to continue to deliver high-value solutions to the problems faced by drug developers through our customer-driven and agile innovation process.

Genovis antibodies

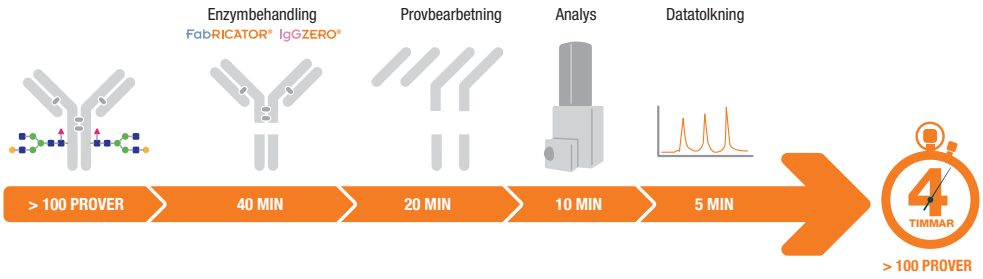
In addition to sales, stock and order processing of SmartEnzymes, Genovis' wholly owned subsidiary Genovis Inc. offers development and sales of antibodies for the research and diagnostics market. The products can be found at universities, biotech companies, diagnostic companies and pharmaceutical companies. The antibody business in San Diego also offers its expertise in the development of antibodies and associated service, which helps customers to develop unique antibodies to small molecules, proteins, or peptides. In 2021, new antibodies were developed in collaboration with customers, but products that complement Genovis' enzyme business have also been launched, which is a central component of synergistic strategies moving forward.

Genovis' customers

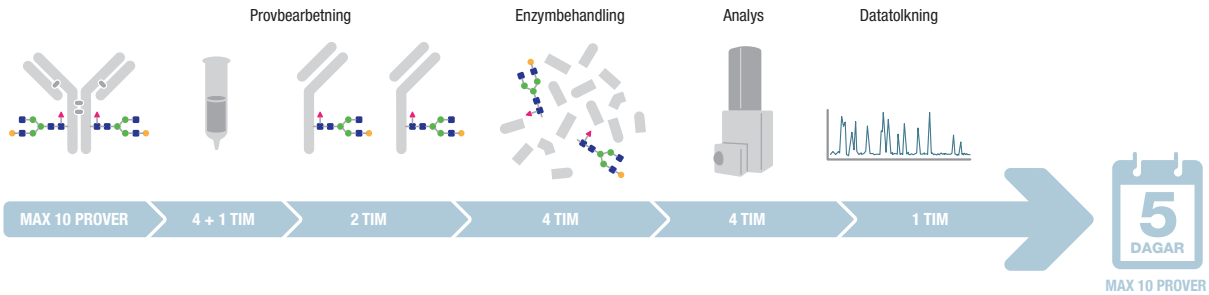
Genovis customers largely comprise biotech and pharmaceutical companies that develop and produce biological drugs. Customers use Genovis products in analysis and testing of biological drugs throughout the value chain, from early research, through development and onward to production and release of the final drug for clinical use.

When enzymes from Genovis are included in an analysis package of, for example, an antibody, the enzyme follows the drug project through process development

Arbetsflöde med Genovis SmartEnzymes



Arbetsflöde med äldre enzymteknologi



1) Lu, R.-M. et al., 2020. Development of therapeutic antibodies for the treatment of diseases. Journal of biomedical science, 27(1), pp. 1–30.
2) Kaplon, H. et al., 2020. Antibodies to watch in 2020. mAbs, 12(1), p.1703531.

and clinical development, which takes many years. The clinical success of the drug determines whether it will be produced on a commercial scale; if that occurs, the analysis package produced during development is also included, along with any potential Genovis enzymes. During the development process of a biological drug, Genovis enzymes are used in applications such as:

- Screening processes for choosing the right cell to produce a drug.
- Sample handling for analysis of antibody binding capacity.
- Monitoring and development of the production process of a biological drug.
- Quality control during commercial production of drugs.

Genovis antibodies that have been developed by QED Bioscience are also used as tools in research and development of drugs, as well as in diagnostic applications in which unique high-quality antibodies facilitate detection of biomarkers. Within the antibody business, products are also used by most academic customers for basic research and the service operation offers development of customer-specific antibodies and contract production of antibodies.

Trends and driving forces

In recent years development of biological drugs, especially antibodies, has led to new medications that help a growing number of patients. In December 2019, about 570 antibodies were in clinical development, while 79 antibodies were already on the market and approved for clinical use by the US Food and Drug Administration[1]. Biological drugs account for eight of the world's ten best-selling drugs. This class of pharmaceuticals accounted for sales of USD 115 billion in 2018 and forecasts indicate that in 2025 sales will be about USD 300 billion[1]. As monoclonal antibodies are being developed, more and more biopharmaceutical companies are choosing new formats in which antibody drug conjugates (ADCs) have received considerable attention over the past year. ADCs use the specificity of the antibody to deliver a cytotoxin locally to the tumor, which results in more effective treatment. In 2019, three new ADCs were approved and several new ADC candidates have entered clinical development[2].

Regulatory authorities have a major impact on drug development since drug regulatory authorities put patient safety first and want the industry to improve their processes and better understand what process parameters give rise to or affect the properties of biological drugs. This also creates incentives to study quality at an early stage to ensure that drug projects succeed through development and into clinical applications.

Below is a summary of trends within the field of biopharmaceuticals in which enzymes from Genovis are used.

- Increased need for quality analysis earlier in the development of biological drugs.
- New biological drugs and advanced formats create a need for reagents for rapid and specific analysis of both proteins and glycans.
- Demand for more analyses in less time.
- Growing need for automated analysis of biopharmaceuticals due to limited supply of skilled personnel, as well as to reduce variation in analysis results caused by operator handling when preparing samples.

Competitive advantages

Outstanding products, expanded production capacity, robust patents and a patent strategy that goes hand in hand with the Company's business strategy provide a strong competitive edge where the ability to rapidly transform customer needs into specific products that are in demand from customers is of great significance. Genovis places great emphasis on establishing and

1 Lu, R.-M. et al., 2020. Development of therapeutic antibodies for the treatment of diseases. Journal of biomedical science, 27(1), pp. 1–30.
2 Kaplon, H. et al., 2020. Antibodies to watch in 2020. mAbs, 12(1), p.1703531.

maintaining good relationships with key customers and frequent collaboration allows for insight into new trends and an understanding of customer needs.

Yet another competitive advantage is that Genovis always provides customers with knowledge and support, where specialists at Genovis assist customers with efficiently interpreting and evaluating research findings to best analyze the quality of biological drugs using Genovis' enzymes. Genovis' products also have several application-specific competitive advantages:

- High yield with better precision
- The technology saves substantial time compared with competing technology
- The technology makes it possible to carry out completely new applications in a new market

Competitors

Genovis has competition from Promega and its product IdeS Protease and since 2016 there is a licensing agreement under which Genovis receives royalties for sales. However, other products compete to some extent with older technology and Genovis believes they are mainly marketed by companies within the Thermo Fischer Group, Cytiva,
BioRAD, Agilent and New England Biolabs, which are among the major players in the market today. In the antibody segment, there are many companies, both large and small; examples of large and more well-known competitors are Abcam, Thermo Fisher, Santa Cruz Biotechnology. In the antibody business, most competitors are also dealers for Genovis' antibody products. From Genovis' perspective, these companies are not just competitors – several could be excellent partners for continued commercialization of Genovis' products.

Genovis Group

Meeting customer needs for unique products that solve their challenges and problems requires dedicated, talented and creative employees. During the year Genovis strengthened the organization by hiring a new CFO and a new VP Sales & Marketing, as well as a dedicated VP Business Development. In addition to new hires, the collaboration with Genovis Inc. was broadened and new products were developed and successfully launched during the year.

RESEARCH & DEVELOPMENT

The team identifies and develops new enzymes and technologies for analysis, characterization and production of biopharmaceuticals. Ideas for new products are obtained by continuously monitoring new research, in collaboration with selected universities and research groups, as well as by maintaining a constant ongoing dialog regarding customer needs for new products.

Number of employees: 5
Responsible: VP Research & Development

PRODUCTION

The production team is responsible for the entire production process, from culture of bacteria using Genovis SmartEnzymes™ to products that are ready for delivery. All products are tested to ensure that each product meets Genovis' quality standards before they are ready to be shipped to the customer. Close cooperation with other functions within the Company contributes to efficient product development and ensures that new products reach the market faster. The production team can also offer customized products based on specific customer requests.

Number of employees: 6
Responsible: VP Production

APPLICATION DEVELOPMENT & SUPPORT

Genovis AB The application group develops new products based on R&D findings and helps to increase understanding of current products. New products are adapted to make them user-friendly and robust for the market, while marketing materials such as Application Notes, or scientific posters explain how the product can be used and what data can be generated.

Highly educated customers demand efficient and knowledgeable support. Our support team is available through the Genovis website, where people can call, chat, send email, or meet online to obtain answers to technical questions.

Genovis Inc. The wholly owned subsidiary is responsible for developing customer-specific antibodies, arranging service projects and providing support related to the antibody business.

Number of employees: 10
Responsible: VP Application Development & Support

31

Employees and consultants in numbers as of December 31, 2021: 40 (33 +7)

SALES & BUSINESS DEVELOPMENT

Genovis AB Genovis aims to work as closely with customers as possible in order to offer the right knowledge, product and support. Direct sales on our main markets in North America and Europe are essential for reaching more customers and building deeper relationships, while learning about the challenges that our customers face.
In Asia, Genovis works through distributors who have a good understanding of both local customers and logistics. Our unique marketing of Genovis SmartEnzymes is driven by staff in Lund together with external consultants.
One dedicated individual is responsible for business development, coordination of collaborative efforts, external relationships and the M&A agenda at Genovis.

Genovis Inc. Genovis' wholly owned subsidiary handles all sales and marketing of SmartEnzymes in the North American market. Genovis Inc. is also responsible for sales of antibodies and the related service business, including formulation of customer-specific antibodies and production
service.

Number of employees: 13
Responsible: VP Sales and & Business Development

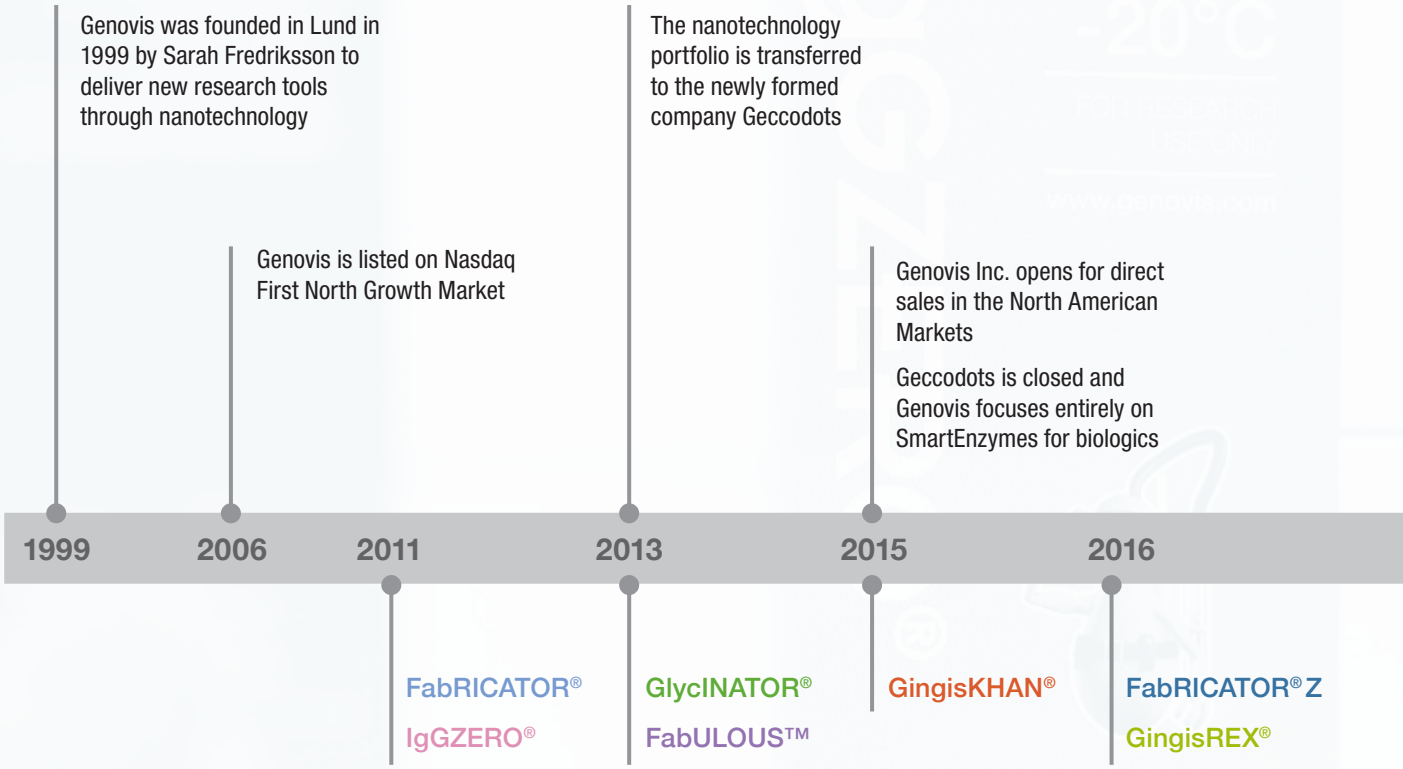
CENTRAL FUNCTIONS

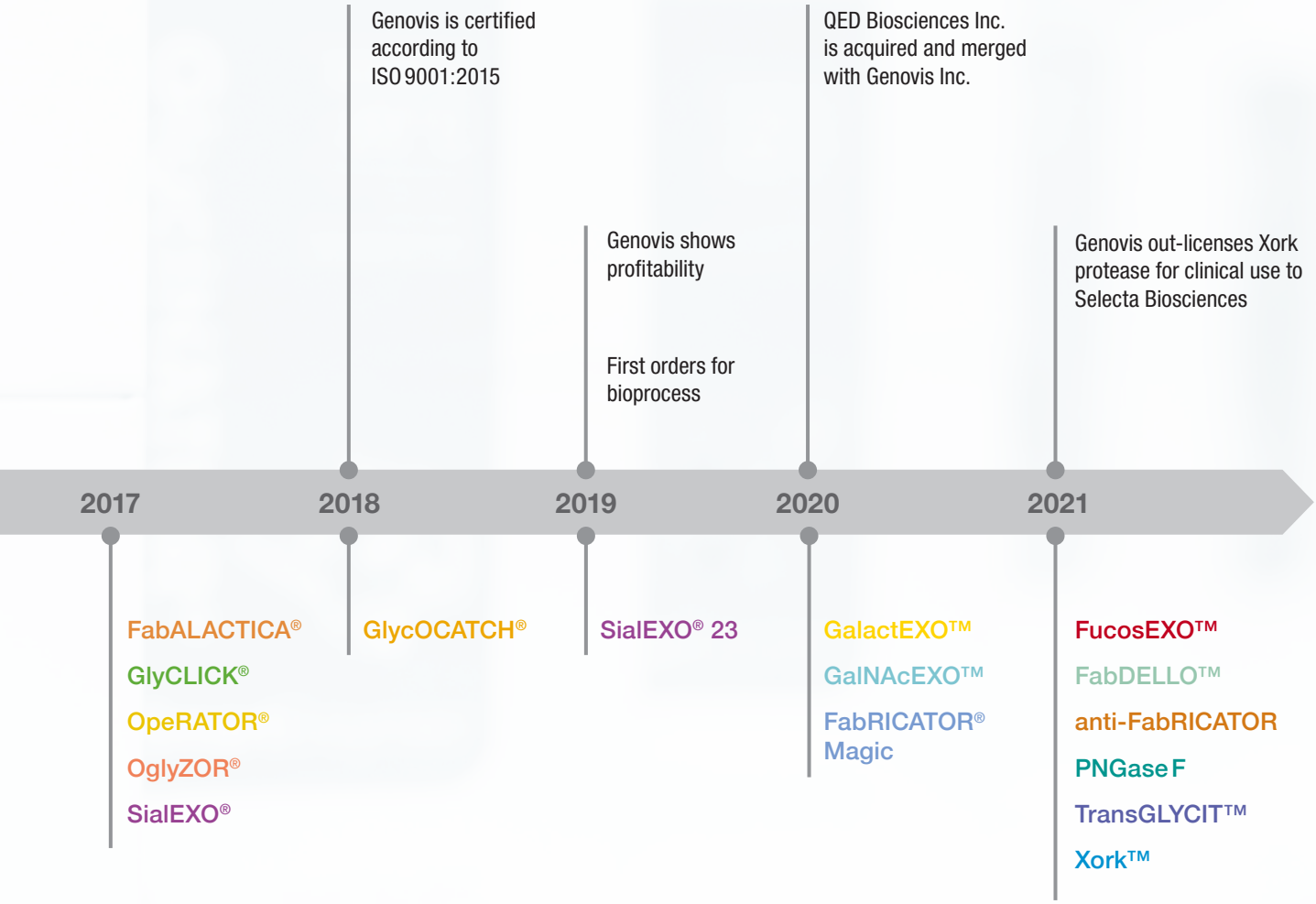
Key functions within the Group, including the CEO, CFO and General Counsel, have centralized responsibility for administration and provide support services to the rest of the business. This work is divided
into overarching Group Management and operational governance, financial administration, controller and analyses, HR, IR, IT and handling of legal matters. Since Genovis has subsidiaries in the US and operates in a global market, extensive coordination of several different regulatory frameworks is required. One important task is to also ensure that the Company complies with the requirements for public listed companies set by Nasdaq First North Growth Market.

Number of employees: 6
Responsible: CEO

Genovis' history & launches

Kanske en kort ingress som ingång till tidsaxeln?



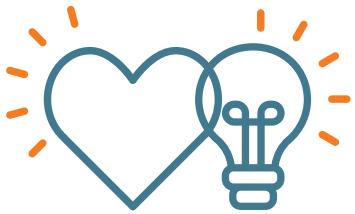

2017
2018
2019
2020
2021
Genovis is certified according to ISO 9001:2015
Genovis shows profitability
First orders for bioprocess
QED Biosciences Inc. is acquired and merged with Genovis Inc.
Genovis out-licenses Xork protease for clinical use to Selecta Biosciences
FabALACTICA®
GlyCLICK®
OpeRATOR®
OglyZOR®
SialEXO®
GlycOCATCH®
SialEXO® 23
GalactEXO™
GalNAcEXO™
FabRICATOR® Magic
FucosEXO™
FabDELLO™
anti-FabRICATOR
PNGase F
TransGLYCIT™
Xork™

Sustainability at Genovis

Innovation, credibility and sustainability are Genovis' top priorities

For Genovis, acting sustainably means conducting business in an ethical, socially responsible and environmentally friendly manner throughout the value chain. The sustainability aspects of People, Environment and Business will be clearly integrated into Genovis' business strategy to help us steer at all times toward sustainable practices and working methods. This applies to the Company's own employees, as well as to suppliers, distributors and customers.

We believe that one of our most important tasks is to offer customers in the pharmaceutical and medical device industries tools that facilitate and save time in the development of new treatment methods and diagnostics. We have a clear ambition to help customers improve their analytical methods in order to ultimately improve quality of life and save lives, while creating sustainable development for all of the Company's many different stakeholders. To do so, Genovis must have innovation, credibility and sustainability as its top priorities.



Innovation and passion go hand in hand

At Genovis, we actively work with environmental issues at every level and consistently strive to reduce the use of environmentally hazardous substances and ensure that our environmental impact is as low as possible. The Company has limited emissions from laboratories. Waste is sorted at source and specific procedures are followed for management of environmentally hazardous waste. Manufacturing divisions in Sweden and the US apply for the necessary permits and report to authorities in compliance with local legislation. No nonconformances have been reported with respect to applicable environmental legislation.

The ISO 9001:2015 quality management system has been implemented to ensure that Genovis, through social and environmental responsibility, is a sustainable provider of high value to our customers in their quest to efficiently develop, produce and supply the protein-based medicines of the future. In the final stage, when goods are shipped to the customer, each delivery should leave as small a footprint as possible on the environment. We achieve this objective through practices such as shipping goods at room temperature and with the least possible packaging, wherever possible. Success at every level requires innovation and dedication from all employees.

Every employee works sustainably, with the overall goal of meeting customer needs

Offering customers in the pharmaceutical and medical device industries tools that facilitate and save time in the development of new treatment methods and diagnostics is a fundamental component of our business strategy. Creating value is the central theme and Genovis' role as a trusted knowledge provider makes the Company's offering complete. For example, Genovis engages in valuable customer dialogue, which promotes close relationships with customers, demonstrating that the Company acts on their wishes and needs to be able to deliver sustainable products and services with added value. Genovis operates in an industry in which trust is crucial. Each Genovis employee shall strive to understand and learn about current and future customer needs in order to continually and sustainably improve our products and services, in harmony with their needs and development. As a knowledge-intensive company, we want our employees to be able to participate in international conferences and meetings to promote development and the exchange of ideas and experiences. At the same time, we are eager to reduce the environmental impact caused by unnecessary business travel by encouraging conference calls and online meetings.

A good work environment stimulates employee job satisfaction and personal growth

Genovis strives to provide all employees with a stimulating job and good working conditions, including protection of worker rights, assurance of a safe and secure work environment, as well as equality and equal opportunities in every regard. As an employer, Genovis rejects all forms of discrimination and harassment on the grounds of sex, transgender identity or expression, ethnicity, religion or belief, disability, sexual orientation, or age.

A workplace that can provide the right conditions for employees to do a good job, feel good, enjoy themselves and stay for a long time generates satisfied employees and better results for the Company in the long term. Achieving this objective requires a health-promoting approach and a sustainable workplace. At Genovis, we constantly work to prevent stress-related illnesses and accidents at work.
We offer all employees physical examinations, scheduled time each week for health-promoting activities and the opportunity for an annual gym pass. A good work environment stimulates employee job satisfaction and personal growth.

Genovis' products

Genovis offers enzymes, technologies, antibodies and reagents that are used by researchers and developers of biological drugs all over the world. By providing new enzymes and technologies as tools for creative researchers, Genovis is exposed to opportunities for products to be used within new areas of application. Consequently, offering research reagents not only generates direct revenue through sales, but also opens up opportunities for the use of Genovis products in new ways. For example, Genovis enzymes can be routinely used in validated quality controls of biological drugs, or in bioprocesses; antibodies can be used for diagnostic purposes, and as we saw during the year, enzymes are being developed to treat patients.

Cleavage of antibodies

The group with proteases that cleave antibodies includes our first enzyme, FabRICATOR (IdeS), as well as new additions such as FabDELLO. The enzymes are sold to a market that is estimated at approximately USD 120 million and spans the life science and biotech supply industry[1]. Proteases are a group of enzymes that break down proteins by catalyzing the hydrolysis of bonds between the amino acids that make up the protein. Genovis enzymes are both unique and specific and are used to study biological drugs in detail, often using mass spectrometry, though they can also be used in the large-scale production of antibody fragments.

Antibody labeling

Genovis glycosidases are used by customers in the biopharma industry to specifically deglycosylate antibodies in order to facilitate analysis. The unique activity of the enzymes has also made it possible to develop technology platforms for labeling antibodies. The antibody labeling market is large and the portion relating to reagents for preclinical imaging accounts for a total of USD 500 million, with an annual growth rate of about 6–8%. By licensing technology from GlycoT Therapeutics, Genovis has established another platform to specifically alter the glycan structure of antibodies. The product is called TransGLYCIT and makes it possible to obtain antibodies with a homogeneous glycan structure through enzymatic modification.

Glycan analysis

Xork License Agreement, therapeutic applications
Bioprocess, clinical phase 1

Validated analytical methods for quality control
Reagents for diagnostic analytical methods

Reagents for research and preclinical use project-based and recurring sales

1. MarketsAndMarkets 2015.

Over the past two years, Genovis has expanded its offering of the enzyme in the field of glycomics. The most recent additions to the product portfolio are FucosEXO and PNGaseF. The field of Glycomics is estimated to have worldwide sales of approximately USD 380 million[1] and Genovis' enzymes are used both to analyze O-glycans and to remove sugar structures prior to analysis of biological drugs.

Antibodies for the research market

With the acquisition of QED Bioscience, Genovis now offers a broad portfolio of thousands of antibodies and other reagents used in basic research at universities and in drug development at biotechnology and pharmaceutical companies, and also as components in diagnostic applications. Many of the antibodies are unique and developed by the team in San Diego. The collective expertise of the San Diego team is offered as a service in which unique antibodies and reagents can be developed on behalf of the customer. Along with antibodies and service, Genovis Inc. also offers reagents to detect antibody responses to bacteria or viruses. During the year, the San Diego team worked in close collaboration with the staff in Lund to develop the product Anti-FabRICATOR, which is a further development of an existing product. The expertise of the San Diego team made it possible to develop a better product with high customer value that has been well received by the biopharma industry.

Gene therapy

During the year, Genovis launched a new IgG-specific protease called Xork, initially targeting the gene therapy market. In recent years, there has been interest in using IgG-specific proteases in gene therapy, and Genovis has supplied enzymes as research tools to several companies in this application. This is yet another example of how research tools reach new areas of use, in this case for use as pretreatment of patients undergoing gene therapy. Many gene therapy treatments use virus particles to deliver new genetic material.
In the population at large and in many patients, there are antibodies against the virus, which means that they must be excluded from gene therapy treatment. By pretreating patients with an enzyme, the antibodies are cleaved and the ability of the virus to transport new genetic material is maintained.
In October 2021, Genovis announced a license agreement with potential value of USD 604 million for the exclusive rights to use the newly discovered enzyme Xork in clinical applications to Selecta Bioscience.

Use of Genovis products for applications in therapy, manufacturing (bioprocess), or diagnostics.

Routine use of Genovis products in drug development. recurring and larger order value.

Sales and commercialization of new tools and platform technologies for the Life Science market. Adoption initially occurs in research and preclinical development. Many small orders provide exposure to the technology and build deep customer relationships in the Life Science markets.

LUE

Goals and strategy

Overarching goals

- Increase knowledge about biological processes that enable new and effective treatment methods and medicines.
- Establish Genovis products from early discovery to production of tomorrow's medications.
- Genovis will create long-term shareholder value through results that generate both dividends for shareholders and funding for the continued innovative development of the Company.

Goals 2022–2023

Financial targets

- Positive EBITDA.
- Annual sales growth of at least 25%.

Operational targets

- At least three product launches annually.
- Establish sales within new areas of application and geographic markets.
- Establish Genovis products as tools throughout the customer's value chain from discovery to production of pharmaceuticals.

Operational strategy

- Offer customer-driven innovation combined with high quality by working close to the frontlines of research and by seeking new technologies through the acquisition of intellectual property or companies to be able to offer unique high-value solutions to our customers.
- Work closely with customers to implement the products into analytical procedures and work flows from early phase drug development, through clinical trials to production of the customer's drug candidate, throughout the entire process.
- Be an innovative company and an attractive workplace that takes advantage of staff expertise and offers all employees the chance to influence their work situation and professional development.

Patents and brands

Genovis prioritizes creating a strong global brand that stands for high-quality, innovative and customer-friendly products and is largely dependent on patents to protect the Company's unique products. The Company continually evaluates the commercial value of the patents and only maintains those that strengthen the Company's business model and have a commercial value.

Patent	Title	GlycINATOR (EndoS2)	FabRICATOR (IdeS)	FabALACTICA (IgdE)	OpeRATOR	OglyZOR	SialEXO	GlycOCATCH	Xork
PCT/ EP2012/067841	Endoclycosidase from streptococcus pyogenes and methods using it.	●							
PCT/ EP2017/052463	New streptococcal proteases			●					
PCT/ EP2018/063832	I PCT/EP2018/063832 Protease and binding polypeptide for o-glycoprotein				●		●	●	
PCT/ EP2018/063833	Tools for glycan analysis					●	●		
EP21169774.3	Immunoglobulin cleaving enzyme								●

License

PCT/EP2002/14427	Exclusive license to use IdeS for biotechnical industrial applications.		●

Trademarks

FabRICATOR, IgGZERO, FabULOUS, GlycINATOR, GingisKHAN, GingisREX, GlyCLICK, FabALACTICA, GlycOCATCH, OpeRATOR, OglyZOR, SialEXO, GalactEXO, GalNAcEXO, FucosEXO and FabDELLO are registered trademarks.

Administration Report

OPERATIONS AND STRUCTURE

Genovis develops, produces and sells enzyme-based technologies and antibody reagents to customers within the life sciences worldwide. Enzymes are sold under the common SmartEnzymes™ brand, which includes products for both biochemical and biophysical analysis of proteins. The proteins consist of both antibodies and other molecules for therapeutic applications, as well as general protein analysis. Products in the SmartEnzymes portfolio have also been further developed for other products for antibody labeling through modifications and in-licensing of technology platforms. Over time, the areas of application for SmartEnzymes have broadened to include bioprocesses and applications for gene therapy. Antibody reagents for research and diagnostics are developed and produced by the wholly owned subsidiary Genovis Inc. following the 2020 acquisition of QED Bioscience.

The organization consists of Genovis AB and the wholly owned subsidiaries Genovis Inc. and GeccoDots AB[4]. Genovis Inc. handles all sales and marketing of enzyme products in the North American market. In addition, through the merger with QED, Genovis Inc. now also offers development and sales of antibodies that are marketed globally. In the Asian markets, sales are handled by distributors. Genovis AB is responsible for sales and marketing in Europe and also has overarching responsibility for global operations. Genovis AB handles all administration for the Group.

In addition to products, the Group also provides knowledge and support, where specialists at Genovis assist customers globally with interpreting and evaluating information such as research findings. Moreover, service and contract research are carried out primarily in the antibody business in the subsidiary. The Company's customers are mainly biotech and pharmaceutical companies, but also contract research organizations and contract manufacturing companies, the majority of which develop and produce new biological drugs.

During the year, several aspects of the product portfolio were broadened both through the launch of proprietary enzymes and antibodies, as well as through in-licensing of technology. In addition, a newly developed enzyme was licensed to Selecta Bioscience for therapeutic applications in gene therapy and autoimmune diseases.

FINANCIAL OVERVIEW

Revenue

Consolidated net sales rose to SEK 93,018 (61,030) thousand, an increase in sales of 52%. Organic growth, adjusted for currency effects, rose by 56%. Other operating income for the full year was SEK 4,311 (1,772) thousand, of which SEK 3,584 (1,465) thousand relates to exchange rate gains and SEK 727 (307) thousand relates to other items. The US is the Group's largest market, followed by the European market.

Costs

Consolidated costs including depreciation and amortization increased by SEK 9,203 thousand to SEK -71,709 (-62,506) thousand. Operating expenses include raw materials and consumables of SEK -10,652 (-6,276) thousand, personnel costs, which increased by SEK 2,230 thousand to SEK -30,883 (-28,653) thousand as a result of new employees hired and staff added through the acquisition of QED Bioscience Inc. in April 2020. Other external expenses totaled SEK -21,966 (-18,657) thousand. Other operating expenses totaled SEK -2,437 (-3,487) thousand, mainly attributable to exchange rate losses. Depreciation and amortization for the full year increased by SEK 338 thousand to SEK -5,771 (-5,433) thousand.

Operating profit before depreciation and amortization (EBITDA)

Operating profit before depreciation and amortization was SEK 30,314 (8,573) thousand, largely attributable to revenue from the license agreement with Selecta Bioscience.

Operating profit (EBIT)

Operating profit after depreciation and amortization totaled SEK 24,543 (3,140) thousand.

4 GeccoDots AB has not had any business activities since September 30, 2015.

Comprehensive income

Comprehensive income for the year totaled SEK 26,828 (1,973) thousand. Comprehensive earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK 0.41 (0.03). Earnings per share are calculated by dividing comprehensive income by the weighted average number of shares during the year.

Net financial items

Net financial items totaled SEK 60 (-991) thousand and mainly consist of positive exchange rate differences, as well as interest expense on leases.

Taxes

The Parent Company Genovis AB reports no tax liability since it has unutilized deficits from previous years. The Group has a deferred tax asset of SEK 1,718 thousand arising from the Parent Company, as well as deferred tax on intra-group profit on inventories, which during the period totaled SEK 5,023 (4,455) thousand. Deferred tax at the end of the full year was SEK 6,741 (6,173) thousand. The deferred tax asset in the Parent Company corresponded to a loss carryforward of about SEK 8 million. The Board assesses that future taxable surpluses will be available against which the unutilized tax losses can be utilized. The Parent Company's total tax loss amounts to SEK 116 (143) million. Deferred tax liability for the Group totals SEK 2,387 (2,421) thousand and is attributable to deferred tax on surplus values from the acquisition of QED Inc. in 2020.

Investments

The Group's net capital expenditure for the full year totaled SEK 4,491 (20,431) thousand, of which SEK 1,773 (1,433) thousand is attributable to property, plant, and equipment, primarily laboratory equipment and computers, and SEK 2,718 (18,998) relates to intangible assets.

Cash flow and financial position

Consolidated cash flow for the full year totaled SEK 37,197 (29,126) thousand. Cash flow from financing activities totaled SEK -4,230 (45,802) thousand.

Consolidated cash and cash equivalents amounted to SEK 81,315 (44,118) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months.

Total shareholders' equity for the Group was SEK 113,994 (87,165) thousand after taking the result for the period into account. Equity per share based on the weighted average of the number of outstanding shares (basic and diluted) at the end of the period was SEK 1.74 (1.34). The Group's equity ratio at the end of the period was 80% (82).

Only the Group has interest-bearing liabilities, which relate in their entirety to the present value of estimated future lease payments.

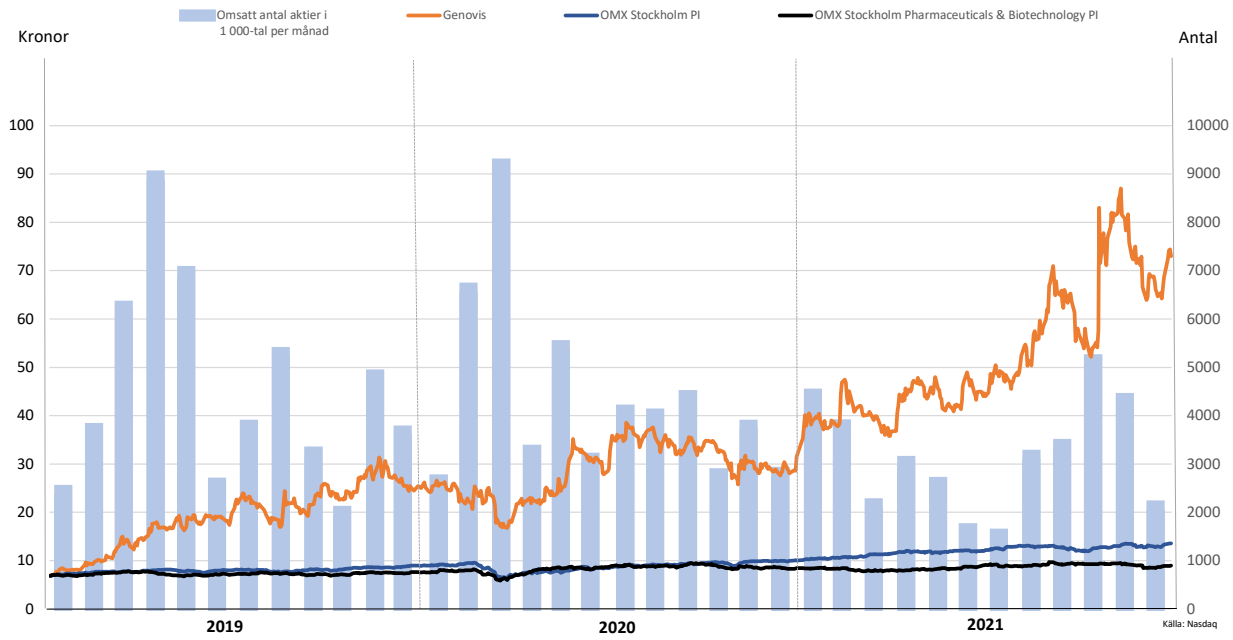
Lease liabilities	(SEK 000s)
Non-current lease liabilities	
Maturity between 1 and 5 years	1,123
Current lease liabilities	
Maturity within 1 year	1,708

THE SHARE AND SHARE CAPITAL

The share

Genovis shares have been traded since September 14, 2006, on Nasdaq First North Growth Market. First North is Nasdaq's European emerging market intended for growth companies. The ticker symbol for the share is GENO, with ISIN code SE0002485979. The trading block is one (1) share and the account operator is Euroclear Sweden AB. All shares entitle the holder to the same proportion of assets and earnings and carry equal rights in terms of dividends. Shareholders may vote for the full number of shares that they own or represent at Annual General Meeting for Genovis. Outstanding shares in the Company may be freely transferred, without restrictions under law or Genovis' Articles of Association. Genovis is not aware of any agreements between shareholders, which limit the right to transfer shares in the Company. Genovis' Articles of Association are available on the Company's website.
The price of the Genovis share rose 132% over the course of the year. On December 31, 2021, the share price was SEK 73.0, compared with SEK 31.5 the previous year, and the market value was SEK 4,779 million.

Genovis share performance and turnover 2019–2021



Certified Advisor

Erik Penser Bank is Genovis' Certified Advisor certifiedadviser@penser.se, tel: 08-463 83 00.

Share capital

Share capital is attributable to Parent Company shareholders and as of December 31, 2021, totaled SEK 16,366,428, consisting of 65,465,714 shares with a par value of SEK 0.25.

Shareholder value

Genovis' management works continuously to develop and improve financial information about Genovis in order to provide both current and future shareholders with the information necessary to evaluate the company as fairly as possible. This effort includes actively participating at meetings with analysts, investors and the media.

In 2021, Genovis purchased analyses from Redeye AB, and also purchased services from BioStock, a news and analysis agency that presents listed Nordic Life Science companies.

Analysts who follow Genovis

Danske Bank
Caroline Banér

Shareholder information

Financial information about Genovis is available on the Company's website and can be ordered from the Company. Email: ir@genovis.com

Shareholding by size December 31, 2021

Holdings	Number of shareholders	Number of shares	Holdings (%)	Market value (SEK thousand)
1 - 5,000	8,845	5,458,211	8.34	398,449
5,001 - 20,000	494	4,953,269	7.57	361,589
20,001 - 100,000	203	8,014,390	12.24	585,050
100,001 - 500,000	49	11,340,889	17.32	827,885
500,001 -	13	35,698,955	54.53	2,606,024
Total	**9,604**	**65,465,714**	**100.00**	**4,778,997**

Source: Euroclear Sweden AB

Major shareholders as of December 31, 2021

Name	Number of shares	Votes (%)
MIKAEL LÖNN	9,990,653	15.26
STATE STREET BANK AND TRUST CO, W9	5,824,780	8.9
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	5,717,743	8.73
TIN NY TEKNIK	3,321,296	5.07
SIJOITUSRAHASTO AKTIA NORDIC	2,134,000	3.26
HANDELSBANKEN MICROCAP SVERIGE	2,093,429	3.2
ANDRA AP-FONDEN	1,938,095	2.96
OTHER	34,445,718	52.62
TOTAL	65,465,714	100

Source: Euroclear Sweden AB

Dividend policy

One of the most important goals for Genovis is to create long-term shareholder value, which can be accomplished both by increasing the value of the shares and through share dividends. When the Genovis Board of Directors evaluates future share dividends, it does so based on a number of factors, including:

- the Company's sustained profit trend
- the Company's expansion potential and access to capital
- the Company's operating risk
- the effect of the dividend on liquidity and
- the Company's equity/assets ratio target.

The Board of Directors proposes that no dividend be distributed for 2021. In the short term, the Company intends to use any profits that arise to finance continued business development and expansion.

PRODUCTS

Genovis develops unique enzymes and antibodies for the global life science market. The enzymes are marketed under a common brand, SmartEnzymes™. The Company currently has 19 different enzymes that are available in several different product formats for use in analytical applications, bioprocesses and gene therapy. The enzymes are categorized based on function within the subclasses of glycosidase and proteases. In addition, parts of the technology are used within SmartEnzymes for products to label antibodies specifically with high precision and efficiency. There are currently two technology platforms within the category of antibody labeling, GlyCLICK™ and TransGLYCIT™, which are enzyme-driven workflows for labeling antibodies with different types of markers, depending on the application. As a result of last year's acquisition of QED Bioscience, Genovis now has a broad product offering of antibodies for the research and diagnostics markets, which is supplemented by a service business for development and production of customer-specific antibodies.

EVENTS DURING THE YEAR

Agreements

Genovis and Waters Corporation have signed a cooperation agreement to develop and market biopharmaceutical characterization workflows based on the Waters LC-MS System and Genovis SmartEnzymes™. The goal of the collaboration is to develop automated workflows for rapid and consistent characterization of critical quality attributes of monoclonal antibodies and other protein-based drugs in bioprocess development, formulation, stability testing and quality control (QC).

Genovis and GlycoT Therapeutics have entered into a license agreement for a new antibody labeling platform. Under the cross-licensing agreement, Genovis licenses technology from GlycoT, while simultaneously out-licensing enzyme technology to GlycoT. The licensing of technologies enables both companies to offer significantly improved enzyme-based methods and workflows to increase the use of specific antibody labeling for several applications in research, diagnostics and the pharmaceutical markets.

Genovis has entered into an exclusive license agreement with Selecta Bioscience for development and commercialization of a novel antibody-cleaving enzyme in gene therapy and autoimmune diseases. Under the agreement, Genovis grants Selecta an exclusive license to develop and promote a novel patent-pending antibody-cleaving enzyme, Xork™, as a potential pre-treatment prior to the administration of gene therapy and for autoimmune diseases. In summary, under the terms of the agreement, Genovis received USD 6 million in upfront and early milestone payments and is eligible for up to USD 598 million in development, regulatory and sales milestone payments. Genovis will also receive double-digit royalties on sales of Xork. Genovis will retain its rights to the Xork enzyme for all other applications to support its core business of innovative enzymatic tools for use in preclinical drug discovery, diagnostics and bioprocess applications.

Product launches

Genovis continued to expand the product portfolio in 2021, launching several new enzyme products for analysis of proteins and biopharmaceuticals, antibody labeling and gene therapy, as well as antibodies for the research and diagnostics markets. A total of six products were launched in the enzyme business in 2021; all products were extremely well received in the market. Genovis launched the glycosidases FucosEXO and two versions of (PNGase F), one of which is a unique new format. PNGase F is one of the most frequently used enzymes within glycan analysis and the improved product will add value for Genovis customers through simplified user properties. Moreover, Genovis has launched a new antibody labeling platform, TransGLYCIT ™, by in-licensing complementary technology from GlycoT Therapeutics. The enzyme offering has also been broadened with the addition of two new antibody-cleaving proteases, FabDELLO™ and Xork™. Genovis har also launched antibody products developed in the subsidiary in the US that complement the enzyme business.

Employees

Genovis strengthened the organization by adding the position of VP Business Development. In preparation for 2022, the organization was further strengthened with a new CFO, VP Sales and marketing, as well as a locally employed sales representative in the UK. Genovis now has a strong team to take on the challenges of 2022.

Facilities

In 2021, Genovis worked intensively on the plans for moving its operations to Kävlinge in 2022, especially with respect to the production facilities in the building that is currently under construction.

INNOVATION AND PRODUCT DEVELOPMENT

Product development is a key component of Genovis' growth strategy. By launching new products and new formats of existing enzymes, Genovis aims to provide products and services that deliver high customer value. Product development at Genovis usually takes place in close dialogue with customers and key opinion leaders within the intended application of the products. By developing close relationships and engaging in frequent dialogue with the customer base, we manage our product development projects to ensure that there are relevant in the market and provide clear value for the user. Product development occurs through close collaboration involving the various functions within the Company to achieve an efficient agile product development process with subsequent product launch. In 2021, Genovis continued to have a strong focus on product development and increased capacity in this aspect of the business, both internally and through external partners and academia. This strategy broadens Genovis' ability to identify and develop new SmartEnzymes™. In addition, investments were made in equipment to optimize enzyme production, which will facilitate the transfer of development projects to commercial production. In 2022, Genovis will continue its efforts to launch new products in current and new markets.

EMPLOYEES

Genovis' corporate culture

Each Genovis employee shall strive to understand and learn about current and future customer needs in order to continually and sustainably improve our products and services, in harmony with their needs and development. Innovation and passion are needed to meet new challenges and assist customers, such as in their efforts to develop new biological drugs. As an employer, Genovis rejects all forms of discrimination and harassment on the grounds of sex, transgender identity or expression, ethnicity, religion or belief, disability, sexual orientation, or age and places high demands on partners and suppliers.

Code of Conduct

The Group has a Code of Conduct that applies to all employees of the Group. The Code of Conduct is based on Genovis' Global Code of Conduct and sets high standards for how we work together and conduct ourselves ethically.

Number of employees

On Dec. 31, 2021, the Group had 33 employees, compared with the same period in 2020, when the Group had 34 employees. In all, 27 people were employed by the Parent Company in Lund and six employees work for the subsidiary Genovis Inc. in the US.

ENVIRONMENTAL IMPACT

Environmental impact consists mainly of emissions to air and water, as well as the environmental effects of energy use and waste production. Manufacturing divisions in Sweden and the US adapt operations, apply for the necessary permits and report to authorities in compliance with local legislation. No material non-conformances related to applicable environmental legislation were reported in 2021.

PARENT COMPANY

Net sales and operating income in the Parent Company are attributable to the primary and only business area: sales of products and/or research-based innovations.

Key figures Parent Company	2021	2020	2019	2018	2017
Net sales (SEK thousand)	68,399	61,182	50,861	27,253	18,182
Operating income (SEK thousand)	26,030	19,561	9,219	-1,701	-8,240
Equity/assets ratio (%)	86	92	82	82	77
Acid test ratio (%)	529	845	308	352	248
Dividend per share (SEK)	0	0	0	0	0

Definition of key figures	
Equity ratio	Adjusted equity as a percentage of total assets
Acid test ratio	Current assets excl. inventories as a percentage of current liabilities.

RISK MANAGEMENT

Research and development

Genovis' future growth is dependent on the Company's ability to successfully develop new product formats from current products, as well as to develop new products that meet customer needs. Development of new products is expensive and it is impossible to guarantee that newly developed products will be commercially successful. In order to maximize returns, Genovis has a planning process to prioritize the right choices regarding future product launches.

Product liability and liability for damages

Genovis cannot rule out the possibility that the Company could be subject to claims for product liability and other legal issues. Such claims could involve large amounts and considerable legal costs. Genovis cannot give assurance that its activities will not be subject to compensation claims. The Company has a comprehensive insurance policy to cover the property and liability risks (for example, product liability) to which it is exposed.

Protection of intellectual property

To ensure a return on its investments, Genovis actively claims its rights and closely monitors the activities of its competitors. The Company protects its intellectual property rights through legal processes if necessary.

FINANCIAL RISK MANAGEMENT

Financial risks primarily refer to currency and interest rate risks, as well as credit risk. Group Management has ultimate responsibility for managing the Group's financial risks, as well as for developing financial risk management methods and principles. The most significant financial risk to which the Group is exposed is currency risk.

Currency risk

The majority of the Group's expenses are denominated in SEK. The Group's revenue, however, is largely dependent on other currencies, primarily the USD and the EUR. The effects of exchange rate fluctuations on profit and equity are calculated based on known volumes and results denominated in a foreign currency. The calculation below is an assumption of the impact of a 5% change in the exchange rate on sales, which the Company experienced in 2021.

Currency estimated exchange rate, 2021	Net volume 2021, SEK 000s	Impact on earnings/ equity in SEK 000s with a 5% currency fluctuation
USD: 8.69	69,140	+/- 3,457
EUR: 10.15	22,795	+/- 1,140

Sensitivity analysis

Genovis' financial performance is affected by a number of external factors. The table below shows how changes in some of the factors that are important for Genovis could have affected the Group's net income for 2021.

Change in profit/loss before tax		SEK 000s
Price change	+/- 3%	2,791
Cost of goods sold	+/- 3%	320
Payroll expenses	+/- 3%	926
Interest	+/- 2%	57

Capital risk

Capital risk is the risk that the Group's capital structure is inefficient, or the risk that the Group must terminate its operations. The Group's goal regarding capital structure is to secure Genovis' ability to continue to conduct its operations so that it can generate a return for shareholders and value for other stakeholders, as well as to maintain an optimal capital structure so that the cost of capital can be reduced. To optimize the capital structure, the Group can – with shareholder approval – issue new shares or increase/decrease loans. The capital structure is regularly revised. On December 31, 2021, consolidated shareholders' equity was SEK 113,994 (87,165) thousand and shareholders' equity in Genovis AB was SEK 129,338 (103,101) thousand.

Liquidity risk

Liquidity risk consists of the risk that the Group cannot obtain funds to meet its obligations. Consolidated cash and cash equivalents including short-term investments at the end of the twelve-month period amounted to SEK 81,315 (44,118) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the circumstances change, measures to raise additional capital may be considered. Interest-bearing liabilities relating to lease liabilities are shown below.

Maturity analysis

Interest-bearing liabilities, SEK 000s	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Maturity date up to 1 year from the balance sheet date	1,708	3,344	-	-
Maturity date between 1 and 5 years from the balance sheet date	1,123	3,318	-	-

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

The war in Ukraine The Company is monitoring developments related to the war in Ukraine, which began in February 2022. Genovis assesses that sales to the markets that are directly involved in the conflict are limited and the impact on revenue as a result of the conflict is therefore marginal in the current situation. The impact of the tense geopolitical situation along with economic sanctions could potentially have an indirect effect on the supply and prices of raw materials used in the business. No such material consequences have been identified at this time, but the external situation may change depending on how the war evolves with respect to both scope and time.

OUTLOOK

Although the Life Science field is relatively independent of business cycles, periods of uncertainty can influence our customers' appetite to invest in new technology. With all development projects proceeding according to plan, Genovis is positioned to make additional advances with respect to both new products and sales. Overall, volume growth is expected to be positive in 2021.

For a description of risk management related to the spread of Covid-19, please refer to the passage in note 28 concerning risk factors.

Corporate Governance Report

INTRODUCTION

The Group consists of Genovis AB and the wholly owned subsidiaries Genovis Inc. and GeccoDots AB[4]. The Group had 33 employees on December 31, 2021. Six people were employed in the US, and 27 in Sweden who are responsible for centrally coordinating functions in R&D, Applications & Support, Production, Sales & Marketing, business and administration.

EXTERNAL AND INTERNAL REGULATIONS

Genovis AB is a Swedish public limited company in which governance, management and control are divided among the shareholders, the Board of Directors, the Chief Executive Officer and senior management. Governance of the Company is based on Genovis' Articles of Association, the Swedish Companies Act, the rules and recommendations resulting from the Company's listing on Nasdaq First North Growth Market, and other applicable laws and regulations. The Swedish Code of Corporate Governance ("the Code") is not mandatory for Genovis, but the Board will closely follow the practices developed for the Code and intends to apply the Code in those parts that may be deemed relevant to the Company and its shareholders.

SHAREHOLDERS AND SHARE CAPITAL

At year-end 2021, Genovis had 9,604 shareholders according to Euroclear Sweden AB. Share capital at year-end was SEK 16,366,428.5 and the total number of shares was 65,465,714. Genovis' market capitalization amounted to SEK 4,779 million on December 31, 2021. The Company's largest shareholder is Mikael Lönn, who represents 15.26% of the total number of shares and votes in the company. Genovis' shareholder structure, share performance, etc., are presented on pages 26–27.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest decision-making body. At the General Meeting, shareholders exercise their voting rights in accordance with Swedish corporate legislation and Genovis' Articles of Association. The General Meeting elects the Company's Board of Directors and auditor. The General Meeting also adopts the Company's balance sheets and income statements, resolves on the appropriation of earnings and resolves to discharge the members of the Board and the CEO from liability. The General Meeting also decides on remuneration to the Board of Directors, auditors' fees and guidelines for remuneration of senior executives.

2021 Annual General Meeting

Genovis held its Annual General Meeting on May 20, 2021, in Lund where 35.7% of the number of shares and voting rights were represented. No one attended the meeting in person; instead, only postal voting was permitted in accordance with section 22 of the Act (2020: 198) on temporary exemptions to facilitate the execution of general meetings.
Kenth Petersson, Mikael Lönn and Lotta Ljungqvist were re-elected as ordinary Board members for a one-year term up until the close of the following Annual General Meeting. Torben Jørgensen was re-elected to serve as both an ordinary Board member and Chairman of the Board.

4 GeccoDots has not had any business activities since September 30, 2015.

Steve Jordan was elected to serve as an ordinary Board member for the same term of office.

Resolutions

- Adoption of the balance sheet and income statement for the Parent Company and the Group.
- The Board and the Chief Executive Officer were discharged from liability.
- The Board shall consist of five ordinary members without deputies until the next AGM.
- The AGM resolved to approve remuneration to the Board of Directors in the amount of SEK 150,000 to Board members and SEK 300,000 to the Chairman of the Board.
- A Nomination Committee will be formed with the four largest shareholders as of September 30, 2021.
- The Meeting resolved to approve authorization to issue shares with or without preferential rights for existing shareholders. As a result of this decision, share capital increased by a maximum of SEK 1,625,000 through the issuance of a maximum of 6,500,000 new shares.

REMUNERATION OF SENIOR EXECUTIVES

These guidelines concern remuneration and other terms of employment for the Chief Executive Officer and senior executives. The guidelines are forward-looking and applicable to remuneration already agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2021 AGM. These guidelines do not apply to any remuneration decided or approved by the AGM.

Guidelines promote the Company's business strategy, long-term interests and sustainability

A prerequisite for the successful implementation of the Genovis Group's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is the ability to recruit, retain and develop senior executives. These guidelines enable Genovis to offer senior executives a competitive total remuneration package. For more information about the Company's business strategy: https://investor.genovis.com/en/company-overview/

Types of remuneration

Remuneration of senior executives at the Genovis Group shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The Annual General Meeting may also – regardless of these guidelines – adopt remuneration based on, for example, share and share price-related incentive schemes.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration shall be capped at a maximum of **25%** of the annual fixed cash salary. Further variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 35% of the fixed annual cash salary and may not be paid more than once each year per individual. Resolutions on such remuneration shall be made by the Board.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be defined-contribution schemes. Variable cash remuneration shall be pensionable. The pension premiums to defined-contribution schemes shall amount to not more than 35% of the fixed annual cash salary. Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring), and company cars. Such benefits may not amount to more than 10% of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, shall be defined-contribution schemes, to the extent that the executive is not covered by a defined benefit pension under compulsory collective contract provisions. Variable cash remunera-

tion shall be pensionable. The pension premiums to defined-contribution schemes shall amount to not more than **30%** of the fixed annual cash salary. Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring), and company cars. The total amount of such benefits may not exceed 15% of the fixed annual cash salary.

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

For notice of termination served by the Company, the maximum notice period is twelve months. Fixed cash salary during the notice period and severance pay may together not exceed an amount corresponding to fixed cash salary for two years for the Chief Executive Officer and one year for other members of senior executives. For notice of termination served by the executive, the maximum notice period is six months, without right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall only be paid to compensate for loss of income in so far as the previously employed Group Management member is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, amount to not more than 60% of monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, though not for more than nine months following termination of employment

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative, or qualitative objectives.
The criteria shall be designed so as to promote the Company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promoting the long-term development of the executive.

The extent to which the criteria for awarding variable cash remuneration have been satisfied shall be determined when the measurement period has ended. The Board is responsible for the evaluation so far as it concerns variable cash remuneration to the Chief Executive Officer. The Chief Executive Officer is responsible for evaluation regarding variable cash remuneration to other senior executives. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Salary and terms of employment for employees

In the preparation of the Board's proposal for these remuneration guidelines, salaries and terms of employment for the company's employees were taken into account in that information about employees' total remuneration, the remuneration components, the increase in remuneration and the rate of the increase over time formed a part of the decision basis used by the Board to evaluate whether the guidelines and the limitations set out herein were reasonable.

Decision-making process to determine, review and implement the guidelines

The Board of Directors shall prepare proposals for new guidelines at least every four years and submit the proposal to the Annual General Meeting for resolution. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Board shall also monitor and evaluate programs for variable remuneration for senior management, the application of the guidelines for remuneration of senior executives, as well as the current remuneration structures and compensation levels in the Company. The Chief Executive Officer and other members of senior management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the long-term interests of the company, including its sustainability, or to ensure the financial viability of the Company.

The Board of Directors proposes that the 2022 Annual General Meeting should amend the Remuneration to senior executives as follows.

Types of remuneration

2nd paragraph: The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration shall be capped at a maximum of **50%** of the annual fixed cash salary.

5th paragraph: For other senior executives, pension benefits, including health insurance, shall be defined-contribution schemes, to the extent that the executive is not covered by a defined benefit pension under compulsory collective contract provisions. Variable cash remuneration shall be pensionable. The pension premiums to defined-contribution schemes shall amount to not more than **35%** of the fixed annual cash salary. Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring), and company cars. The total amount of such benefits may not exceed 15% of the fixed annual cash salary.

NOMINATION COMMITTEE

The Nomination Committee evaluates the Board and its work. As a basis for its proposals for the 2022 Annual General Meeting, the Nomination Committee has assessed whether the current Board is appropriately composed and fulfills the demands made on the Board by the Company's current and future position in the market. Board members have responded to a questionnaire and personally introduced themselves to the members of the Nomination Committee, who have had the opportunity to ask questions of everyone on the Board.

Genovis' Nomination Committee for the 2022 Annual General Meeting:

Mikael Lönn (Chairman)

TIN Ny Teknik, represented by Erik Sprinchorn, Portfolio manager

Aktia Placeringsfonder, represented by Markus Lindqvist, Director, Aktia Fondbolag AB

Second AP Fund, represented by Johan Sjöström, Portfolio manager

The task of the Nomination Committee is to put forward proposals regarding the election of the Chairperson of the Annual General Meeting, election of the Chairperson and other members of the Board, appointment of auditors and fees paid to the Directors and the Auditors. The 2021 Annual General Meeting resolved that the Nomination Committee for the 2022 AGM will consist of representatives of the four largest shareholders as of September 30, 2021. The Nomination Committee shall appoint a chairman from among its members. It is incumbent upon the Chairman of the Board to convene the Nomination Committee. Should a shareholder decline to participate in the committee the right to appoint a representative shall be transferred to the next largest shareholder not represented in the committee. If deemed appropriate as a result of ownership changes, the Nomination Committee shall invite additional shareholders to join the Nomination Committee, though the total number of members may not exceed five. In the event a member of the Nomination Committee leaves the Committee before its work is completed, the Chairman of the Board, if the Nomination Committee deems necessary, shall invite the same shareholder or, if the latter is no longer one of the major shareholders, the shareholder next entitled, in terms of size of shareholding, to appoint a replacement. This change shall be announced on the Company's website.

AUDIT COMMITTEE AND REMUNERATION COMMITTEE

Genovis does not have a Remuneration Committee or an Audit Committee, since these issues are ultimately decided by the entire Board of Directors.

EXTERNAL AUDITORS

The audit firm Öhrlings PricewaterhouseCoopers AB is the auditor for Genovis, with authorized auditor Neda Feher as auditor in charge. The auditors were represented at one Board meeting during the year. The Company must have one auditor with or without a deputy auditor, or one registered public accounting firm. The appointment as auditor shall apply until the close of the 2022 Annual General Meeting.

FEES TO AUDITORS

Öhrlings PricewaterhouseCoopers AB is the Company's auditor. "Audit assignments" refer to the audit of the annual report and accounting records, as well as the administration of the Company by the Board of Directors and the Chief Executive Officer, other tasks incumbent on the Company's auditor and advice or other assistance resulting from observations made during audits or the performance of such tasks. Other assignments mainly refer to consultancy services related to auditing and taxation issues. Fees for audit assignments in 2021 amounted to SEK 375,215 (295,000) and fees for other assignments totaled SEK 68,300 (190,300).
Please see note 5 for additional information.

INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING

Internal control

Internal control of financial reporting is an integral part of corporate governance within the Genovis Group. It comprises procedures to safeguard the Group's assets and ensure the accuracy of the financial reporting, thereby protecting the shareholders' investment in the Company.

The Genovis Group's organization is designed to quickly respond to changes in the market. Operational decisions are thus made at the company level, while decisions on strategy, focus, acquisitions and overall financial issues are made by Genovis' Board of Directors. The CEO regularly reports to the Board to increase awareness, transparency and control of the Company's accounting, financial reporting and risk management. The CFO of Genovis is responsible for ensuring that internal control is maintained in accordance with the resolution of the Board. Monitoring is carried out throughout the Group, on various levels.

Risk assessment

Risk assessment is based on the Group's financial targets. The overarching financial risks are defined and are largely industry-specific. By conducting risk analyses based on the consolidated balance sheet and income statement, Genovis identifies the key risks that may threaten the achievement of business objectives and financial targets.

BOARD OF DIRECTORS

The Board of Directors is the Company's highest administrative body under the General Meeting. The Board of Directors is charged with the organization of the Company and management of its operations. It is also the Board's duty to ensure that the organization in charge of accounting and the management of assets is subject to satisfactory control. Under the Articles of Association, Genovis' Board of Directors is to consist of a minimum of three and a maximum of ten Directors, with a maximum of five deputies. Directors are elected annually at the Annual General Meeting for a one-year term up until the close of the following AGM. The AGM also appoints the Chairman of the Board.

The guidelines for the work of the Board of Directors are based on the rules of procedure, which also regulate the allocation of work between the Board of Directors, the Chairman of the Board and the CEO.

The Board monitors the quality of financial reporting by issuing instructions to the CEO and by establishing requirements for the contents of the reports on financial conditions that are regularly submitted to the Board. The Board considers, and ensures the quality of financial reporting, such as interim reports and the annual accounts, and has delegated to senior management the task of ensuring the quality of press releases

Torben Jørgensen (b. 1952)

Chairperson and member of the Board since: 2020
Education: B.Sc. in Economics, CBS
Other directorships and positions: Chairman of the board of Biotage AB and Atlas Antibodies AB, as well as board member of Boule Diagnostics, Medistim AS and Advanced Instruments.
Relevant work experience: Previous appointments include CEO and President of Biotage AB, Affibody AB, Karo Bio and DAKO A/S.
Independence: Independent in relation to the Company, senior management and the Company's major shareholders.
Holdings in Genovis: 100,000 shares

Mikael Lönn (b. 1949)

Member of the Board since: 2014
Education: MD, B.A.
Other directorships and positions: Board member of Dentalum Operations AB, PRIMA Barn- och Vuxenpsykiatri Holding AB, PRIMA Barn AB, Dicel AB, Redeye AB/Redhold AB, Vasa Angels AB, Mikael Lönn AB, Professionell ägarstyrning i Sverige AB, Professionell ägarstyrning PÄAB II, Skogsägarna Mellanskog Ekonomisk förening and Wingspan Company Culture AB.
Relevant work experience: Mikael Lönn is a physician and entrepreneur who has been active as a business leader, mainly in the healthcare sector. He has extensive experience in financial investments, solid experience providing advisory services and active participation on the board of directors for a number of startups and growth companies, as well as experience in large county and municipal-owned organizations.
Independence: Independent in relation to senior management and the Company's major shareholders, but not in relation to the Company.
Holdings in Genovis: 9,990,653 shares

containing financial content and presentation materials for meetings with the media, shareholders and financial institutions.

The Board is responsible for ensuring that there is an effective system for internal control and risk management, while the responsibility to work with these issues has been delegated to the CEO. Authorities and responsibilities in the organization are defined in policies, guidelines and descriptions of responsibilities.

Based on her audit of the accounts, the Company's external auditor presents a report each year to the Board regarding her observations and assessment of internal control.

Work of the Board 2020

The Board of Directors has consisted of five members since the Annual General Meeting on May 20, 2021. In 2021 the Board held seven meetings at which the minutes were recorded and when necessary, other officers participated as reporters or in administrative roles. The Board also took decisions by correspondence on four occasions. In addition to follow-up and reporting on ongoing business and profitability, the work of the Board has included questions about corporate acquisitions, strategic development and direction, investments in product development and new product concepts, financial issues and the Company's IP rights.



Kenth Petersson (b. 1956)

Member of the Board since: 2011
Education: B.A.
Other directorships and positions: Chairman of the board of AlphaBeta AB, Biocrine AB, Spiber Technologies AB and Science Pacific AB.
Relevant work experience: Kenth Petersson has previously worked as an analyst and has extensive experience in the biotech industry. For the past 20 years he has worked as a business angel and principal owner of a number of biotech companies.
Independence: Independent in relation to the Company, senior management and the Company's major shareholders.
Holdings in Genovis: 49,998 shares.

Lotta Ljungqvist (b. 1961)

Member of the Board since: 2019
Education: Ph.D. Biochemistry
Other directorships and positions: Chairperson of the board of SwedenBIO, as well as board member of Atlas Antibodies AB, BioArctic AB, Arocell AB, Vinnova, SciLifeLab and chairperson of IVA Avd X Bioteknik.
Relevant work experience: Works as CEO of Testa Center in Uppsala. Was previously CEO of GE Norden and IMED AB, as well as global head of BioProcess R&D at GE Healthcare Life Science; has also held several leading positions at Biovitrum, Pharmacia Corp and Pharmacia & Upjohn.
Independence: Independent in relation to the Company, senior management and the Company's major shareholders.
Holdings in Genovis: 5,160 shares

Steve Jordan (b. 1953)

Member of the Board since: 2021
Education: CChem FRSC
Other directorships and positions: Steve Jordan has no other Board directorships.
Relevant work experience: Steve currently works as a consultant for several companies engaged in the development of novel technologies and materials for the life science industries. Has previously held the positions of Chief Scientific Officer and Senior Director R&D Chemistry at Biotage, Head of Business Development at CombiPure UK, Director of Analytical Sciences, Compound Management and Instrument Development at Millennium UK, and Section Leader for High Throughput Medicinal Chemistry at Roche Discovery Welwyn.
Independence: Independent in relation to the Company, senior management and the Company's major shareholders.
Holdings in Genovis: None

SENIOR EXECUTIVES

The Chief Executive Officer is responsible for ensuring that the ongoing management is handled in accordance with the guidelines and instructions provided by the Board of Directors, as clarified in separate instructions for the CEO. The CEO shall ensure, through satisfactory control systems, that the Company complies with laws and regulations, as well as Nasdaq First North Growth Market's Rules for Issuers.
The CFO shall 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. It is therefore the responsibility of the CFO to ensure that the Company has good internal control and procedures to ensure that established financial reporting and internal control principles are applied. The CEO shall ensure that the Board receives factual, detailed and relevant information necessary for the Board make informed decisions. In addition, the CEO pursues a continuous dialogue with the Chairman of the Board and keeps the Chair informed about the performance and financial position of the Company and the Group.

Fredrik Olsson (b. 1971)
Chief Executive Officer

Education: M.Sc. in Engineering, Faculty of Engineering, Lund University
Employed since: 2002
Fredrik has worked with every aspect of Genovis' operations, with the primary focus on product development, commercialization and sales and business development. He has extensive experience in production processes from the food and biotech industries, where much of his work involved establishing processes and quality systems for various industry-specific standards as well as general systems. Fredrik Olsson has also co-authored several scientific publications and patents.
Board directorships: Board member of Genovis Inc. and GeccoDots AB.
Holdings in Genovis: 131,703 shares

Magnus Långberg (b. 1971)
Chief Financial Officer

Education: BSc in economics, Lund University
Employed since: 2022
Magnus Långberg has more than 20 years of experience in medical technology and pharmaceuticals. He has held various leading global positions in finance, sales and production at companies such as BD, QPharma and HemoCue/Danaher. In all roles, he has driven development and continuous improvement of processes in both administration and sales growth.
Holdings in Genovis: None

Susanne Ahlberg (b. 1957)
General Counsel

Education: LL.M., Lund University
Employed since: 2007
Susanne has broad experience in general business law and has previously worked in Corporate Finance, as well as in senior positions in listed companies.
Holdings in Genovis: 61,875 shares

Jonathan Sjögren (b. 1985)
VP, Business Development

Education: M.Sc., & Ph.D., Lund University
Employed since: 2014
Jonathan is a specialist in enzymes that modify antibodies and holds a Ph.D. from Lund University. He has more than 10 years of experience in life science from both the academic environment and industry, and he has worked with global business development and successfully commercialized research findings. He has authored several scientific publications and patents.
Holdings in Genovis: 1,000 shares

The Chief Executive Officer is responsible for issuing and upholding instructions for delegation to the Company's executive management group. The executive management group holds monthly joint meetings to discuss the Group's performance and financial position, status in research and development projects, strategic issues and follow-up of the budget and forecasts.

Linda Andersson (b. 1976) VP Production

Education: M.Sc., Lund University
Employed since: 2009
During her time at Genovis, Linda has been involved in many different aspects of laboratory work. She has many years of experience of product development, as well as scaling up production processes and development of analytical methods. She has previously worked in a global environment for GE Healthcare in the field of diagnostics and at CRO companies with enzyme kinetic studies.
Holdings in Genovis: 111 shares

Helén Carlsson Nyhlén (b. 1964) VP Application Development & Support

Education: M.Sc. in Engineering, Ph.D., Faculty of Engineering, Lund University
Employed since: 2016
Helén has more than 25 years of experience working with proteins in the pharmaceutical and biotech industries. She has extensive experience working with product development, as well as with projects in preclinical and clinical trials for production and analysis of drug candidates. She also has experience working with GMP.
Holdings in Genovis: None

Rolf Lood (b. 1984) VP Research & Development

Education: Ph.D., Biomedicine, Lund University
Employed since: 2017
Rolf has worked as a consultant in new product development for several major international companies. He has extensive experience in research on microorganisms and enzymes, with a strong focus over the past ten years on bacterial proteases and glycosidases with biotech applications. Rolf is an associate professor at the division of Experimental Infection Medicine at Lund University, serves as a scientific adviser for several international biotech companies and has authored several scientific publications and patents.
Holdings in Genovis: None

Rikke Rytter (f 1967) VP Sales and Marketing

Education: B.Sc. Biomedical Laboratory Science
Employed since: 2021
Rikke Rytter has experience in sales and marketing to Life Sciences customers since 1995 when she started as a Product Specialist in chromatography. She has worked in various roles for major global companies such as Pharmacia Biotech, GE Life Sciences, Dako as well as Biotage. At Biotage, she was responsible for global marketing and launched several new products on a global level with great success.
Holdings in Genovis: 1,375 shares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Proposed appropriation of profits

Genovis AB (publ.) company reg. no. 556574-5345

Proposed appropriation of the Company's profit or loss

The following funds are at the disposal of the Annual General Meeting:	(SEK)
Accumulated loss	-129,741,374
Profit for the year	26,237,068
Share premium reserve	216,475,893
Comprehensive income	**112,971,587**
Carry forward to new account	112,971,587

The Board of Directors proposes that no dividend be paid for the 2021 financial year. Regarding the financial performance and position in general of the Group and Parent Company, please refer to the following financial statements. The income statements and balance sheets will be presented to the Annual General Meeting on May 12, 2022.

STATEMENT OF COMPREHENSIVE INCOME

(SEK)	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Net sales	2	93,017,543	61,029,721	68,399,164	61,181,961
Change in inventory, finished goods		-1,076,854	2,844,053	145,180	-1,094,114
Other operating income	3	4,311,433	1,772,495	4,311,433	1,772,259
		96,252,122	**65,646,269**	**72,855,777**	**61,860,106**
Operating expenses					
Raw material and consumables		-10,651,716	-6,275,967	-4,204,903	-3,878,228
Other external costs	4,5,6	-21,966,351	-18,656,591	-16,999,084	-14,169,789
Personnel costs	7	-30,882,717	-28,653,170	-22,012,611	-21,647,472
Depreciation, amortization and impairment of plant, property, and equipment and intangible assets	8	-5,771,041	-5,433,384	-1,596,045	-1,279,026
Other operating expenses	9	-2,436,981	-3,486,832	-2,013,572	-1,324,233
Total operating expenses		**-71,708,806**	**-62,505,945**	**-46,826,215**	**-42,298,748**
Operating profit		**24,543,316**	**3,140,324**	**26,029,562**	**19,561,358**
Profit/loss after financial items					
Interest income, interest expenses and similar line items		60,330	-991,443	207,506	-685,665
Profit before tax		**24,603,646**	**2,148,881**	**26,237,068**	**18,875,693**
Tax on profit/loss for the year	10	173,740	4,297,021	0	0
PROFIT FOR THE YEAR		**24,777,385**	**6,445,902**	**26,237,068**	**18,875,693**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Translation of foreign subsidiary		2,051,021	-4,473,160		
COMPREHENSIVE INCOME FOR THE YEAR		**26,828,406**	**1,972,742**	**26,237,068**	**18,875,693**
Profit for the year attributable to Parent Company shareholders		26,828,406	1,972,742		
Earnings per share, basic and diluted[1]	11	0.41	0.03		
Average number of shares		65,465,714	65,089,792		

[1]Earnings per share are calculated by dividing comprehensive income by the weighted average number of shares during the year. There is no dilution effect.

BALANCE SHEET

(SEK)	Note	Group 2021 Dec. 31	Group 2020 Dec. 31	Parent Company 2021 Dec. 31	Parent Company 2020 Dec. 31
ASSETS					
Noncurrent assets					
Intangible assets	12				
Patents and licenses		12,357,002	12,103,097	3,825,778	3,451,568
Goodwill		4,118,492	3,729,080	0	0
Total intangible assets		**16,475,494**	**15,832,177**	**3,825,778**	**3,451,568**
Property, plant and equipment	13				
Equipment, tools, fixtures, and fittings		9,604,099	12,496,554	6,268,477	5,599,374
Total property, plant and equipment		**9,604,099**	**12,496,554**	**6,268,477**	**5,599,374**
Financial non-current assets					
Participations in Group companies	14	0	0	19,874,528	20,092,099
Deferred tax assets	15	6,741,002	6,173,415	1,718,000	1,718,000
Other non-current receivables		77,034	69,750	0	0
Total financial non-current assets		**6,818,036**	**6,243,165**	**21,592,528**	**21,810,099**
Total non-current assets		**32,897,629**	**34,571,896**	**31,686,783**	**30,861,041**
Current assets					
Inventories					
Raw material and consumables		12,419,001	12,884,841	8,904,870	8,224,128
Total inventories		**12,419,001**	**12,884,841**	**8,904,870**	**8,224,128**
Current receivables					
Accounts receivable	16	12,003,271	11,212,873	3,658,645	2,772,948
Receivables from Group companies		0	0	24,838,463	27,316,192
Tax assets		0	163,772	0	0
Other receivables	17	777,952	850,723	707,349	850,723
Prepaid expenses and accrued income	18	2,337,040	2,845,788	2,268,767	2,789,697
Total current receivables		**15,118,263**	**15,073,156**	**31,473,224**	**33,729,560**
Cash and cash equivalents	19	81,314,993	44,117,801	77,972,910	38,883,806
Total current assets		**108,852,257**	**72,075,898**	**118,351,004**	**80,837,494**
TOTAL ASSETS		**141,749,886**	**106,647,792**	**150,037,787**	**111,698,535**

BALANCE SHEET

(SEK)	Note	Group 2021 Dec. 31	Group 2020 Dec. 31	Parent Company 2021 Dec. 31	Parent Company 2020 Dec. 31
EQUITY AND LIABILITIES					
Equity					
Share capital	20	16,366,428	16,366,428	16,366,428	16,366,428
Total restricted equity				**16,366,428**	**16,366,428**
Other paid-in capital		215,654,881	215,654,881	0	0
Share premium reserve		0	0	216,475,893	216,475,893
Accumulated loss		-140,356,111	-146,802,013	-129,741,374	-148,617,066
Reserves		-2,448,959	-4,499,980	0	0
Profit for the year		24,777,385	6,445,902	26,237,068	18,875,692
Total unrestricted equity				**112,971,587**	**86,734,519**
Total equity attributable to Parent Company shareholders		**113,993,624**	**87,165,218**	**129,338,016**	**103,100,947**
Non-current liabilities					
Deferred tax	15	2,387,387	2,421,023	0	0
Lease liabilities	21	1,123,429	3,317,674	0	0
Total non-current liabilities		**3,510,816**	**5,738,697**	**0**	**0**
Current liabilities					
Accounts payable		2,537,226	1,466,426	2,187,456	1,184,409
Lease liabilities	21	1,707,989	3,343,819	0	0
Liabilities to Group companies		0	0	99,835	100,000
Other liabilities		1,280,893	2,980,396	1,177,678	2,388,948
Accrued expenses and deferred income	22	18,719,337	5,953,236	17,234,802	4,924,231
Total current liabilities		**24,245,445**	**13,743,877**	**20,699,771**	**8,597,588**
TOTAL EQUITY AND LIABILITIES		**141,749,886**	**106,647,792**	**150,037,787**	**111,698,535**

STATEMENT OF CASH FLOWS

(SEK)	Note	Group 2021	Group 2010	Parent Company 2021	Parent Company 2020
Operating activities					
Operating profit		24,543,316	3,140,324	26,029,562	19,561,358
Adjustment for items not affecting cash flow	23	5,771,041	5,433,383	1,596,045	1,279,026
Changes in working capital	24	15,755,652	-3,827,071	15,560,989	-23,030,045
Interest received		0	0	207,506	0
Interest paid		-151,108	-991,443	0	-1,050
Cash flow from operating activities		**45,918,901**	**3,755,193**	**43,394,102**	**-2,190,711**
Investing activities					
Acquisition of patents, goodwill and customer relationships		-2,717,847	-18,997,634	-1,052,206	-752,863
Acquisition of subsidiary		0	0	-1,665,641	-19,992,090
Acquisition of property, plant and equipment		-1,773,387	-1,433,492	-1,587,151	-1,433,492
Cash flow from investing activities		**-4,491,234**	**-20,431,126**	**-4,304,998**	**-22,178,445**
Financing activities					
Rights issue for the year	25	0	49,571,919	0	49,571,919
Amortization of loans relating to finance leases	26	-4,230,475	-3,770,367	0	0
Cash flow from financing activities		**-4,230,475**	**45,801,552**	**0**	**49,571,919**
Total cash flow after financing activities		**37,197,192**	**29,125,619**	**39,089,104**	**25,202,763**
Cash and cash equivalents, Jan. 1		44,117,801	14,992,182	38,883,806	13,681,043
Cash and cash equivalents, Dec. 31	19	**81,314,993**	**44,117,801**	**77,972,910**	**38,883,806**

CHANGES IN EQUITY

GROUP

(SEK)	Share capital	Other paid-in capital	Accumulated loss	Other comprehensive income	Profit/loss for the year	Total equity
Opening balance as of January 1, 2020	15,775,000	166,674,391	-156,353,391	-26,820	9,551,576	35,620,558
Appropriation of profit/loss as resolved by AGM	0	0	9,551,578	0	-9,551,578	0
Issue of new shares	591,428	49,088,566	0	0	0	49,649,994
Issue costs	0	-108,076	0	0	0	-108,076
Comprehensive income for the year	0	0	0	-4,473,160	6,445,902	1,972,742
Closing balance as of December 31, 2020	**16,366,428**	**215,654,881**	**-146,802,013**	**-4,499,980**	**6,445,902**	**87,165,218**
Appropriation of profit/loss as resolved by AGM			6,445,902		-6,445,902	0
Comprehensive income for the year				2,051,021	24,777,385	26,828,406
Closing balance as of December 31, 2021	**16,366,428**	**215,654,881**	**-140,356,111**	**-2,448,959**	**24,777,385**	**113,993,624**

PARENT COMPANY

(SEK)	Share capital	Share premium reserve	Accumulated loss	Profit/loss for the year	Total equity
Opening balance as of January 1, 2020	15,775,000	167,495,403	-157,834,691	9,217,625	34,653,337
Appropriation of profit/loss as resolved by AGM	0	0	9,217,625	-9,217,625	0
Issue of new shares	591,428	49,088,566	0	0	49,649,994
Issue costs	0	-108,076	0	0	-108,076
Comprehensive income for the year	0	0	0	18,875,692	18,875,692
Closing balance as of December 31, 2020	**16,366,428**	**216,475,893**	**-148,617,066**	**18,875,692**	**103,100,947**
Appropriation of profit/loss as resolved by AGM	0	0	18,875,692	-18,875,692	0
Profit for the year	0	0	0	26,237,068	26,237,068
Closing balance as of December 31, 2021	**16,366,428**	**216,475,893**	**-129,741,374**	**26,237,068**	**129,338,016**

The Company has not paid or proposed any dividend.

NOTE 1 ACCOUNTING POLICIES

GENERAL INFORMATION

Genovis AB's (publ) (Genovis) consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act (AAA), International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Commission for application within the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups" has been applied. The Parent Company has prepared its annual report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities." The consolidated and annual accounts are specified in Swedish kronor and refer to the period January 1 – December 31 for income statement items and December 31 for balance sheet items. Assets and liabilities are recognized at cost.

Revenue recognition

Revenue is recognized according to IFRS 15. Revenue arises in the Group when the customer obtains control of the product or service sold. The Group's revenues are mainly generated by sales of its own products and out-licensing of its own products. Revenues include invoiced gross revenue as agreed for goods sold or licenses excluding VAT, discounts, and returns due to product or quality warranties or transport damage, and after elimination of intra-Group sales. Customer agreements are analyzed and divided into distinct performance obligations. Once a performance obligation is satisfied, the revenue is recognized to the portion of the total agreed price that accrues from fulfillment of the obligation. License revenue is recognized for each agreement at the point in time of the performance obligation, or over time for the period of validity of the sold license if there are no points in time for distinct performance obligations. Royalties are recognized as revenue when the underlying use has taken place. Advance payments from customers are recognized as accrued income. As permitted under IFRS 15, no disclosure has been provided regarding obligations with an expected term of more than one year. The Group has no agreements with obligations that extend beyond one year.

Financial instruments

Financial instruments recognized in the balance sheet on the asset side include cash and cash equivalents, loan receivables and customer receivables. The liabilities include accounts payable. A financial asset or financial liability is recognized in the balance sheet when the Company becomes party to the instrument's contractual terms. A receivable is recognized when the company performed and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been submitted. Liabilities are recognized when the counterparty has performed and a contractual obligation to pay exists, even if the invoice has been received. A financial asset is derecognized from the balance sheet when the contractual rights are realized, expire or the company loses control over them. The same applies to part of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to part of a financial liability. A financial asset and a financial liability are only offset and recognized at the net amount in the balance sheet when the Company is legally entitled to offset their amounts and the Company intends to settle the items

with a net amount or simultaneously realize the asset and settle the liability. Purchases and sales of financial assets are recognized on the date when the transaction is carried out.

Leases

The Group recognizes one right-of-use asset and one lease liability on the start date of the lease. The right-of-use asset is measured initially at cost, which consists of the lease liability's original value plus lease payments paid at or prior to the start date and any initial direct costs. The right-of-use asset is then depreciated on a straight-line basis from the start date to the earlier of the end of the asset's right of use and the end of the terms of the lease, which for the Group is normally the end of the lease term. In less usual cases, where the cost of the right-of-use asset reflects the Group's intention to exercise an option to purchase the underlying asset, the asset is depreciated until the end of its useful life. The lease liability, which is divided into a noncurrent and a current portion, is measured initially at the present value of the remaining lease payments over the assessed term of the lease. The term of the lease is the non-cancellable period plus additional periods in the lease if, at the time the lease commences, it is considered reasonably certain that such options will be exercised. The lease payments are normally discounted using the Group's incremental borrowing rate. No right of use asset or lease liability is recognized for leases with a term of 12 months or less, or where the underlying asset is of low value. Lease payments for these are expensed on a straight-line basis over the term of the lease.

Leases where the financial benefits and risks attributable to the leasing object essentially remain with the lessor are classified as operating leases in the Parent Company. Payments, including an initial increase in rent, under these agreements are expensed on a straight-line basis over the term of the lease.

Taxes

All tax deemed payable on reported earnings, adjustment of previous years' tax and deferred tax is reported in the income statement. The Group uses the balance sheet method to calculate deferred tax assets and liabilities. Deferred tax is recognized in accordance with the balance sheet method, which means that deferred taxes are calculated on all temporary differences identified on the closing date, i.e., between the tax basis for assets or liabilities on the one hand and their carrying amounts on the other, as well as tax loss carryforwards. Deferred tax assets on losses in countries other than Sweden that arose in 2021 are recognized when it is likely that they can be deducted against future gains. Foreign tax rates were used for measurement.

Intangible assets

Patents

The Group's expenditures for patents are capitalized when fulfilling the prerequisites of being entered as intangible assets, in accordance with IAS 38. Patents have a limited useful life and are therefore recognized at cost less accumulated amortization. The amortization period begins when the patent has been commercialized, i.e., launched as a new product or application. An amortization period of 10 years for patents is justified because most of them have at least this duration with the option for extension.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The amount by which the carrying amount of the asset exceeds its recoverable amount is then recog-

nized as an impairment loss, which is the higher of net realizable value and value in use. When calculating value in use, future cash flows are discounted using a discount rate that reflects the current market view of risk-free interest and risk specific to the asset. Recoverable value of intangible assets with indefinite useful lives and intangible assets not yet ready for use is calculated annually.

Goodwill
Goodwill acquired in a business combination represents the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested annually for impairment in the fourth quarter, or when there is an indication of impairment. Goodwill, which has an indefinite useful life and is not yet in use, is not amortized but is tested annually for impairment or when there is an indication that the asset may be impaired.

Customer relationships
Identifiable acquired customer relationships are recognized at fair value and are attributable to acquisitions made in 2020. The relationships are amortized on a straight-line basis over an estimated useful life of 10 years.

Property, plant, and equipment and right-of-use assets
Property, plant and equipment are recognized as assets in the balance sheet if it is probable that future economic benefits will flow to the company and the cost of the asset can be measured reliably. All property, plant, and equipment are stated at cost less depreciation. The cost includes expenditure directly attributable to the acquisition of the asset.

Depreciation of property, plant, and equipment
Scheduled depreciation of property, plant and equipment is based on the defined useful life. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, taking into account the residual value. The following depreciation
periods apply:

• Laboratory equipment	5-10 years
• Computer equipment	3 years
• Other equipment	5 years

The residual values and useful lives of the assets are reviewed at each balance sheet date and adjusted if necessary. The gain or loss arising on the disposal or retirement of property, plant, and equipment is determined by comparing the difference between the selling price and the carrying amount less direct selling expenses. The profit/loss item is recognized as other operating revenue and other operating expense, respectively.

KEY ESTIMATES AND ASSESSMENTS
The preparation of financial statements in accordance with IFRS requires management to perform estimates and assumptions that affect the income statement, balance sheet and other disclosures. Assumptions, assessments and estimates are reviewed on a regular basis. The actual outcome may diverge from these assumptions, assessments and estimates. The Board and executive management regularly assess the deferred tax and intangible assets. The Parent Company has a deferred tax asset amounting to SEK 1,718 (1,718) thousand

at the end of the period, corresponding to a loss carryforward of SEK 8,340 thousand. Valuation of loss carryforwards and the Company's ability to utilize unused tax losses is based on the assumption that taxable profit will be generated by the company in the foreseeable future. The valuation of intangible assets is reviewed at least annually or more frequently if there are indications that an impairment may have occurred.

Consolidated cash and cash equivalents at year-end amounted to SEK 81,315 (44,118) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the conditions change, measures to raise additional capital may be considered. With shareholder approval, Genovis can issue new shares, buy back shares, or increase/decrease loans. The capital structure is regularly revised. On December 31, 2021, consolidated shareholders' equity was SEK 113,994 (87,165) thousand and shareholders' equity in Genovis AB was SEK 129,338 (103,101) thousand.

CONSOLIDATED ACCOUNTS

Genovis' consolidated accounts comprise the Parent Company Genovis AB and the subsidiaries GeccoDots AB and Genovis Inc. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intra-group profits and dealings are eliminated on consolidation. Subsidiaries are accounted for using the purchase method. Under this method, an acquisition of a subsidiary is treated as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. Consolidated cost is established through an acquisition analysis in conjunction with the acquisition. The analysis establishes the cost of the participations or business and the fair value, on the acquisition date, of acquired identifiable assets and assumed liabilities and contingent liabilities. The cost for the subsidiary's shares and operations comprises the sum of fair values at the acquisition date for paid assets, incurred or assumed liabilities and for issued equity instruments submitted as payment in exchange for the acquired net assets, plus the transaction costs directly attributable to the acquisition. In the case of business combinations where the acquisition cost exceeds the net value of the acquired assets and liabilities, as well as any contingent liabilities, the difference is reported as goodwill or intangible asset. When the difference is negative it is recognized directly in the income statement. The financial statements of subsidiaries are consolidated from the date of the acquisition until the date when control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

FOREIGN CURRENCIES

Functional currency

The functional currency is the currency of the primary economic environments in which the companies operate. The Parent Company's functional currency is SEK, as is the reporting currency for the Parent Company and the Group.

Foreign currency translation

Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency using the exchange rate prevailing at the end of the reporting period. Exchange rate differences arising on translation are recognized in profit or loss

for the year. Exchange gains and losses on operating receivables and liabilities are included in operating profit or loss, while exchange differences on financial receivables and liabilities are recognized among financial items.

Translation of foreign operations

The assets and liabilities of foreign operations are translated from the foreign operation's functional currency to the Group's reporting currency, SEK, at foreign exchange rates prevailing at the balance sheet date. Revenues and expenses of foreign operations are translated to SEK at the average rate prevailing at each of the transaction dates. Translation differences arising in the translation of foreign operations are recognized in other comprehensive income.

INVENTORIES

Inventory is valued at the lower of cost or net realizable value. Cost is calculated by applying the first in, first out (FiFO) principle. Net realizable value is the estimated selling price in the company's operating activities less selling costs. The risk of obsolescence and confirmed obsolescence have been taken into account in the valuation.

STATEMENT OF CASH FLOWS

The cash-flow statement is prepared in accordance with IAS 7, Statement of cash flows, indirect method. Reported cash flow only includes transactions entailing receipts or disbursements. Cash and cash equivalents consist of cash and bank deposits.

NOTE 2 NET SALES

Sales are based on a measure called net sales, which excludes revenues that are not attributable to sales of products and services. Senior management considers the business from a product perspective where operations only comprise one operating segment* that is used to make strategic decisions. The segment comprises unique enzymes that facilitate development and quality control of biopharmaceuticals, as well as one product for specific antibody labeling. Reference is made to the financial statements concerning primary segment reporting. About 25% of net sales is attributable to revenue related to products and services from license agreement with Selecta Bioscience Inc.

The information presented relating to revenues, assets and investments refers solely to the specified geographic area.

Revenue	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Sweden	636,724	514,770	636,724	514,770
Rest of world	92,380,819	60,514,951	67,762,440	60,667,191
Total	**93,017,543**	**61,029,721**	**68,399,164**	**61,181,961**
Noncurrent assets				
Sweden	14,555,714	16,434,206	31,686,783	30,861,041
Rest of world	18,341,915	18,137,690	0	0
Total	**32,897,629**	**34,571,896**	**31,686,783**	**30,861,041**
Investments				
Sweden	4,304,998	20,431,126	4,304,998	22,178,445
Rest of world	186,236	0	0	0
Total	**4,491,234**	**20,431,126**	**4,304,998**	**22,178,445**

**A segment is a distinguishable component of the Group that either provides products or services within a particular economic environment and that is subject to risks and opportunities that are different from other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. At Genovis this function has been identified as the Group's CEO.*

NOTE 3 OTHER REVENUE

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Exchange gains	3,583,853	1,465,475	3,583,853	1,465,239
Research grants received	657,538	252,000	657,538	252,000
Sick pay compensation and insurance compensation	70,042	55,020	70,042	55,020
Total	**4,311,433**	**1,772,495**	**4,311,433**	**1,772,259**

NOTE 4 RELATED PARTY TRANSACTIONS

Genovis' board member and principal owner Mikael Lönn, who holds a 15.26% stake in Genovis, owns 12.24% of the shares in Redeye AB, for which Mikael Lönn is also a board member. Genovis has purchased analysis services from Redeye AB for a total of SEK 420 thousand during the full year. All related party transactions took place on market terms.

NOTE 5 AUDITORS' FEES

Audit assignments refers to the audit of the annual report and accounting records as well as the administration of the Company by the Board of Directors and the Chief Executive Officer, other tasks incumbent on the Company's auditor and advice or other assistance resulting from observations made during audits or the performance of such tasks.

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
PwC				
Audit assignment	375,215	295,000	375,215	295,000
Non-audit assignments	54,500	106,000	54,500	106,000
Tax services	13,800	84,300	13,800	84,300
Total	**443,515**	**485,300**	**443,515**	**485,300**

NOTE 6 LEASES

Rent for premises pertains to the premises of the Parent Company and the subsidiary, Genovis Inc. The term of the Parent Company's lease for offices expires on June 30, 2022, while the lease for laboratories expires on September 30, 2022, and is automatically renewed one year at a time, unless notice to terminate the lease is given not later than nine months prior to the lease expiration date. Genovis Inc. has a lease that runs until April 30, 2022.

Cost for the year	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Car leases	0	0	279,567	164,603
Rent for premises	0	0	3,046,648	2,954,738
Rent equipment	0	0	482,069	440,916
Total	**0**	**0**	**3,808,284**	**3,560,257**

Future payment commitments, nominal value	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Car leases				
Within 1 year	214,176	163,147	214,176	163,147
Between 1 and 5 years	307,985	248,854	307,985	248,854
Leases for instruments				
Within 1 year	119,985	479,940	119,985	479,940
Between 1 and 5 years	0	119,985	0	119,985
Rent for premises				
Within 1 year	2,723,580	3,712,527	1,500,395	2,956,213
Between 1 and 5 years	0	1,500,395	0	1,500,395
Total	**3,365,726**	**6,224,848**	**2,142,541**	**5,468,534**

NOTE 7 PERSONNEL

The Chief Executive Officer is entitled to a defined-contribution pension that is 30% of his salary. Other employees of the Parent Company are covered by a pension plan. The pension plan is administered by Collectum or individual choice, depending on the date that employment began, and is classified as a defined
contribution pension plan. In a defined contribution plan, fixed payments are made to a separate entity, after which there are no legal or formal obligations to pay additional fees. Contributions for pension insurance are recognized as an expense in the income statement as incurred.

Average number of employees	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Total	33	31	24	25
Women	24	19	17	14
Salaries and remuneration:				
Board, CEO and senior executives	6,753,060	6,998,353	6,753,060	6,998,353
Other employees	15,837,180	12,637,798	8,596,679	6,795,104
Total salaries	**22,590,240**	**19,636,151**	**15,349,739**	**13,793,457**
Social security expenses	4,062,210	3,789,161	3,445,289	3,413,810
Pension costs CEO and senior executives	1,376,681	1,335,808	1,376,681	1,335,808
Pension costs, other employees	1,565,222	1,751,962	769,985	964,309
Total social security expenses and pension costs	**7,004,113**	**6,876,931**	**5,591,955**	**5,713,927**
Other personnel costs	1,288,364	2,140,088	1,070,917	2,140,088
Total	**30,882,717**	**28,653,170**	**22,012,611**	**21,647,472**

Remuneration and other benefits for the Board and the Chief Executive Officer

2021	Basic salary/ Board fees	Consul-tant fee	Benefits	Pension costs	Social security expenses	Total
Torben Jörgensen	300,000				30,630	330,630
Mikael Lönn	150,000				15,315	165,315
Kenth Petersson	150,000				47,130	197,130
Charlotta Ljungqvist	150,000				47,130	197,130
Steve Jordan	0	100,000			0	100,000
Fredrik Olsson, CEO	1,455,715		54,864	449,280	474,624	2,434,483
Total	**2,205,715**	**100,000**	**54,864**	**449,280**	**614,829**	**3,424,688**

2020	Basic salary/ Board fees	Consul-tant fee	Benefits	Pension costs	Social security expenses	Total
Torben Jörgensen	150,000				15,315	165,315
Mikael Lönn	175,000				17,868	192,868
Sarah Fredriksson	100,000				31,420	131,420
Kenth Petersson	175,000				54,985	229,985
Peter Hein	50,000				15,710	65,710
Lena Söderström	50,000				15,710	65,710
Lotta Ljungqvist	125,000				39,275	164,275
Håkan Wickholm	50,000				15,710	65,710
Fredrik Olsson, CEO	1,536,570		50,532	449,280	498,667	2,535,049
Total	**2,411,570**		**50,532**	**449,280**	**704,660**	**3,616,042**

In 2021 the Board was composed of 4 men and 1 woman. In 2020 the Board was composed of 3 men and 1 woman.

Guidelines for remuneration of senior executives as resolved at the 2021 Annual General Meeting are presented in the Administration Report on pages 33–35.

NOTE 8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Amortization patents, brands, licenses and customer relationships	-1,694,673	-1,634,780	-677,996	-519,417
Depreciation equipment, tools, fixtures and fittings	-4,076,368	-3,798,604	-918,049	-759,609
Depreciation on leased assets	-3,158,320	-3,038,995	0	0
Total	**-5,771,041**	**-5,433,384**	**-1,596,045**	**-1,279,026**

NOTE 9 OTHER OPERATING EXPENSES

Exchange rate losses amount to SEK -2,219 (-826) thousand and other items total SEK -218 (-2,661) thousand. Other items from the previous year mainly relate to the acquisition of QED Bioscience Inc.

NOTE 10 TAXES

Recognized income taxes include income tax in the US and deferred tax on intra-group profit on inventories. The Group has a deferred tax asset of SEK 1,718 (1,718) thousand arising from the Parent Company, as well as deferred tax on intra-group profit on inventories, which during the year totaled SEK 5,023 (4,455) thousand. The deferred tax asset in the Parent Company as of Dec. 31, 2021, is SEK 1,718 (1,718) thousand, corresponding to a loss carryforward of SEK 8,340 thousand. The carryforward of unused tax losses has no time limit. The Parent Company's unutilized loss carryforward as of Dec. 31, 2021 amounts to SEK 116,469 (142,736) thousand. Deferred tax assets are recognized to the extent that it is likely that future tax surpluses will be available against which the temporary differences can be utilized.

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Profit before tax	24,603,646	2,148,881	26,237,068	18,875,693
Tax at nominal tax rate for the Parent Company	-5,068,351	-459,863	-5,404,836	-4,039,398
Effect of other tax rates for foreign subsidiaries	104,539	936,701	0	0
Effect from non-deductible items	-58,902	-226,281	-11,647	-7,063
Utilization of previously unrecognized loss carryforwards	5,416,483	4,046,461	5,416,483	4,046,461
Tax attributable to previous years	-220,029	0	0	0
Reported effective tax	**173,740**	**4,297,021**	**0**	**0**

The tax rate for Genovis Inc. is 27% and Genovis AB is 20.6%.
See Note 15 for deferred tax assets/tax liabilities.

NOTE 11 EARNINGS PER SHARE

Earnings per share, basic and diluted, are calculated by dividing comprehensive income for the year attributable to the shareholders of the Parent Company by the weighted average number of outstanding shares during the period.

	Group 2021	Group 2020
Comprehensive income for the year, SEK	26,828,406	1,972,742
Weighted average number of outstanding shares	65,465,714	65,089,792
Number of shares at year-end	65,465,714	65,465,714
Earnings per share, basic and diluted, SEK	**0.41**	**0.03**

NOTE 12 – INTANGIBLE ASSETS

Patents and customer relationships	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Opening cost	16,796,841	6,774,483	7,527,349	6,774,483
Acquisition/capitalization	1,052,206	10,022,358	1,052,206	752,863
Foreign currency conversion	967,973	0	0	0
Closing cost	**18,817,020**	**16,796,841**	**8,579,555**	**7,527,349**
Opening accumulated amortization	-4,693,744	-3,556,361	-4,075,778	-3,556,361
Amortization for the year	-1,694,673	-1,137,383	-677,999	-519,417
Foreign currency conversion	-71,601	0	0	0
Closing accumulated amortization	**-6,460,018**	**-4,693,744**	**-4,753,777**	**-4,075,778**
Reversals for the year	0	0	0	0
Carrying amount	**12,357,002**	**12,103,097**	**3,825,778**	**3,218,122**

Goodwill	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Opening cost	4,592,000	0	0	0
Acquisitions	0	4,592,000	0	0
Closing cost	**4,592,000**	**4,592,000**	**0**	**0**
Foreign currency conversion	-473,508	-862,920	0	0
Carrying amount	**4,118,492**	**3,729,080**	**0**	**0**

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

Equipment, tools, fixtures, and fittings	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Opening cost	28,636,077	21,484,865	13,273,135	11,839,644
Purchases	2,183,709	7,547,999	1,587,152	1,433,491
Disposals	-3,257,391	-396,787	0	0
Closing cost	**27,562,395**	**28,636,077**	**14,860,287**	**13,014,083**
Opening accumulated depreciation	-16,139,523	-12,014,764	-7,673,761	-6,914,152
Depreciation on disposals	3,257,391	209,610	0	0
Depreciation for the year	-4,975,789	-4,334,369	-918,049	-759,609
Closing accumulated depreciation	**-17,857,921**	**-16,139,523**	**-8,591,810**	**-7,673,761**
Foreign currency conversion	-100,375	0	0	0
Carrying amount	**9,604,099**	**12,496,554**	**6,268,477**	**5,599,374**

The carrying amount for rights of use is SEK 1,362 (4,085) for the premises and SEK 1,382 (2,672) for other leases.

NOTE 14 PARTICIPATIONS IN GROUP COMPANIES

	Parent Company 2021	Parent Company 2020
Opening cost of acquisition	42,469,962	22,477,863
Purchases	0	19,992,099
Adjustment purchase consideration	-217,571	0
Closing cost	**42,252,391**	**42,469,962**
Opening accumulated impairment losses	-22,377,854	-22,377,854
Closing accumulated impairment losses	**-22,377,854**	**-22,377,854**
Carrying amount	**19,874,528**	**20,092,099**

Name	Registered office	Company reg. no.	Share-holding	Num-ber of shares	Carrying amount
Genovis Inc.	Delaware, USA	5671285	100%	1,000	19,774,528
GeccoDots AB	Malmö	556779-7286	100%	1,000	100,000

NOTE 15 DEFERRED TAX ASSET/LIABILITY

The Group's deferred tax asset at the end of the period was SEK 6,741 (6,173) thousand. The deferred tax receivable is attributable to unused tax loss carryforwards on the Parent Company of SEK 1,718 (1,718) thousand, as well as deferred tax on intra-group profit on inventories of SEK 5,023 (4,455) thousand. Deferred tax assets are recognized in the balance sheet only to the portion of value that can probably be utilized in the foreseeable future. The Group's total tax loss is SEK 116,469 (142,736) million.

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Deferred tax asset				
Tax loss carryforwards in Sweden	1,718,000	1,718,000	1,718,000	1,718,000
Deferred tax Intra-group profit on inventories	5,023,002	4,455,415	0	0
Total deferred tax asset	**6,741,002**	**6,173,415**	**1,718,000**	**1,718,000**
Deferred tax liability				
Deferred tax, surplus values acquisition QED Inc	2,387,387	2,421,023	0	0
Total deferred tax liability	**2,387,387**	**2,421,023**	**0**	**0**

NOTE 16 FINANCIAL INSTRUMENTS IN THE GROUP

	Carrying amount	Fair value
Financial assets		
Accounts receivable	12,003,271	12,003,271
Cash and cash equivalents	81,314,993	81,314,993
Financial liabilities		
Lease liability	2,831,418	2,831,418
Accounts payable	2,537,226	2,537,226

Accounts receivable are entered at the amounts by which they are expected to be paid, after individual assessment As of December 31, 2021, accounts receivables of SEK 2,298,979 (2,329,863) were past due. A write-down of SEK 35,342 was taken. The overdue receivables relate to a few customers who have not previously had payment problems.

Below is an age analysis of these overdue accounts receivable:

	2021	2020
Less than 3 months	2,146,136	2,301,097
3 to 6 months	136,429	28,766
> 6 months	16,414	0
Total overdue	**2,298,979**	**2,329,863**

NOTE 17 OTHER RECEIVABLES

Balance, December 31	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Recoverable VAT	598,364	807,943	598,364	807,943
Tax account	34,985	42,780	34,985	42,780
Other	144,505	0	74,000	0
Total	**777,854**	**850,723**	**707,349**	**850,723**

NOTE 18 PREPAID EXPENSES AND ACCRUED INCOME

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Royalty revenue	120,000	114,000	120,000	114,000
Trade shows/conferences	45,142	100,281	45,142	100,281
License fee sales support system	364,502	114,432	364,502	114,432
Insurance	190,123	286,034	140,722	286,034
Rent	1,100,945	845,213	998,673	845,213
Accrued income license agreements	263,573	422,390	263,573	422,390
Other items	252,755	963,438	336,155	907,347
Total	**2,337,040**	**2,845,788**	**2,268,767**	**2,789,697**

NOTE 19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet and the statement of cash flows consist of deposits in bank accounts.

Balance, December 31	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Bank deposits	81,314,993	44,117,801	77,972,910	38,883,806
Total	**81,314,993**	**44,117,801**	**77,972,910**	**38,883,806**

NOTE 20 SHARES

All shares are issued and fully paid.

Number of issued and fully paid shares	Par value	Shares
As of December 31, 2020	0.25	65,465,714
As of December 31, 2021	**0.25**	**65,465,714**

NOTE 21 LEASE LIABILITIES

Interest-bearing liabilities relate in their entirety to the present value of estimated future lease payments.

	Group 2021	Group 2020
Non-current interest-bearing liabilities		
Maturity between 1 and 5 years	1,123,429	3,317,674
Total	**1,123,429**	**3,317,674**
Current interest-bearing liabilities		
Maturity within 1 year	1,707,989	3,343,819
Total	**1,707,989**	**3,343,819**

NOTE 22 ACCRUED EXPENSES AND DEFERRED INCOME

Royalties relate in part to the acquisition of patent rights for GlycINATOR (EndoS49) and FabALACTICA (IgdE). The patent gives the inventors the right to royalties on Genovis' patent-related sales during the term of the patent. Royalty costs for Xork, SiteClick ™ and Poros™ are also included. Genovis has licenses for SiteClick™ and Poros™ from Life Technologies Corporation. In addition, Genovis has royalty costs for licenses relating to toxin and linker technologies from Glykos Finland Oy. The consultant fee is attributable to Genovis Inc.

Deferred income mainly relates to an upfront payment from license agreement with Selecta Bioscience Inc.

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Accrued payroll-related expenses	4,052,469	3,424,011	3,700,401	3,424,011
Royalty cost	859,641	257,767	859,641	257,767
Consultant fee	610,735	84,785	0	84,785
Board fees	173,368	164,275	173,368	164,275
Deferred income	12,549,012	0	12,162,936	0
Other items	474,112	2,022,398	338,456	993,393
Total	**18,719,337**	**5,953,236**	**17,234,802**	**4,924,231**

NOTE 23 ITEMS NOT AFFECTING CASH FLOW

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Depreciation/Amortization	5,771,041	5,433,384	1,596,045	1,279,026
Total	**5,771,041**	**5,433,384**	**1,596,045**	**1,279,026**

NOTE 24 CHANGE IN WORKING CAPITAL

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Inventories	465,840	-3,918,530	-680,742	742,183
Accounts receivable and other receivables	884,053	-5,292,451	4,139,548	-24,807,077
Accounts payable and other payables	14,405,759	5,383,910	12,102,183	1,034,849
Total	**15,755,652**	**-3,827,071**	**15,560,989**	**-23,030,045**

NOTE 25 RIGHTS ISSUE FOR THE YEAR

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Issue proceeds	0	49,679,994	0	49,679,994
Issue costs	0	-108,076	0	-108,076
Total	**0**	**49,571,918**	**0**	**49,571,918**

NOTE 26 CHANGE IN FINANCIAL LIABILTY FOR THE YEAR

	Group 2021	Group 2020
Opening financial liabilities	6,661,493	4,680,671
Recognized financial liabilities	400,400	5,751,189
Repayment financial liability	-4,230,475	-3,770,367
Closing financial liabilities	**2,831,418**	**6,661,493**

NOTE 27 POST-BALANCE SHEET EVENTS

The war in Ukraine The Company is monitoring developments related to the war in Ukraine, which began in February 2022. Genovis assesses that sales to the markets that are directly involved in the conflict are limited and the impact on revenue as a result of the conflict is therefore marginal in the current situation. The impact of the tense geopolitical situation along with economic sanctions could potentially have an indirect effect on the supply and prices of raw materials used in the business. No such material consequences have been identified at this time, but the external situation may change depending on how the war evolves with respect to both scope and time.

NOTE 28 RISK FACTORS

A number of factors beyond the control of the Company may affect its profits and financial position. The risk factors listed below do not claim to be complete, nor are the risks ranked in order of significance.

OPERATING RISKS

Technology-related risks

The technology is under constant development, which means a risk is present that the technology or various applications of the technology may not work as expected. Furthermore, there is a risk that development could take significantly longer than expected and would therefore generate development expenditure at an accelerating pace. Senior management's strategy has therefore chosen to divide development into smaller stages and milestones and evaluate the outcome of each step before proceeding to the next one.

Market

Genovis is active in a market with a constant flow of new products. A failed or misdirected market launch could entail the loss of anticipated revenues and the company would not achieve its financial targets. Working closely with customers and together with strategic partners and distributors minimizes the risk of a major setback in a market launch.

Covid-19

The Company is continuously monitoring developments related to the coronavirus outbreak and the measures that have been taken have been worked well. Given the current Covid-19 situation, it is uncertain how global measures related to the pandemic will affect the timelines of the Company's projects. The Company has not furloughed staff, nor has it received any government aid. So far, the company has only been affected to a limited extent by the COVID-19 pandemic, but there is always a possibility that some impact may arise in the future.

Competition

Genovis' current competitors are significantly larger, have longer operating histories and are financially stronger than Genovis.

Production-related risk

For some products, Genovis may become dependent on external production capacity, which could affect the timing of the market launch of these products. Genovis strives to reduce production-related risks by continually strengthening its production capacity.

Key personnel

Genovis' operations depend on a few key individuals. The Company's future development depends largely on the ability to attract and retain skilled personnel. The departure of any of these key personnel from Genovis, at least in the short term, would have a negative impact on the Company's ability to reach its planned development targets.

Patents and intellectual property

It is important for the company to protect its technology through patents and other intellectual property rights and thus retain its technological lead. The

company has a patent strategy aimed at protecting the most important parts of the technology. However, it cannot be guaranteed that Genovis will be able to protect the patents and pending patent applications that have been granted. There is also a risk that new technologies will be developed that will circumvent or replace the Company's patents. The Company believes today that its own technology does not infringe upon the intellectual property rights of other companies. Nevertheless, there are no guarantees that the patents granted to the Company will not be considered an infringement of another party's patents or other intellectual property.

Distributors and dealers

Genovis is dependent to some extent on distributors who market the Company's products in their respective markets. To avoid the negative consequences associated with unsuccessful marketing by these distributors, Genovis avoids signing agreements for exclusive sales as far as is possible, which always allows the opportunity to increase its presence when required.

FINANCIAL RISKS

Forecast uncertainty

Although the Life Science field is relatively independent of business cycles, periods of uncertainty can influence our customers' appetite to invest in new technology. Deviations from forecast customer orders and cash flow forecasts could negatively affect the Group's earnings, liquidity, and continued operations. With all development projects proceeding according to plan, Genovis is positioned to make additional advances with respect to both new products and sales.

Currency risk

The majority of the Group's expenses are denominated in SEK. The Group's revenue, however, is largely dependent on other currencies, primarily the USD and the EUR. The calculation below is an assumption of the impact of a 5% percent change in the exchange rate on sales, which the Company experienced in 2021.

Currency estimated exchange rate, 2021	Net volume 2021, SEK 000s	Impact on earnings/ equity in SEK thousand of a 5% currency fluctuation
USD: 8.69	69,140	+/- 3,457
EUR: 10.15	22,795	+/- 1,140

Credit risk

Credit risk entails exposure to losses if a counterparty to a financial instrument cannot meet its commitments. The Company believes that there is no significant credit risk in relation to any particular client or counterparty.

Interest risk

Interest risk refers to the Group's exposure to a change in interest rates. The Company believes that the current situation is not affected by any material interest rate risk.

Liquidity risk

Liquidity risk consists of the risk that the Group cannot obtain funds to meet its obligations. Consolidated cash and cash equivalents including short-term investments at the end of the twelve-month period amounted to SEK 81,315 (44,118) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the conditions change, measures to raise additional capital may be considered. Interest-bearing liabilities to credit institutions are shown below.

Interest-bearing liabilities, SEK 000s	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Lease liabilities				
Maturity date up to 1 year from the balance sheet date.	1,708	3,344	-	-
Maturity date between 1 and 5 years from the balance sheet date	1,123	3,318	-	-

Cash flow risk

Senior management is aware of the importance of minimizing tied-up capital, including in inventory and accounts receivable. In preparation for the anticipated increase in activity in 2022, the Company will take a structured approach to maintain a desirable low level of tied-up capital.

NOTE 29 APPROPRIATION OF PROFITS

The Board of Directors and CEO propose that unrestricted equity be treated as follows:	SEK
Accumulated loss, SEK	-129,741,374
Profit for the year, SEK	26,237,068
Share premium reserve	216,475,893
Comprehensive income	**112,971,587**
Carry forward to new account	112,971,587

The Board of Directors and the Chief Executive Officer ensure that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The Administration Report of the Group and the Parent Company provides a fair overview of the development of the Group's and the Parent Company's operations, position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

The annual accounts and consolidated accounts have been approved for the Board to issue on April 12, 2022. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented for adoption at the Annual General Meeting to be held on May 12, 2022.

Lund April 12, 2022

Torben Jørgensen
Chairman of the Board

Mikael Lönn

Lotta Ljungqvist

Kenth Petersson

Steve Jordan

Fredrik Olsson
Chief Executive Officer

AUDITOR'S SIGNATURE

Our Audit Report was submitted on April 13, 2022

Öhrlings PricewaterhouseCoopers AB

Neda Feher
Authorized public accountant

Auditors' report

To the Annual Meeting of Shareholders of Genovis AB, company reg. no. 556574-5345

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Genovis AB (publ.) for 2021 with the exception of the Corporate Governance Report on pages 32–42. The annual accounts and consolidated accounts of the company are included in this document on pages 24–66.

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 December 31, 2021 and of its financial performance and its 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 December 31, 2021, and of 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. Our opinions do not cover the Corporate Governance Report on pages 32–42. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the statement of comprehensive income and balance sheet for the Parent Company and the Group.

Foundation for opinions

We conducted our audit in compliance 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.

Information other than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and the consolidated financial accounts and can be found on pages 1–23 and 70–71. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion regarding the annual accounts and consolidated accounts does not cover this information, and we make no statement of assurance regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed on this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer are responsible for the assessment of the ability of the Company and the Group to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a 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 Chief Executive Officer intend to liquidate the company, cease operations or have 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 submit 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 mistake, 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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsnämnden (Inspectorate of Auditors) website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

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 Chief Executive Officer of Genovis AB (publ.) for 2021 and the proposed appropriations of the Company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Foundation for opinions
We conducted our audit in compliance 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 Chief Executive Officer
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 Chief Executive Officer 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 Chief Executive Officer 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.

A further description of our responsibility for the audit of the administration is available on the Revisorsnämnden (Inspectorate of Auditors) website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

Malmö April 13, 2022

Öhrlings PricewaterhouseCoopers AB

Neda Feher
Authorized public accountant

Remuneration report 2021 – Genovis AB

Introduction

This report describes how the guidelines for executive remuneration at Genovis AB, adopted by the 2019 Annual General Meeting, were implemented in 2021. The report also provides information on remuneration to the Chief Executive Officer and senior executives. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's *Rules on remuneration to senior executives and on incentive programs*.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 7 on page 55 in the 2021 Annual Report.

Key developments in 2021

The Chief Executive Officer summarizes the Company's overall performance in his statement on page 8 in the 2021 Annual Report.

The company's remuneration guidelines: scope, purpose and deviations

Genovis has a clear strategy to achieve profitable growth and create shareholder value. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer senior executives competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits.

The guidelines are found on pages 33–35 in the 2021 Annual Report. During 2021, the company complied with the applicable remuneration policy adopted by the 2019 general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. No remuneration has been reclaimed.

Table 1 – Total CEO remuneration in 2021 (SEK 000s)

Name of senior executive (position)	Fixed remuneration Base salary*	Other benefits**	Pension costs***	Total remuneration	Proportion of fixed and variable remuneration
Fredrik Olsson (CEO)	1,456	55	449	1,960	100/0

** Including holiday pay of SEK 13 thousand*
*** Car benefit*
**** Pension cost, which relates in its entirety to Base salary and is premium-defined, has been counted entirely as fixed remuneration.*

Share-based remuneration

There are no outstanding share-related or share price-related incentive programs and no variable remuneration has been paid.

Table 2 – Changes in remuneration and the Company's earnings over the past five reported financial years (SEK 000s)

	2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
CEO Remuneration	1,456	-81 (-5.3%)	-23* (-1.5%)	508* (44.3%)	72 (6.7%)	41 (4.0%)
Consolidated operating profit	24,543	-21,403 (-681.6%)	-6,927 (-68.8%)	11,027 (1149%)	6,875 (-87.7%)	6,935 (-47.0%)
Average remuneration based on number of full-time equivalent employees	574	62.9 (10.9%)	-9.7 (-1.7%)	20.9 (3.7%)	64.4 (12.9%)	-49.3 (-9.0%)

** A bonus of SEK 120,000 was paid in 2019*

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