

ANNUAL REPORT 2020



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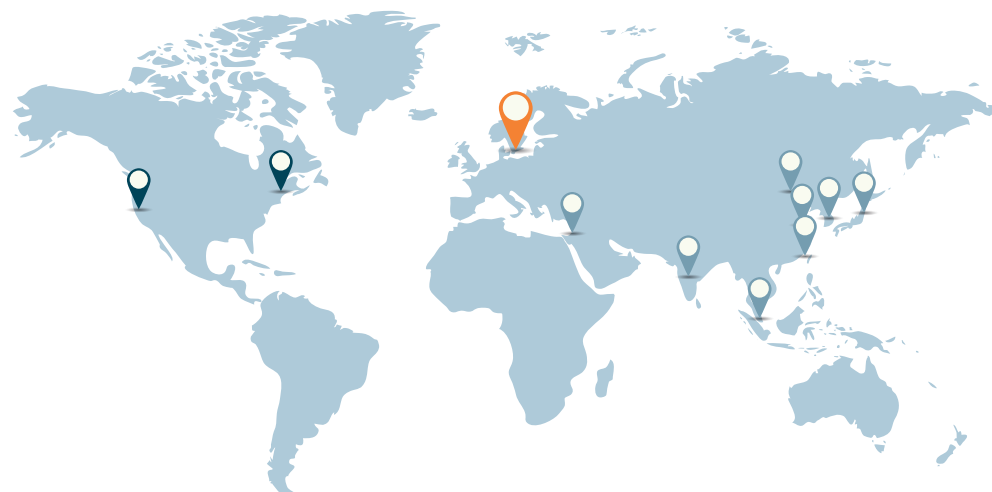
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The Genovis Group 2020

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



Expanded business, product portfolio and organization

Genovis' enzymes are in a market that covers the entire global life science and biotech supply industry. The Company markets a total of 15 enzymes in different product formats under the common SmartEnzymes™ brand, as well as GlyCLICK®, a product for specific labeling of antibodies. The product portfolio was expanded in 2020 through the acquisition of QED Bioscience Inc. and the business now also includes sales and production of antibodies for the research and diagnostics market.

The Parent Company in Lund handles sales and marketing in the European market, as well as development, application & support, production and administration. Genovis Inc. is responsible for the North American market, with a warehouse and logistics center in San Diego. Sales in North America are handled by sales representatives based in Boston and San Diego. In Asia, sales are handled by distributors who have a good understanding of the local market.

Sales

In 2020, sales totaled SEK 61,030 (60,549) thousand. Organic growth, adjusted for bioprocess and acquired sales, rose by 20% compared with the previous year.

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.

Sales increased in all main geographic markets – North America, Europe and Asia – and the percentage increase in sales is broadly distributed across the entire product portfolio. The revenue stream consisted of both new customers and repeat orders from more established customers who have now begun to use protein analysis products from Genovis in different parts of the clinical phases.

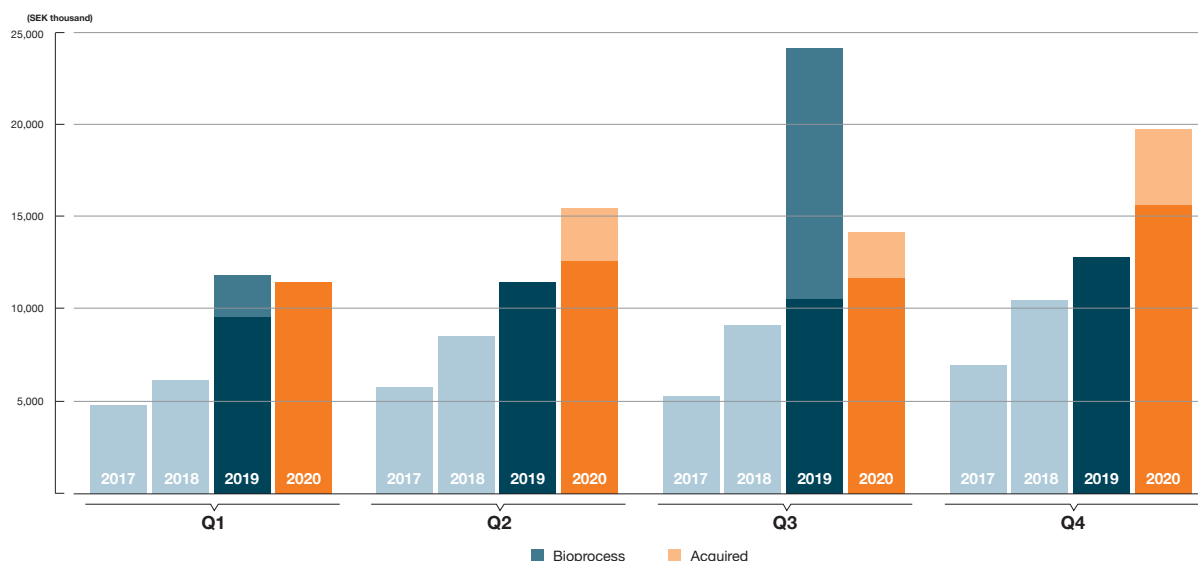
Facilities

During the year, Genovis proactively worked to secure future expansion opportunities with respect to both premises and infrastructure to avoid long-term restrictions on growth. Initiatives include investments in a new class 2 lab that allows a broader selection of microorganisms to be handled, thereby facilitating the continued expansion of our SmartEnzymes™ product portfolio.

Product launches

In 2020, Genovis launched several new enzyme products for analysis of proteins and biological drugs. FabRICATOR® MagIC, which is based on existing

Sales by quarter 2017-2020



enzymes, was launched in a format in which magnetic sorting can speed up the analysis process when using a fully automated analysis system. In addition, two completely new enzymes, GalNAcEXO™ and GalactEXO™, were also launched in multiple formats for analysis within the field of glycomics.

New platform for development of ADC

Genovis AB and Glykos Finland Oy have entered into a licensing and supply agreement for unique toxin and linker technologies to be combined with Genovis' product GlyCLICK®. Genovis can now offer biopharma customers a platform for developing antibody drug conjugates (ADCs), i.e., creating well-defined ADCs from an existing antibody with improved properties.

Employees

The number of employees for the year increased by 10 people and at year-end the Group had 34 employees. With the acquisition of QED Bioscience, the number of employees in the US increased by 8 people, while in Sweden, staff were added to the support and application group. Three additional people work on a consultant basis at Genovis Inc.

Rights issue

In the first quarter Genovis raised SEK 49.6 million for the Company before issue expenses in a rights issue. Issue expenses totaled SEK 108 thousand.

Five Year Summary	2020	2019	2018	2017	2016
Net sales (SEK thousand)	61,030	60,549	34,568	22,867	18,542
Operating income (SEK thousand)	3,140	10,067	-960	-7,835	-14,770
Equity/assets ratio (%)	82	73	69	69	71
Acid test ratio (%)	431	227	243	237	224
Equity (SEK thousand)	87,165	35,621	26,071	18,187	15,545
Equity per share (SEK)	1.34	0.56	0.42	0.31	0.28
Number of employees at year-end	34	24	20	17	14
Dividend per share (SEK)	0	0	0	0	0
Number of shares at year-end	65,465,714	63,100,000	60,294,162	55,294,162	36,862,775

2020 – continued success

I look back at 2020 with pride, given the many challenges we had to deal with as a result of the COVID-19 pandemic. Genovis employees worked intensively to adapt to new conditions in 2020, while maintaining our operational capabilities as best we could. Transitioning to new sales and marketing channels, continued broadening of the product selection and pipeline, as well as more efficient production processes resulted in organic growth of the core business by 20% and generated a positive operating result despite periodic challenges in the market. Developing our agile organization while always prioritizing the customer continue to be key components for the future development of the Company.

Growing business and organization

We are pleased to report growth for the year, with continued expansion of our product portfolio, in which both mature and new products thrive. A broader product offering within strategically important areas such as glycomics, automated analysis and antibody labeling, are important cornerstones for our growth.

During the year we strengthened the organization with the addition of several employees, including through the acquisition of QED Bioscience Inc. in San Diego. The acquisition has enabled us to broaden our offering, creating opportunities to address new areas within research and diagnostics based on antibodies in combination with currently available and forthcoming Genovis products. We see several new business opportunities in the market moving forward and, in order to be able to act on them, we are continually expanding different parts of our organization to facilitate continued growth over time. We have not received any government relief, nor have we furloughed any employees, despite the uncertain situation over the past year. Instead, we have chosen to lean forward and focus our resources on bold initiatives for the future.

Expanded product portfolio and pipeline

A strong focus on our product development projects has culminated in five product launches, two of which are completely new enzymes for analysis within the biopharma industry. During the year we expanded our GlyCLICK® antibody labeling platform with a broader range of markers and at the end of the year we launched GlyCLICK ADC through our collaboration with Glykos. The technology facilitates quick and sim-

plified generation of antibody drug conjugates (ADC) in which Genovis' labeling platform is combined with the latest generation of linker technology from Glykos.

We are actively working to establish more industrial partnerships to further strengthen our product portfolio and broaden our customer offering to the biopharma industry.

During the year we launched FabRICATOR® MagIC within the strategically important field of automation. The product can be used to efficiently analyze many samples simultaneously and has initially been optimized for instruments sold by Thermo Fisher as part of our collaborative project.

In the glycomics market we launched two brand new enzymes, including several product formats. Both GalactEXO™ and GalnacEXO™ are enzymes for glycan analysis of proteins, and we intend to launch more products in this area moving forward. We have maintained good momentum in our development pipeline throughout the year in order to be even better equipped for 2021.

Focus on growth

Moving forward, I see many growth opportunities for Genovis in a strongly growing market. Our customers have a growing need for more products to automate analytical processes in order to streamline and improve workflows. Other focus areas are glycochemistry linked to analysis of biological drugs and new opportunities within antibody labeling technology.

Our efforts to ensure production capacity in both the short term and the long term have continued during the year. In the short term, our capacity has improved internally through measures to streamline production and in combination with skilled subcontractors, we can meet growing demand. In order to meet the anticipated growth in the long term, however, we will need to expand capacity by investing in infrastructure.

During the year we commissioned a new class 2 lab that makes it possible to work with a broader selection of microorganisms as sources for new and improved enzymes. The need for new and better adapted enzymes for biochemical analysis remains strong within the biopharma industries and the research market. We stand by our high aspirations to constantly expand our product portfolio with customer-driven innovation.

In conjunction with the acquisition of QED Bioscience Inc., we carried out a rights issue to raise about SEK 50 million, where part of the proceeds will be invested in both production capacity and infrastructure to avoid restrictions on growth in the long run.

Despite these challenges and the uncertain market situation with clear limitations, including canceled in-person marketing activities and customer meetings, which are key cornerstones in our business, my colleagues at Genovis have done an incredible job this quarter. In the short term, there is still uncertainty about how quickly economies and activities in various geographic markets will recover. But in the long term, I remain confident in our ability to continue on this growth journey with Genovis through customer-driven innovation in close collaboration with our growing customer base.

I would like to close by thanking the Board of Directors and shareholders for a successful year at Genovis. At the same time, I would like to warmly thank my employees, who have done a fantastic job of building value for our customers, which enabled us, despite the challenges in the wake of the COVID-19 pandemic, to make great progress on our growth journey.

Fredrik Olsson
Chief Executive Officer



This is Genovis

Genovis is an international biotech company focused on enzymes and antibodies used in quality testing and research by global pharmaceutical companies. As an integrated company, our extensive capabilities span the entire value chain, from discovery, development and production of enzymes and antibodies, to actively supporting our customers. Our plan is to continue to create a focused portfolio of products for research and development of biological drugs that contribute to new and better treatments for patients.

Genovis enzyme

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 discovered and Genovis intends to continue to deliver solutions to the problems faced by drug developers.

Genovis antibodies

In 2020 Genovis AB acquired all shares in the company QED Bioscience Inc in San Diego and merged the business with Genovis Inc. QED Bioscience specializes in monoclonal and polyclonal antibodies for the research market and has developed and sold products to universities, biotech companies, diagnostics companies and pharmaceutical companies for 25 years. The team in San Diego also offers its experts for development of antibodies as a service and helps customers to develop unique antibodies to small molecules, proteins or peptides.

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 on 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 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 from development is included, along with the Genovis enzymes. During the process, 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 used as tools in research and development of biological drugs, as well as in diagnostic applications in which unique high-quality antibodies facilitate detection of biomarkers.

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 Administration¹. 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 billion¹. 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 development².

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.

- ▶ New biological drugs and advanced formats create a need for reagents for rapid and specific analysis of both proteins and glycans
- ▶ Limited availability of skilled personnel creates growing need for automated analyses of biological drugs to ensure consistency; reduce variation in analysis results due to operator handling
- ▶ Demand for more analyses in less time
- ▶ Increased need for quality analysis earlier in the development of biological drugs

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 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 a substantial amount of time compared with competing technology
- ▶ the technology makes it possible to carry out completely new applications in a new market

Competitors

In the US, Genovis has competition from Promega and its product IdeS Protease, but 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, Prozyme and New England Biolabs, which are among the major players in the market today. From Genovis' perspective, these companies are not just competitors – several could be excellent partners for continued commercialization of Genovis' products.

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) Kapton, H. et al., 2020. Antibodies to watch in 2020. *mAbs*, 12(1), p. 1703531.

Organization Genovis AB

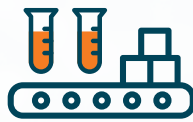
Genovis is an innovative and knowledge-based company. Meeting customer needs for unique enzymes and products that solve their challenges and problems requires expertise, dedication and creativity. Genovis has gradually strengthened its organization, especially in applications development & support, as well as in sales & business development, in order to take advantage of opportunities that arise in cooperation with customers. During the year, the organization of the US subsidiary, Genovis Inc., in particular grew because of Genovis' acquisition of QED Bioscience Inc.



RESEARCH & DEVELOPMENT

R&D primarily identifies and develops new enzymes for analysis, characterization and/or production of biopharmaceuticals. Input for new enzymes and products is achieved by continuously monitoring new research, in collaboration with universities and research groups, as well as feedback regarding customer needs through the Genovis support service and its sales staff.

Number of employees: 3
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

The application group focuses on developing new products and learning more about existing products. The new products are adapted by making them user-friendly and robust for the market, while "application notes" describe how the product can be used.

Genovis provides support through LiveChat and its website. High-quality support is an important tool for strengthening customer relationships, providing insight into and increasing knowledge of their needs.

Number of employees: 7
Responsible: VP, Application Development & Support



25

Employees in numbers as of
December 31, 2020:
Number of employees: 25 (22)



SALES & BUSINESS DEVELOPMENT

The sales team must possess extensive technical expertise in order to be able to offer the right knowledge, the right product and professional support to customers. The aspiration is to work as closely to our customers as possible, for which reason Genovis has dedicated sales teams in its priority markets in Europe and the US. In Asia, Genovis works with distributors who have a good understanding of the local market. In response to the restrictions related to COVID-19, Genovis has strengthened and invested in digital sales and marketing systems to streamline sales activities and business opportunities.

Number of employees: 6
Responsible: VP, Sales & Business Development



CENTRAL FUNCTIONS

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

Number of employees: 3
Responsible: CEO



Organization Genovis Inc.

During the year, the US subsidiary Genovis Inc. grew as a result of Genovis' acquisition of QED Bioscience Inc., a company that is unique in antibody development for diagnostic reagents, as well as products for development and production of biological drugs. As a result of the acquisition Genovis strengthened its presence in the US with a large product portfolio of antibodies and a customer base with the potential to generate more business, including in combination with Genovis' existing products.

Genovis' collaboration with QED

In 2009, Genovis AB entered into a distribution agreement with QED for the sale and marketing of the enzyme portfolio in the US, and the relationship continued until 2014, when Genovis shifted to direct sales of its products in the US through the wholly owned

subsidiary, Genovis Inc. QED continued to provide services to Genovis Inc., including maintaining an inventory of Genovis' enzyme products and delivering orders to US customers. QED's professional relationship with the Genovis team grew stronger and culminated with Genovis' acquisition of QED in April 2020.

Management team Genovis Inc.



John Lindsay, President

John Lindsay began at Genovis in 2014 with the task of building a sales organization for the North American market. Previously, he worked at Millipore Corporation as executive vice president and business area manager of several divisions within the

company. In 2000, John founded SciPartners, with the objective of building a platform for development of early European companies and brands in North America. With a focus on the Life Science market, over the past 21 years John has successfully built up a sales and marketing process that has led to rapid growth and increased revenue for many companies. The most recent acquisitions of Proxeon (Thermo Fisher) and Halo Genomics (Agilent) demonstrate John's ability to lift companies to the next level.



Dr. Eileen Skaletsky, Vice President, QED Bioscience division

Dr. Skaletsky has a B.S. in bacteriology from the University of Wisconsin, Madison, and a PhD in immunology from Syracuse University. She was one of the founders of QED Bioscience Inc. and has worked

at the company since its inception in 1995. She began her career in biotechnology in 1985 as assistant director of cell biology at Synbiotics, Corp., an animal health company, where she was responsible for formulating and implementing strategies to develop monoclonal antibodies for the company's diagnostic products; the department was later transferred to a subsidiary of Synbiotics, Corp. (ImmunoPharmaceuticals, Inc.) where she was responsible for development of biologically functional monoclonal antibodies used in the design of small molecule drugs.

“Through the acquisition of QED Bioscience Inc. we will create new opportunities for a broader customer offer together with current and future products. Quality products combined with a strong customer focus and scientific expertise will lay the foundation for our work in 2021 and beyond”, said John Lindsay, President Genovis Inc.



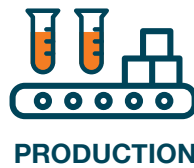
With the acquisition of QED, Genovis Inc. is now also a full-service provider of antibody products for research and diagnostics, as well as custom antibody services to academia and industry. R&D identifies and produces new antibodies for production of products such as biological drugs and diagnostic kits. Input for new antibodies is obtained by continuously monitoring new research, in collaboration with universities and research groups, as well as feedback regarding customer needs.

Number of employees: 3
Responsible: Eileen Skaletsky,
VP, QED Bioscience division



For Genovis Inc. it is crucial to provide a high level of service. Customers appreciate the ability to place an order late in the day and have it delivered early the next morning. When Genovis is registered as a new supplier to a customer, documentation and transactional support are provided to facilitate customers' internal processes, historical order tracking and the introduction of new products that can improve existing methodology. Customers can open communication lines with Genovis in many different ways, and the Company's websites make it easy to print protocols and application documents, as well as to search for data.

Number of employees: 3
Responsible: Carol Roe, Sales Manager



The company produces both antibodies in the form of reagents for analytical and diagnostic applications, and production of made-to-order customer-specific antibodies. QED has established itself as a leading producer of antibodies for the research and diagnostics market since its inception in San Diego, California more than 25 years ago, which is of great value to Genovis. Currently, the product portfolio consists of over 2,000 antibodies, most of which are proprietary. Customers are global and can be found in the biotech and pharmaceutical industries, as well as in academia.

Number of employees: 2
Responsible: Responsible: Mary
Sumner, Director Manufacturing &
Contract Services



The central functions are managed from Genovis AB, where the CEO, CFO and General Counsel have centralized responsibility for ensuring that administration of the business complies with the adopted strategies and budget. Daily work is carried out in close cooperation with John Lindsay, President of Genovis Inc., and is divided into operational management, financial administration, controls and analyses, as well as handling of legal issues.



All marketing and business development is based at the organization in Sweden in close cooperation with John Lindsay, who has ultimate responsibility at Genovis Inc. Working as closely as possible to the customer is of paramount importance, for which reason Genovis has a dedicated on-site sales team in the US with locations on both the East and West coasts. Customers can use the company's live chat and email request services for ideas, advice and troubleshooting.

Most importantly, customers can receive advice not only about what protocols work, but what could work if they are tailored to their unique projects. Customers also know that there is a reliable partner to help troubleshoot an experiment that may not work despite using the best antibody source or enzyme.

Number of employees: 4
Responsible: John Lindsay,
President Genovis Inc.

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 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 were 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 at 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.

Products

Genovis offers 15 enzymes in various product formats that can be divided into proteases and glycosidases, as well as technology for labeling antibodies. All products can be ordered from a standard range and are available in Europe, the US and through distributors in Asia. The choice of enzyme and format depends on customer needs and analytical method, as well as the quantity of the sample to be processed.

Proteases

Genovis' proteases compete in an approximately USD 120 million market³, spanning the entire life science and biotech supply industry. Proteases are a group of enzymes that catalyze the breakdown of proteins into smaller fragments by cleaving the bonds between amino acids in proteins. Genovis' enzymes are specific and are used as tools in areas such as research and development of antibodies and other biological drugs.

FabRICATOR[®] is a unique enzyme that cleaves an antibody into two parts: a F(ab')₂ fragment and an Fc fragment, with extremely high precision.

FabRICATOR^{®Z} differs from FabRICATOR in that the enzyme also cleaves a certain type of antibody from mice.

FabULOUS[™] is an enzyme that cleaves an antibody into three parts. The product is a complement to FabRICATOR.

GingisKHAN[®] is an enzyme that cleaves human antibodies into three parts. The product complements FabRICATOR and FabULOUS, but can also be used in studies of the different parts of the antibody separately, which makes it unique for its kind.

GingisREX[®] differs from the other enzymes in the product portfolio since the enzyme cleaves proteins in general.

FabALACTICA[®] is an enzyme with specific activity affecting human IgG1 antibodies. Unlike other similar enzymes on the market, FabALACTICA does not require additives, thereby simplifying analysis and interpretation of data.

Glycosidases

Glycosidases are a group of enzymes that cleave off sugar structures by hydrolyzing glycosidic bonds. The global market for glycosidases and the field of glycomics amounts to about USD 380 million³. Genovis has glycosidase both for antibodies and O-glycans and the enzymes can be used to either analyze or to remove sugar structures on the biological drug.

GlycINATOR[®] an enzyme that specifically hydrolyzes all sugar structures on antibodies. The enzyme is also included in the first step of the GlyCLICK[®] technology.

IgGZERO[®] is an enzyme that specifically cleaves sugar molecules that are naturally occur on antibodies, but differs from GlycINATOR because it leaves certain sugar structures untouched.

SialEXO[®] is a sialidase that has broad activity and is superior to currently available enzymes in the market.

GalactEXO[®] is a new beta-galactosidase for hydrolyzes sugar structures on proteins and is used in the characterization of glycoproteins.

GalNAcEXO[®] is a new enzyme in the class of exoglycosidases and is used to study a sugar structure known as Tn antigen.

Enzyme for analysis of O-glycans

New biological drugs are complex and often composed of different parts of existing proteins. It is common for O-glycosylation to occur, which is particularly challenging to analyze due to the lack of good enzymatic tools that are able to cleave and process the samples. Consequently, Genovis launched a portfolio of enzymes with properties that make it possible to analyze O-glycans in biological drugs.

OperATOR[®] is a unique protease that cleaves proteins where there are O-glycans.

OglyZOR[®] is a glycosidase that effectively hydrolyzes O-glycans.

GlycOCATCH[®] is a tool for fast, simple and specific purification of O-glycosylated proteins and peptides.

3. MarketsAndMarkets 2015.

Antibody labeling

Genovis offers a platform for labeling antibodies, GlyCLICK®. 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%. GlyCLICK enables controlled and quantitative conjugation of antibodies with markers for use in both preclinical research and in method development of medical imaging and analysis, as well as for clinical preparation of “antibody-drug conjugates” (ADCs). GlyCLICK is compatible with a large range of markers that are either commercially available or produced by the customer. This flexibility makes the product suitable for applications in both current and future medical and biotechnology research.

GlyCLICK® is a unique technology for specific labeling of antibodies through enzymatic means.

Antibodies for research

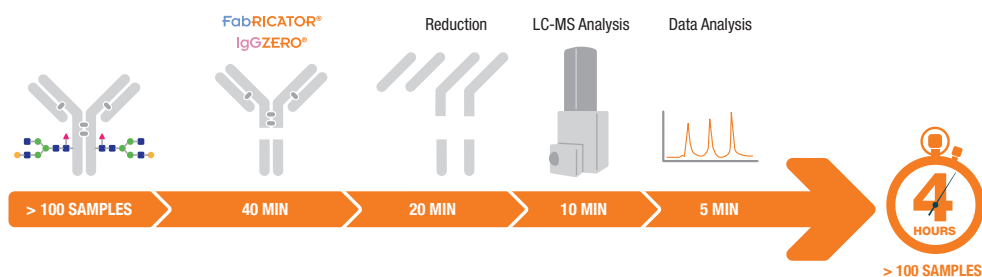
With the acquisition of QED Bioscience, Genovis now offers a broad portfolio of thousands of antibodies and other reagents used in basic research at universities and in drug development at biotechnology and pharmaceutical companies, and also as components in diagnostic applications.

Antibodies Genovis Inc. offers a portfolio of thousands of antibodies that are sold worldwide. Many of the antibodies are unique and developed by the team in San Diego.

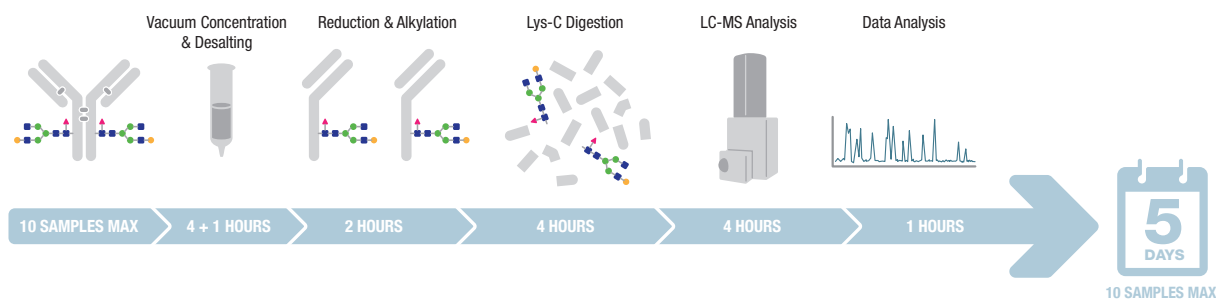
Antibody service the collective expertise of the San Diego team is offered as a service in which unique antibodies and reagents can be developed on behalf of the customer.

Reagents Genovis Inc. offers a portfolio of laboratory reagents to detect antibody responses to bacteria or viruses.

Genovis SmartEnzymes



Old Enzyme Technology



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.

Targets 2021-2022

Financial targets

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

Operational goals

- ▶ At least three product launches annually.
- ▶ Establish sale 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 trademarks

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
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					●	●	

License

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

FabRICATOR, IgGZERO, GlycINATOR, GingisKHAN, GingisREX, GlyCLICK, FabALACTICA, GlycOCATCH, OperATOR, OglyZOR, SialEXO, GalactEXO, GalnacEXO and FucosEXO are registered trademarks.

Administration Report

OPERATIONS AND STRUCTURE

Genovis develops, produces and markets enzymes in different product formats under the common trademark SmartEnzymes™, as well as GlyCLICK®, a product for specific labeling of antibodies. In 2020 the Group expanded its product portfolio in part through new enzymes and in part through the acquisition of the US company QED Bioscience Inc., which merged with Genovis Inc. In addition to marketing and sales of Genovis' enzymes, Genovis Inc. now has a wide range of monoclonal and polyclonal antibodies for use in research and diagnostics.

Through collaboration with Glykos Finland Oy and the license and supply agreement for novel toxin and linker technologies that was signed in December 2020, Genovis launched the GlyCLICK® ADC kit, a new platform for ADC. The acquisition of QED, with a broad range of antibodies, now makes it possible to also offer labeled antibodies.

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. 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. The organization consists of Genovis AB and the wholly owned subsidiaries, Genovis Inc. and GeccoDots AB*. Genovis Inc. handles all sales and marketing of the enzyme products in the North American market. In addition, through the merger with QED, Genovis Inc. 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, as well as for global operations. Genovis AB handles all administration for the Group.

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

FINANCIAL OVERVIEW

Revenue

Consolidated net sales rose to SEK 61,030 (60,549) thousand, an increase in sales of 0.8%. Organic growth, adjusted for currency effects, bioprocess and acquired sales, rose by 19.6%. Other operating income for the full year was SEK 1,772 (53) thousand, of which SEK 1,465 thousand relates to exchange rate gains and SEK 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 9,553 thousand to a loss of SEK 62,506 (loss: 52,953) thousand. Operating expenses include raw materials and consumables SEK 6,276 (6,832) thousand, personnel costs, which increased by SEK 6,572 thousand to SEK 28,653 (22,081) thousand as a result of new employees hired and staff added through the acquisition of QED Bioscience Inc. Other external expenses totaled SEK 18,657 (16,996) thousand. Other operating costs totaled SEK 3,487 (3,547) thousand, mainly attributable to non-recurring expenses related to acquisitions and restructuring.

Depreciation and amortization for the full year increased by SEK 1,936 thousand to SEK 5,433 (3,497) thousand.

Operating profit/loss before depreciation and amortization (EBITDA)

Operating profit before depreciation and amortization totaled SEK 8,573 (13,563) thousand. In 2020, non-recurring expenses had a negative impact on earnings, including SEK 2.6 million associated with the acquisition of QED Bioscience Inc.

Operating profit/loss (EBIT)

Operating profit after depreciation and amortization totaled SEK 3,140 (10,066) thousand.

Comprehensive income

Comprehensive income for the year totaled SEK 1,973 (9,549) thousand. Comprehensive earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK 0.03 (0.15). Earnings per share is calculated by dividing comprehensive income by the weighted average number of shares during the year.

Net financial items

Net financial items amounted to SEK -991 (-399) thousand.

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 4,455 (0) thousand. Deferred tax at the end of the full year was SEK 6,173 (1,718) thousand. The deferred tax asset in the Parent Company corresponded to a loss carryforward of about SEK 8 million. It is the Board's assessment 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 143 (162) million.

Investments

The Group's net capital expenditure for the full year totaled SEK 20,431 (5,154) of which SEK 1,433 (4,179) thousand is attributable to property, plant, and equipment, primarily laboratory equipment and computers, and SEK 18,998 (975) thousand relates to the acquisition of the US company QED Bioscience Inc., of which SEK 16,015 thousand relates to goodwill and intangible assets in customer relationships that arose in conjunction with the acquisition. For more information please see note 15.

Cash flow and financial position

Consolidated cash flow for the full year totaled SEK 29,126 (5,411) thousand. Cash flow from financing activities totaled SEK 45,802 (-2,560) thousand.

Consolidated cash and cash equivalents amounted to SEK 44,118 (14,992) 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

87,165 (35,620) thousand after taking the result for the period into account. In the first quarter, Genovis raised SEK 49.5 million after issue expenses of SEK 108 thousand for the Company in a rights issue. 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 1.34 (0.56). The Group's equity ratio at the end of the period was 82% (73).

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	3,318
Current lease liabilities	
Maturity within 1 year	3,344

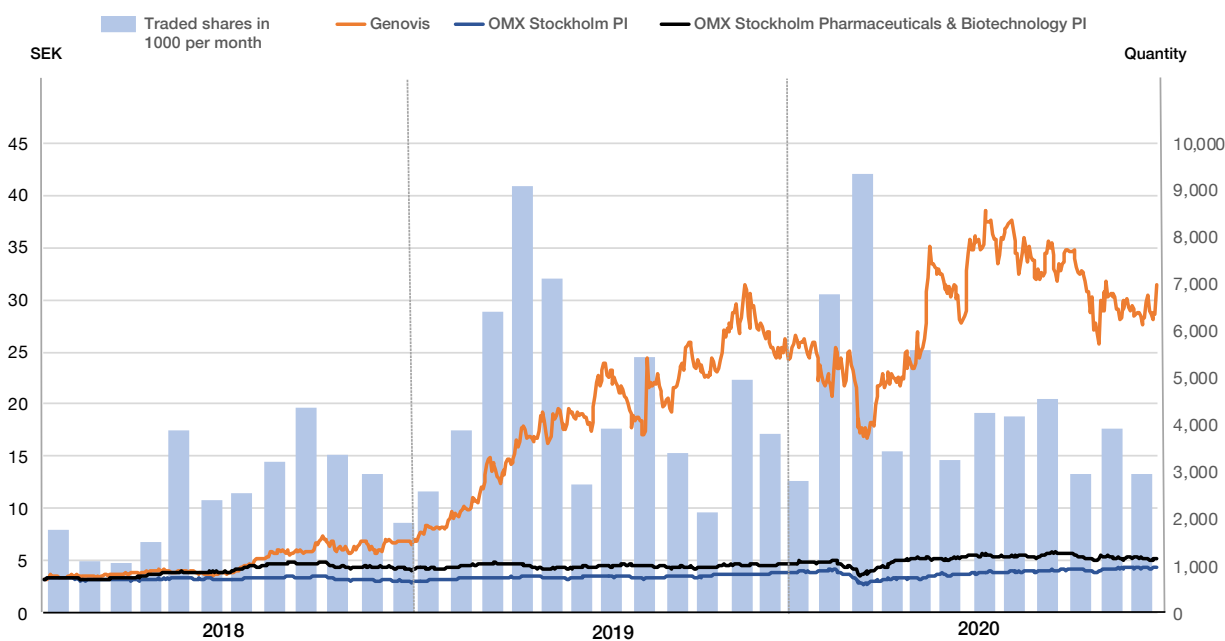
THE SHARE AND SHARE CAPITAL

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 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 the Company's 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 26% over the course of the year. On December 31, 2020, the share price was SEK 31.5, compared with SEK 25 the previous year, and the market value was SEK 2,062 million.

Genovis share performance and turnover 2018–2020



Certified Advisor

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

Share capital

Share capital is attributable to Parent Company shareholders and as of December 31, 2020 totaled SEK 16,366,428, consisting of 65,465,714 shares with a par value in 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 2020 Genovis purchased analyses from Redeye AB, and also purchased services from BioStock, a news and analysis agency that presents listed Nordic life science companies.

Shareholder information

Financial information about Genovis is available on the Company's website and can be ordered from the Company.

URL: www.genovis.com

Email: info@genovis.com

Phone: +46 (0)46-10 12 30

Shareholding by size December 31, 2020

Holdings	Number of shareholders	Number of shares	Holdings (%)	Market value (SEK thousand)
1 - 5,000	6,726	5,334,072	8.15	168,023
5,001 - 20,000	558	5,657,275	8.64	178,204
20,001 - 100,000	205	8,046,144	12.29	253,454
100,001 - 500,000	47	10,508,166	16.05	331,007
500,001 -	18	35,920,057	54.87	1,131,482
Total	7,554	65,465,714	100	2,062,170

Source: Euroclear Sweden AB

The largest shareholders as of December 31, 2020

Name	Number of shares	Votes (%)
MIKAEL LÖNN	9,990,653	15.26
FÖRSÄKRINGSAKTIEBOLAGET AVANZA PENSION	6,228,558	9.51
TIN NY TEKNIK	2,821,296	4.31
GOLDMAN SACHS INTERNATIONAL LTD, W8IMY	2,352,456	3.59
SECOND AP FUND	1,938,095	2.96
OTHER	42,134,656	64.37
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 dividends on cash and cash equivalents
- the company's equity/assets ratio target

The Board of Directors proposes that no dividend be distributed for 2020. 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 that are marketed under a common brand, SmartEnzymes™. The Company currently has 15 different enzymes for use in the development and analysis of biopharmaceuticals, as well as GlyCLICK®, a product for specific labeling of antibodies. As a result of the acquisition of QED Bioscience, Group's product portfolio expanded to include antibodies used in research and diagnostics. In 2020, FabRICATOR® MagIC, GalactEXO™, GalnacEXO™ and GlyCLICK® ADC were launched, spanning all of the Company's prioritized areas of application: protein

and glycan analysis, as well as labeling of antibodies. All products provide faster analyses with higher quality than competing products can offer. The products can be ordered from a standard product line or as customized products.

GlyCLICK® is a registered trademark. The product is a kit consisting of GlycINATOR® and Life Technologies' SiteClick™ technology. Life Technologies is a wholly owned subsidiary of Thermo Fisher Scientific Inc. The SiteClick™ brand belongs to Life Technologies Corporation.

EVENTS DURING THE YEAR

Acquisitions

Genovis acquired all shares in the privately held company QED Bioscience Inc. (QED), based in San Diego, California, in the US. The total purchase price was SEK 18,164 thousand. The total cost of the acquisition including transaction costs was SEK 20 million.

Issue

In the year Genovis raised SEK 49.6 million for the Company before issue expenses in a rights issue. Issue expenses totaled SEK 108 thousand.

Agreements

Genovis AB and Glykos Finland Oy have entered into a licensing and supply agreement for unique toxin and linker technologies to be combined with GlyCLICK®, a specific marking technology for antibodies from Genovis. Genovis can now offer biopharma customers a platform for developing antibody drug conjugates (ADCs), i.e., creating well-defined ADCs from an existing antibody with improved properties.

Product launches

Genovis continued to expand the product portfolio, launching several new enzyme products for analysis of proteins and biological drugs in 2020. FabRICATOR®MagIC, which is based on FabRICATOR was launched in a format where magnetic sorting is used to speed up the analysis process in fully automated analysis systems. In addition, two completely new enzymes, GalNAcEXO™ and GalactEXO™, were also launched in multiple formats for analysis within the field of glycomics. At the end of the year, the product offering was expanded within antibody labeling through the launch of GlyCLICK® ADC.

Employees

The number of employees in the Group grew with 10 people added through the acquisition the US and new hires in Sweden. In Sweden, the application group, which is responsible for global support, was strengthened.

Facilities

Genovis proactively worked to secure future expansion opportunities with respect to both premises and infrastructure to avoid long-term restrictions on growth. Initiatives include investments in a new class 2 lab.

INNOVATION AND PRODUCT DEVELOPMENT

Product development is important to strengthen the customer offering and thereby ensure future organic growth. By launching new products and new formats of existing enzymes, Genovis strives to deliver high-quality products and provide services that are of great benefit to the customer. Product development occurs through close collaboration involving the various functions within the Company to achieve an efficient product development process with subsequent product launch. In 2020, Genovis has had a strong focus on product development and increased capacity in this aspect of the business. The facilities were been expanded with more culture laboratories to allow cultivation of bacteria other than those currently used, which will

broaden the Company's ability to identify and develop new SmartEnzymes™. Moreover, investments have been made, such as enzyme production optimization screening systems that will be deployed in 2021, facilitating faster progress in the development of suitable candidates. In 2021 Genovis will continue to work on launching new products for current and new markets.

Over the past year, resources were also dedicated to scaling up and streamlining production processes to improve yields and thereby meet the need for increased volumes for the growing product portfolio in the coming years.

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 act in an ethical manner.

Number of employees

On Dec. 31, 2020, the Group had 34 employees, compared with the same period in 2019, when the Group had 24 employees. In all, 25 people was employed by the Parent Company in Lund and nine employees work for the subsidiary Genovis Inc. in the US.

REMUNERATION OF SENIOR EXECUTIVES

The following guidelines were adopted by the 2020 Annual General Meeting and are applicable until the 2024 AGM, provided that no changes are proposed. The Chief Executive Officer is the only senior executive.

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.

The guidelines' promotion of 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 and retain qualified personnel. 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

The Genovis Group's 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 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 per cent 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. Any resolution 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 remuneration 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 execu-

tives. 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 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 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 the senior executives, the application of the guidelines for senior executive remuneration, as well as the current remuneration structures and compensation levels in the company. The Chief Executive Officer and other members of the senior executives 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.

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 were reported with respect to applicable environmental legislation in 2020.

PARENT COMPANY

Net sales and operating profit/loss 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	2020	2019	2018	2017	2016
Net sales (SEK thousand)	61,182	50,861	27,253	18,182	14,196
Operating income (SEK thousand)	19,561	9,219	-1,701	-8,240	-15,180
Equity/assets ratio (%)	92	82	82	77	73
Acid test ratio (%)	845	308	352	248	233
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 excluding inventory 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 existing 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. Genovis has an insurance program that covers the Company's intellectual property rights.

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 the 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 2020.

Currency estimated exchange rate, 2020	Net volume 2020, SEK 000s	Impact on earnings/equity in SEK 000s with a 5% currency fluctuation
USD: 9.11	47,808	+/- 2,390
EUR: 10.49	18,430	+/- 921

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 profit before tax for 2020.

Change in profit/loss before tax		SEK 000s
Price change	+/- 3%	1,831
Cost of goods sold	+/- 3%	188
Payroll expenses	+/- 3%	859
Interest	+/- 2%	133

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, 2020, consolidated shareholders' equity was SEK 87,165 (35,621) thousand and Genovis AB's shareholders' equity was SEK 103,101 (34,653) 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 44,118 (14,992) 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 relating to lease liabilities are shown below.

Maturity analysis

Interest-bearing liabilities, SEK 000s	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Maturity date up to 1 year from the balance sheet date	3,344	2,547	-	-
Maturity date between 1 and 5 years from the balance sheet date	3,318	2,134	-	-

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

No significant events occurred after the close of the financial year.

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. Taken together, 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 29 concerning risk factors.

Corporate Governance Report

INTRODUCTION

The Group consists of Genovis AB and the wholly owned subsidiaries, Genovis Inc. and GeccoDots AB*. The Group had 34 employees on December 31, 2020.

Nine people were employed in the US, and 25 in Sweden who are responsible for centrally coordinating functions in marketing & sales, business and administration.

EXTERNAL AND INTERNAL REGULATION

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 2020, Genovis had 7,554 shareholders according to Euroclear Sweden AB. Share capital at year-end was SEK 16,366,428 and the total number of shares was 65,465,714. Genovis' market capitalization amounted to

SEK 2,062 million at December 31, 2020. The Company's largest shareholder is Mikael Lönn, who represents 15.26 percent of the total number of shares and votes in the company. Genovis' shareholder structure, share performance, etc., are presented on pages 18-19.

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 tasks of the General Meeting also include adopting the Company's balance sheets and income statements, deciding on the allocations of earnings in the Company and deciding on discharging 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.

2020 Annual General Meeting

The Annual General Meeting for Genovis was held on May 5, 2020, in Lund where 31.6 percent of the number of shares and voting rights were represented. The CEO and members of the Board was not present at the AGM.

Kenth Petersson, Mikael Lönn and Lotta Ljungqvist were re-elected for a one-year term up until the close of the following AGM. Torben Jørgensen was elected to be a Board member and also serve as Chairman of the Board.

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 four 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.
- The AGM approved the Board's proposed guidelines for remuneration to the Chief Executive Officer and other senior executives.

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

- A Nomination Committee will be formed with the four largest shareholders as of September 30, 2020.
- The AGM decided on the authorization to issue shares with or without preferential rights for existing shareholders. As a result of this resolution, share capital could increase by a maximum of SEK 1,635,000 through the issuance of a maximum of 6,500,000 new shares.

2021 Annual General Meeting

The Annual General Meeting will be held on Tuesday, May 20, 2021. In view of the COVID-19 pandemic, the Board of Directors has decided that the Annual General Meeting shall be conducted without the physical presence of shareholders, representatives and third parties, and that shareholders shall only be entitled to exercise their voting rights by postal voting before the Meeting. Information on the resolutions passed at the Annual General Meeting will be disclosed on May 20, 2021, as soon as the outcome of the postal voting has been finally confirmed. The Company shall provide forms for voting.

NOMINATION COMMITTEE

The Nomination Committee conducts an evaluation of the Board and its work. As a basis for its proposals for the 2021 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 prior to the 2021 Annual General Meeting:

Mikael Lönn (Chairman)

TIN Fonder
represented by Erik Sprinchorn, portfolio manager

The Second AP Fund
represented by Johan Sjöström, portfolio manager

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

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 2020 Annual General Meeting resolved that the Nomination Committee for the 2021 AGM will consist of representatives of the four largest shareholders as of September 30, 2020. 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 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 2021 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 auditing assignments in 2020 amounted to SEK 295 (305) thousand and fees for other assignments totaled SEK 190 (72) thousand. Please see note 5 for additional information.

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 year.

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 objectives. 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 and financial objectives.

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



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 Micropos AB and Advanced Instruments Inc.

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, corporate management and the Company's major shareholders.

Holdings in Genovis: 88,000

Mikael Lönn (b. 1949)

Member of the board since: 2014

Education: MD, B.A.

Other directorships and positions: Board member of LOX Container Technology AB, PRIMA Barn- och Vuxenpsykiatri Holding AB, PRIMA Barn- och Vuxenpsykiatri Stockholm AB, Dixel AB, Redeye AB/Redhold AB, Mikael Lönn AB, Professionell ägarstyrning i Sverige AB, Professionell ägarstyrning PÅAB 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 of 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 from large county and municipal-owned organizations.

Independence: Independent in relation to corporate management and the Company's major shareholders, but not in relation to the Company.

Holdings in Genovis: 9,990,653 shares

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 four members since the Annual General Meeting on May 5, 2020. In 2020 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 six 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. Board member of Alligator Bioscience 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, corporate management and the Company's major shareholders.

Holdings in Genovis: 49,998 shares.

Lotta Ljungqvist (b. 1961)

Member of the board since: 2019

Education: PhD Biochemistry

Other directorships and positions: Board member of Vinnova, SciLifeLab, SwedenBio and Atlas Antibodies AB, as well as VD Testa Center. **Relevant work experience:** Works as CEO of Testa Center, Cytiva in Uppsala. She was previously CEO of IMED AB and global head of BioProcess R&D at GEHC Life Science. She has also held several executive positions at Pharmacia Corp & Pharmacia & Upjohn.

Independence: Independent in relation to the Company, corporate management and the Company's major shareholders.

Holdings in Genovis: 5,160 shares

MANAGEMENT TEAM

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 CFO 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

Johnny Humaloja (b. 1966)
Chief Financial Officer

Education: BSc in economics, MBA, Lund University

Employed since: 2019

Johnny has over 25 years of experience in financial control and management, primarily in global life science companies. He has previously worked as chief financial officer in both commercial and manufacturing companies at Biogen, and he has also held the position of Nordic Controller at Boston Scientific and Zambon Pharma.

Holdings in Genovis: None

Susanne Ahlberg (b. 1957)
General Counsel

Education: LL.M., Lund University

Employed since: 2007

Susanne has experience from both startup and mature companies. She has worked in corporate finance and in management positions at public listed companies, and has extensive experience in every aspect of commercial law, as well as intellectual property.

Board directorships: Board member of GeccoDots AB

Holdings in Genovis: 38,975 shares

In addition to the Chief Executive Officer, senior management includes six people:

- Vice President, Research and Development
- Vice President, Application Development & Support
- Vice President, Production
- Vice President, Sales and Business Development
- General Counsel
- CFO

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: None

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

Education: M.Sc., PhD, Faculty of Engineering, Lund University
Employed since: 2016
 Helén has more than 20 years of experience working with proteins in the pharmaceutical and biotech industries. She extensive experience working with development projects in preclinical and clinical trials for production and analysis of drug candidates, including work and documentation in compliance with quality systems.
Holdings in Genovis: None

**Rolf Lood (b. 1984)
VP Research & Development**

Education: PhD, 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

**Jonathan Sjögren (b. 1985)
VP, Sales and Business Development**

Education: M.Sc., PhD, Lund University
Employed since: 2014
 Jonathan is a specialist in enzymes that modify antibodies and holds a PhD from Lund University. He has 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: None

GENOVIS

Fluorescence
2 x Fd
~25 kD

2 x LC
~25 kD

Fcγ2
~25 kD

HTCPYCPAPELGG + GPSVF
(Genovis® average 20)

- 30 min at 37°C
- pH 5.5 – 8.0
- Physiological buffers
- Platform method



Proposed appropriation of profits

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

Proposed appropriation of profit or loss

The following funds are at the disposal of the Annual General Meeting:	(SEK)
Accumulated loss	-148,617,066
Profit/loss for the year	18,875,692
Share premium reserve	216,475,893
Comprehensive income	86,734,519
Carry forward to new account	86,734,519

The Board of Directors proposes that no dividend be paid for the 2020 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 20, 2021.

STATEMENT OF COMPREHENSIVE INCOME

(SEK)	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Net sales	2	61,029,721	60,549,141	61,181,961	50,861,461
Change in inventory, finished goods		2,844,053	2,417,009	-1,094,114	2,417,009
Other operating income	3	1,772,495	53,063	1,772,259	53,063
Raw materials and consumables		-6,275,967	-6,831,447	-3,878,228	-7,309,236
Other external costs	4,5,6	-18,656,591	-16,995,430	-14,169,789	-12,741,875
Personnel costs	7	-28,653,170	-22,080,925	-21,647,472	-19,601,733
Depreciation, amortization and impairment of plant, property, and equipment and intangible assets	8	-5,433,384	-3,496,527	-1,279,026	-912,022
Other operating costs	9	-3,486,832	-3,547,492	-1,324,233	-3,547,492
Total operating expenses		-62,505,945	-52,951,821	-42,298,748	-44,112,358
Operating profit		3,140,324	10,067,392	19,561,358	9,219,175
Profit/loss from financial investments					
Interest income, interest expenses and similar line items		-991,443	-399,383	-685,665	-1,550
Profit before tax		2,148,881	9,668,009	18,875,693	9,217,625
Tax on profit/loss for the year	10	4,297,021	-116,433	0	0
PROFIT FOR THE YEAR		6,445,902	9,551,576	18,875,693	9,217,625
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation of foreign subsidiary		-4,473,160	-2,397		
COMPREHENSIVE INCOME FOR THE YEAR		1,972,742	9,549,179	18,875,693	9,217,625
Total comprehensive income for the year attributable to					
Parent Company shareholders		1,972,742	9,549,179		
Earnings per share basic and diluted ¹	11	0.03	0.15		
Average number of shares		65,089,792	63,100,000		

¹Earnings per share is 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	Group	Parent Company	Parent Company
		2020 Dec. 31	2019 Dec. 31	2020 Dec. 31	2019 Dec. 31
ASSETS					
Non-current assets					
Intangible non-current assets					
	12				
Patents, licenses and customer relationships		12,103,097	3,218,122	3,451,568	3,218,122
Goodwill		3,729,080	0		
Total intangible non-current assets		15,832,177	3,218,122	3,451,568	3,218,122
Property, plant and equipment					
	13				
Equipment, tools, fixtures, and fittings		12,496,554	9,470,101	5,599,374	4,925,492
Total property, plant and equipment		12,496,554	9,470,101	5,599,374	4,925,492
Financial non-current assets					
Participations in Group companies	14, 15	0	0	20,092,099	100,009
Deferred tax assets	16	6,173,415	1,718,000	1,718,000	1,718,000
Other non-current receivables		69,750	0		
Total financial non-current assets		6,243,165	1,718,000	21,810,099	1,818,009
Total non-current assets		34,571,896	14,406,223	30,861,041	9,961,623
Current assets					
Inventories					
Raw materials and consumables		12,884,841	8,966,311	8,224,128	8,966,311
Total inventories		12,884,841	8,966,311	8,224,128	8,966,311
Current receivables					
Accounts receivable	17	11,212,873	7,059,443	2,772,948	1,763,258
Receivables from Group companies		0	0	27,316,192	4,278,911
Tax assets		163,772	628	0	0
Other receivables	18	850,723	626,234	850,723	626,136
Prepaid expenses and accrued income	19	2,845,788	2,992,670	2,789,697	2,938,793
Total current receivables		15,073,156	10,678,975	33,729,560	9,607,098
Cash and cash equivalents	20	44,117,801	14,992,182	38,883,806	13,681,043
Total current assets		72,075,896	34,637,468	80,837,494	32,254,452
TOTAL ASSETS		106,647,694	49,043,691	111,698,535	42,216,075

BALANCE SHEET

(SEK)	Note	Group	Group	Parent Company	Parent Company
		2020 Dec. 31	2019 Dec. 31	2020 Dec. 31	2019 Dec. 31
EQUITY AND LIABILITIES					
Equity					
Share capital	21	16,366,428	15,775,000	16,366,428	15,775,000
Total restricted equity				16,366,428	15,775,000
Additional paid-in capital		215,654,881	166,674,391		
Share premium reserve			0	216,475,893	167,495,403
Accumulated loss		-146,802,013	-156,353,589	-148,617,066	-157,834,691
Reserves		-4,499,980	-26,820		0
Profit/loss for the year		6,445,902	9,551,576	18,875,692	9,217,625
Total unrestricted equity				86,734,519	18,878,337
Total equity attributable to Parent Company shareholders		87,165,218	35,620,558	103,100,947	34,653,337
Non-current liabilities					
Deferred tax	16	2,421,023	0		
Lease liabilities	22	3,317,674	2,133,710	0	0
Total non-current liabilities		5,738,697	2,133,710	0	0
Current liabilities					
Accounts payable		1,466,426	1,662,398	1,184,409	1,662,398
Lease liabilities	22	3,343,819	2,546,961	0	0
Liabilities to Group companies		0	0	100,000	100,000
Other liabilities		2,980,298	1,738,888	2,388,948	1,702,156
Accrued expenses and deferred income	23	5,953,236	5,341,176	4,924,231	4,098,184
Total current liabilities		13,743,780	11,289,423	8,597,588	7,562,738
TOTAL EQUITY AND LIABILITIES		106,647,694	49,043,691	111,698,535	42,216,075

STATEMENT OF CASH FLOWS

(SEK)	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Operating activities					
Operating profit		3,140,324	10,067,392	19,561,358	9,219,175
Adjustment for items not affecting cash flow	24	5,433,383	6,953,527	1,279,026	4,369,022
Changes in working capital	25	-3,827,071	-3,495,983	-23,030,045	-3,348,146
Interest paid		-991,443	-399,383	-1,050	-1,550
Cash flow from operating activities		3,755,193	13,125,553	-2,190,711	10,238,501
Investing activities					
Acquisition patent, goodwill and customer relationships		-18,997,634	-975,396	-752,863	-975,396
Acquisition subsidiary		0	0	-19,992,090	0
Acquisition of property, plant and equipment		-1,433,492	-4,178,866	-1,433,492	-4,178,866
Cash flow from investing activities		-20,431,116	-5,154,262	-22,178,445	-5,154,262
Financing activities					
Rights issue for the year	26	49,571,919	0	49,571,919	0
Amortization of loans relating to finance leases	27	-3,770,367	-2,560,430	0	0
Cash flow from financing activities		45,801,552	-2,560,430	49,571,919	0
Total cash flow after financing activities		29,125,619	5,310,430	25,202,763	5,084,239
Cash and cash equivalents, Jan. 1		14,992,182	9,581,321	13,681,043	8,596,804
Cash and cash equivalents, Dec. 31	20	44,117,801	14,992,182	38,883,806	13,681,043

CHANGES IN EQUITY

GROUP

(SEK)	Share capital	Additional paid-in capital	Accumulated loss	Other comprehensive income	Profit/loss for the year	Total equity
Opening balance per January 1, 2019	15,775,000	166,674,391	-154,643,208	-24,423	-1,710,381	26,071,379
Appropriation of profit/loss as resolved by AGM	0	0	-1,710,381	0	1,710,381	0
Comprehensive income for the year	0	0	0	-2,397	9,551,576	9,549,179
Closing balance as of December 31, 2019	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

PARENT COMPANY

(SEK)	Share capital	Share premium reserve	Accumulated loss	Profit/loss for the year	Total equity
Opening balance as of January 1, 2019	15,775,000	167,495,403	-156,133,950	-1,700,741	25,435,712
Appropriation of profit/loss as resolved by AGM	0	0	-1,700,741	1,700,741	0
Comprehensive income for the year	0	0	0	9,217,625	9,217,625
Closing balance as of December 31, 2019	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
Profit/loss 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

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. Investments in Group companies are measured at cost. In cases where the carrying amount of the investment exceeds the recoverable amount (see section below on "Impairment losses") an impairment loss is recognized.

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 own products. Revenues include invoiced gross revenue as agreed for goods sold, 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 fulfilment of the obligation. License revenue is reported throughout the period that a license is valid.

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. 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.

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 2020 are recognized when it is likely that they can be deducted against future gains. Foreign tax rates were used for measurement.

Intangible non-current assets

Patent

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 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 recognized 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, li-

abilities and contingent liabilities recognized. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units, which are only on one level, and an annual impairment test is made 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 non-current assets and right-of-use assets

Property, plant and equipment are recognized as an asset 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 10 years
- Computer equipment 3 years
- Other equipment 5 years

Gains and losses on divestitures are determined by comparing proceeds with carrying amount and recognized through profit or loss. 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. The US subsidiary had a large inventory at year-end that was acquired from the Swedish Parent Company. The elimination of intra-group profit has resulted in a major change in the deferred tax asset of the Group. The deferred tax on intra-group profit is SEK 4,455 (0) 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 44,118 (14,992) 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 and increase/decrease loans. The capital structure is regularly revised. On December 31, 2020, consolidated shareholders' equity was SEK 87,165 (35,621) thousand and Genovis AB's shareholders' equity was SEK 103,101 (34,653) thousand.

CONSOLIDATED ACCOUNTS

Genovis' consolidated accounts comprise the parent 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 profit and transactions 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 non-current asset customer relationships. 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 currency 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.

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

Revenue	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Sweden	514,770	14,239,906	514,770	14,239,906
Other countries	60,514,951	46,309,235	60,667,191	36,621,555
Total	61,029,721	60,549,141	61,181,961	50,861,461
Assets				
Sweden	28,328,731	12,688,223	9,050,942	8,143,614
Total	28,328,731	12,688,223	9,050,942	8,143,614
Investments				
Sweden	20,431,126	5,154,262	22,178,445	5,154,262
Total	20,431,126	5,154,262	22,178,445	5,154,262

**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 2020	Group 2019	Parent Company 2020	Parent Company 2019
Exchange gains	1,465,475	18,433	1,465,239	18,433
Research grants received	252,000	0	252,000	0
Recovered customer losses	0	34,630	0	34,630
Sick pay compensation and insurance compensation	55,020	0	55,020	0
Total	1,772,495	53,063	1,772,259	53,063

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 2020	Group 2019	Parent Company 2020	Parent Company 2019
PwC				
Audit assignment	295,000	305,000	295,000	305,000
Non-audit assignments	106,000	25,000	106,000	25,000
Tax services	84,300	0	84,300	0
Other services	0	47,000	0	47,000
Total	485,300	377,000	485,300	377,000

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 2020	Group 2019	Parent Company 2020	Parent Company 2019
Car leases	0	0	164,603	93,460
Rent for premises	0	0	2,954,738	1,578,450
Rent equipment			440,916	447,895
Total	0	0	3,560,257	2,119,805
Future payment commitments, nominal value	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
<i>Car leases</i>				
Within 1 year	163,147	48,236	163,147	48,236
Between 1 and 5 years	248,854	0	248,854	0
<i>Leases for instruments</i>				
Within 1 year	479,940	474,648	479,940	474,648
Between 1 and 5 years	119,985	553,756	119,985	553,756
More than 5 years				
<i>Rent for premises</i>				
Within 1 year	3,712,527	2,279,818	2,956,213	2,271,099
Between 1 and 5 years	1,500,395	1,115,642	1,500,395	1,115,642
Total	6,224,848	4,472,100	5,468,534	4,463,381

NOTE 7 PERSONNEL

The CEO is entitled to a defined-contribution pension that is 30 percent 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 2020	Group 2019	Parent Company 2020	Parent Company 2019
Total	31	24	25	23
Women	19	13	14	13
Salaries and remuneration				
Board and CEO	2,411,570	2,304,243	2,411,570	2,304,243
Other employees	17,224,581	13,428,666	11,381,887	11,008,093
Total salaries	19,636,151	15,732,909	13,793,457	13,312,336
Social security expenses	3,789,161	3,764,767	3,413,810	3,764,767
Pension costs CEO	449,280	432,000	449,280	432,000
Pension costs, other employees	2,638,490	1,368,713	1,850,837	1,368,713
Total social security expenses and pension costs	6,876,931	5,565,480	5,713,927	5,565,480
Other personnel costs	2,140,088	782,536	2,140,088	723,917
Total	28,653,170	22,080,925	21,647,472	19,601,733

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

	Basic salary/ Board fees	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 2020 the Board was composed of 3 men and 1 woman. In 2019 the Board was composed of 5 men and 2 women. Group Management consists only of the Chief Executive Officer, a man.

Guidelines for remuneration of senior executives as resolved at the 2020 Annual General Meeting are presented in the Administration Report on pages 25–26.

NOTE 8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Amortization patents, brands, licenses and customer relationships	-1,634,780	-368,289	-519,417	-368,289
Depreciation equipment, tools, fixtures and fittings	-3,798,604	-3,128,238	-759,609	-543,733
Total	-5,433,384	-3,496,527	-1,279,026	-912,022

NOTE 9 OTHER OPERATING EXPENSES

During the year QED Bioscience Inc. was acquired, with acquisition and restructuring costs amounting to SEK 2,661 thousand. Other items total SEK 826 (-3,497) thousand.

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 period totaled SEK 4,455 (0) thousand. The deferred tax asset in the Parent Company as of Dec. 31, 2020, 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 unused tax loss carryforwards as of Dec. 31, 2020 amounts to SEK 142,736 (161,672) 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, against which the temporary differences can be utilized.

Tax on reported profit relates to taxes for the subsidiary Genovis Inc.

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Reported profit before tax	2,148,881	9,668,009	18,875,693	9,217,625
Tax at nominal tax rate	-459,863	-2,068,954	-4,039,398	-1,972,572
Tax effect from non-deductible items	-7,063	-20,620	-7,063	-20,620
Tax effect of tax assets that are not assigned a value	308,529	1,973,141	4,046,461	1,993,192
Tax effect on change in deferred tax	4,455,415	0	0	0
Tax on reported profit	4,297,021	-116,433	0	0

The tax rate for Genovis Inc. is 30% and Genovis AB is 21.4%.

NOTE 11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing comprehensive income attributable to the shareholders of the Parent Company by the weighted average number of outstanding shares during the period.

	Group 2020	Group 2019
Comprehensive income for the year, SEK	1,972,742	9,549,179
Weighted average number of outstanding shares	65,089,792	63,100,000
Number of shares at year-end	65,465,714	63,100,000
Basic earnings per share, SEK	0.03	0.15

NOTE 12 – INTANGIBLE NON-CURRENT ASSETS

Patents and customer relationships	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Opening cost	6,774,483	8,998,923	6,774,483	8,998,923
Disposals during the year	0	-3,199,836	0	-3,199,836
Acquisition/capitalization	10,022,358	975,396	752,863	975,396
Closing cost	16,796,841	6,774,483	7,527,349	6,774,483
Opening accumulated depreciation/amortization	-3,556,361	-4,375,894	-3,556,361	-4,375,894
Disposals during the year	0	1,187,822	0	1,187,822
Depreciation/amortization for the year	-1,137,383	-368,289	-519,417	-368,289
Closing accumulated depreciation/amortization	-4,693,744	-3,556,361	-4,075,778	-3,556,361
Reversals for the year	0	2,012,014	0	2,012,014
Carrying amount	12,103,097	2,611,015	3,218,122	2,611,015
Goodwill	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Acquisition/capitalization	4,592,000	0	0	0
Foreign currency conversion	-863,000	0	0	0
Carrying amount	3,729,080	0	0	0

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

Equipment, tools, fixtures, and fittings	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Opening cost	21,484,865	15,347,442	11,839,644	7,660,778
Purchases and acquisitions	7,547,999	6,248,542	1,174,439	4,178,866
Disposals	-396,787	-111,119	0	0
Closing cost	28,636,077	21,484,865	13,014,083	11,839,644
Opening accumulated depreciation/amortization	-12,014,764	-8,997,645	-6,914,152	-6,370,419
Depreciation on disposals	209,610	111,119	0	0
Depreciation/amortization for the year	-4,334,369	-3,128,238	-759,609	-543,733
Closing accumulated depreciation/amortization	-16,139,523	-12,014,764	-7,673,761	-6,914,152
Carrying amount	12,496,554	9,470,101	5,340,322	4,925,492

The carrying amount for rights of use is SEK 4,084,578 for the premises and SEK 2,672,290 for other leases.

NOTE 14 – PARTICIPATIONS IN GROUP COMPANIES

	Parent Company 2020	Parent Company 2019
Opening cost	22,477,863	22,477,863
Purchases	19,992,090	0
Closing cost	42,469,962	22,477,863
Opening accumulated impairment losses	-22,377,854	-22,377,854
Closing accumulated impairment losses	-22,377,854	-22,377,854
Carrying amount	20,092,099	100,009

Name	Registered office	Company reg. no.	Share-holding	Number of shares	Carrying amount
Genovis Inc.	Delaware, USA	5671285	100%	1,000	19,992,099
GeccoDots AB	Malmö	556779-7286	100%	1,000	100,000

NOTE 15 BUSINESS COMBINATION

On April 29, 2020, Genovis acquired all shares in the privately held company QED Bioscience Inc. (QED), based in San Diego, California, US. The total purchase price was SEK 18,164 thousand, of which SEK 15,899 thousand was paid in cash at the time of possession and a deferred purchase consideration of SEK 2,265 thousand will be paid in April 2021. Including transaction costs of SEK 1,828 thousand, the total cost of the acquisition was SEK 20 million. The acquired entity had annual sales in 2019 totaling SEK 17,733 (16,289) thousand and net profit of SEK 2,190 (591) thousand. The acquisition provides Genovis with a well-established supplier of high-quality antibodies that will facilitate synergies and business development opportunities together with Genovis' platform technology for antibody labeling, GlyCLICK®, as well as a relevant customer base for the companies' shared technologies and offerings.

The acquisition of QED entails the acquisition of net assets totaling SEK 13,571 thousand, including customer relationships of SEK 11,423 thousand. The remainder of the total purchase consideration, amounting to SEK 18,164 thousand, relates to goodwill of SEK 4,592 thousand. Goodwill relates to expected synergistic effects arising from the consolidation of existing operations within development and distribution. The goodwill that arose is not tax deductible.

The table below summarizes the purchase consideration for QED Bioscience, as well as the fair value of acquired assets and liabilities recognized on the day of the acquisition.

Business combination QED Bioscience Inc. (SEK 000s)	
Cash paid on the acquisition date	15,899
Deferred purchase consideration	2,265
Total purchase consideration	18,164
Acquired assets and liabilities	
Cash and cash equivalents	1,952
Intangible non-current assets: customer relationships	11,423
Property, plant and equipment	200
Non-current assets, right of use for premises	1,979
Inventories	890
Accounts receivable and other receivables	2,846
Deferred tax liability	-3,196
Lease liabilities	-1,979
Accounts payable and other liabilities	-544
Total identifiable net assets	13,571
Goodwill	4,592
Total acquired net assets	18,164
Purchase consideration settled in cash	-15,899
Cash and cash equivalents in acquired subsidiary	1,952
Change in the Group's cash and cash equivalents at acquisition	-13,947

Participations in subsidiaries are recognized as financial assets in the Parent Company.

Participations in subsidiaries are recognized at cost less any impairments.

Cost includes the purchase consideration paid for the shares and the acquisition costs.

NOTE 16 DEFERRED TAX ASSET/ LIABILITY

The Group's deferred tax asset at the end of the period was SEK 6,173 (1,718) thousand. The deferred tax receivable is attributable to unused tax loss carry-forwards on the Parent Company of SEK 1,718 thousand, as well as deferred tax on intra-group profit on inventories of SEK 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 142 million.

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
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	4,455,415	0	0	0
Total deferred tax asset	6,173,415	1,718,000	1,718,000	1,718,000
Deferred tax liability				
Deferred tax, surplus values acquisition QED Inc	2,421,023	0	0	0
Total deferred tax liability	2,421,023	0	0	0

NOTE 17 FINANCIAL INSTRUMENTS IN THE GROUP

	Carrying amount	Fair value
Financial assets		
Accounts receivable	11,212,873	11,212,873
Cash and cash equivalents	44,117,801	44,117,801
Financial liabilities		
Lease liability	3,317,674	3,317,674
Accounts payable	1,466,426	1,466,426

Accounts receivable are entered at the amounts by which they are expected to be paid, after individual assessment. As of December 31, 2020, accounts receivables of SEK 2,329,863 were past due. A write-down of SEK 97,041 was taken. The overdue receivables relate to a few customers who have not previously had payment problems.

Below is an age analysis of these accounts receivables:

	2020	2019
Less than 3 months	2,301,097	1,308,712
3 to 6 months	28,766	48,199
> 6 months		0
Total overdue	2,329,863	1,356,911

NOTE 18 OTHER RECEIVABLES

Balance, December 31	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Recoverable VAT	807,943	618,093	807,943	618,093
Tax account	42,780	0	42,780	0
Other	0	8,141	0	8,043
Total	850,723	626,234	850,723	626,136

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Royalties	114,000	140,000	114,000	140,000
Trade shows/conferences	100,281	136,509	100,281	136,509
License fee sales support system	114,432	225,198	114,432	225,198
Insurance	286,034	547,528	286,034	547,528
Rent	845,213	1,230,793	845,213	1,230,793
License agreements	422,390	364,068	422,390	364,068
Other items	963,438	239,110	907,347	291,519
Total	2,845,788	2,992,670	2,789,697	2,938,793

NOTE 20 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 2020	Group 2019	Parent Company 2020	Parent Company 2019
Bank deposits	44,117,801	14,992,182	38,883,806	13,681,043
Total	44,117,801	14,992,182	38,883,806	13,681,043

NOTE 21 SHARES

All shares are issued and fully paid.

Number of issued and fully paid shares	Par value	Shares
As of December 31, 2019	0.25	63,100,000
As of December 31, 2020	0.25	65,465,714

Note 22 LEASE LIABILITIES

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

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Non-current interest-bearing liabilities				
Maturity between 1 and 5 years	3,317,674	2,133,720	0	0
Total	3,317,674	2,133,720	0	0
Current interest-bearing liabilities				
Maturity within 1 year	3,343,819	2,546,961	0	0
Total	3,343,819	2,546,961	0	0
Other current liabilities				
Maturity within 1 year	4,446,820	3,401,286	3,573,355	3,364,554
Total	4,446,820	3,401,286	3,573,355	3,364,554

NOTE 23 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. Genovis has a license for SiteClick™ and POROS™ from Life Technologies Corporation, as well as a license for unique toxins and linker technologies from Glykos Finland Oy. The consultant fee is attributable to Genovis Inc.

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Accrued payroll-related expenses	3,424,011	3,011,455	3,424,011	2,815,614
Royalties	257,767	367,356	257,767	367,356
Consultant fee	84,785	1,131,925	84,785	84,785
Board fees	164,275	525,680	164,275	525,680
Other items	2,022,398	304,760	993,393	304,749
Total	5,953,236	5,341,176	4,924,231	4,098,184

NOTE 24 ITEMS NOT AFFECTING CASH FLOW

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Depreciation/Amortization	5,433,384	3,496,527	1,279,026	912,022
Impairment losses	0	3,457,000	0	3,457,000
Total	5,433,384	6,953,527	1,279,026	4,369,022

NOTE 25 CHANGE IN WORKING CAPITAL

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Inventories	-3,918,530	-3,226,405	742,183	-3,226,405
Accounts receivable and other receivables	-5,292,451	-2,311,134	-24,807,077	-323,817
Accounts payable and other liabilities	5,383,910	2,041,556	1,034,849	202,076
Total	-3,827,071	-3,495,983	-23,030,045	-3,348,146

NOTE 26 RIGHTS ISSUE FOR THE YEAR

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Issue proceeds	49,679,994	0	49,679,994	0
Issue costs	-108,076	0	-108,076	0
Total	49,571,918	0	49,571,918	0

NOTE 27 CHANGE IN FINANCIAL LIABILITY FOR THE YEAR

	Group 2020	Group 2019
Opening financial liabilities	4,680,671	5,171,425
Recognized financial liabilities	5,751,189	2,069,676
Repayment financial liability	-3,770,367	-2,560,430
Closing financial liabilities	6,661,493	4,680,671

NOTE 28 POST-BALANCE SHEET EVENTS

No significant events occurred after close of the financial year.

NOTE 29 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 goals. 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 expanding its own production.

Key personnel

Genovis' operation depends on a few key individuals. Its 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 2020.

Currency estimated exchange rate, 2020	Net volume 2020, SEK 000s	Impact of 5% currency fluctuation on earnings/equity in SEK thousand
USD: 9.11	47,808	+/- 2,390
EUR: 10.49	18,430	+/- 843

Credit risk

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

Interest risk

The Company believes that the current situation is not affected by any material interest rate risk.

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 44,118 (14,992) 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 2020	Group 2019	Parent Company 2020	Parent Company 2019
Lease liabilities				
Maturity date up to 1 year from the balance sheet date.	3,344	2,547	-	-
Maturity date between 1 and 5 years from the balance sheet date	3,318	2,134	-	-

Cash flow risk

Senior management is aware of the importance of minimizing tied up capital, including in inventory and accounts receivable. In the run-up to the anticipated increase in activity in 2021, the Company will take a structured approach to maintain a desirable low level of tied up capital.

NOTE 30 APPROPRIATION OF PROFITS

The Board of Directors and CEO propose that unrestricted equity be treated as follows:	SEK
Accumulated loss, SEK	-148,617,066
Profit/loss for the year, SEK	18,875,692
Share premium reserve	216,475,893
Comprehensive income	86,734,519

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 15, 2021. 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 20, 2021.

Lund April 15, 2021

Torben Jørgensen
Chairman of the Board

Mikael Lönn

Lotta Ljungqvist

Kentth Petersson

Fredrik Olsson
Chief Executive Officer

AUDITOR'S SIGNATURE

Our Audit Report was submitted on April 19, 2021

Öhrlings PricewaterhouseCoopers AB

Neda Feher
Authorized public accountant
Auditor in charge

Sofia Götmar-Blomstedt
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 for 2020 with the exception of the Corporate Governance Report on pages 29–35. The annual accounts and consolidated accounts of the company are included in this document on pages 20–63.

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, 2020 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, 2020 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 29–35. 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 income statement 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 1–19 and 64–65. 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 of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the 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 the 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 for 2020 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 19, 2021

Öhrlings PricewaterhouseCoopers AB

Neda Feher

Authorized public accountant
Auditor in charge

Sofia Götmar-Blomstedt

Authorized public accountant

Remuneration report 2020

Introduction

This report describes how the guidelines for executive remuneration of Genovis AB, adopted by the 2020 Annual General Meeting, were implemented in 2020. The report also provides information on remuneration to the CEO. 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 50 in the 2020 Annual Report.

Key developments in 2020

The CEO summarizes the company's overall results in his statement on page 6 in the 2020 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 executives competitive 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 25-27 in the 2020 Annual Report. During 2020 the company has complied with the applicable remuneration policy adopted by the 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 2020 (SEK 000s)

Name of director	Fixed remuneration Base salary*	Other benefits**	Pension expense***	Total remuneration	Proportion of fixed and variable remuneration
Fredrik Olsson (CEO)	1,537	51	449	2,037	100/0

* Including holiday pay of SEK 27 thousand

** Car benefit

*** Pension expense, which in its entirety relates 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 – Change in remuneration and company performance over the last five reported financial years (RFY) (SEK 000s)

	2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016	2016 vs 2015
CEO Remuneration	1,537	-23* (-1.5%)	508* (44.3%)	72 (6.7%)	41 (4.0%)	-819 (-44.2%)
Group operating profit	3,140	-6,927 (-68.8%)	11,027 (1149%)	6,875 (-87.7%)	6,935 (-47.0%)	5,224 (-26.1%)
Average remuneration on a full-time equivalent basis, employees of the Parent Company	574	-9.7 (-1.7%)	20.9 (3.7%)	64.4 (12.9%)	-49.3 (-9.0%)	81.7 (14.5%)

* In 2019 a bonus SEK 120,000 was paid

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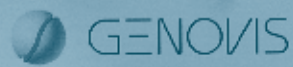
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