GENOVIS

ANNUAL REPORT **2023**

Contents

FINANCIAL INFORMATION

Design and production: LÄNGE LEVE Kommunikation AB. [www.langeleve.se]
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The Genovis Group 2023

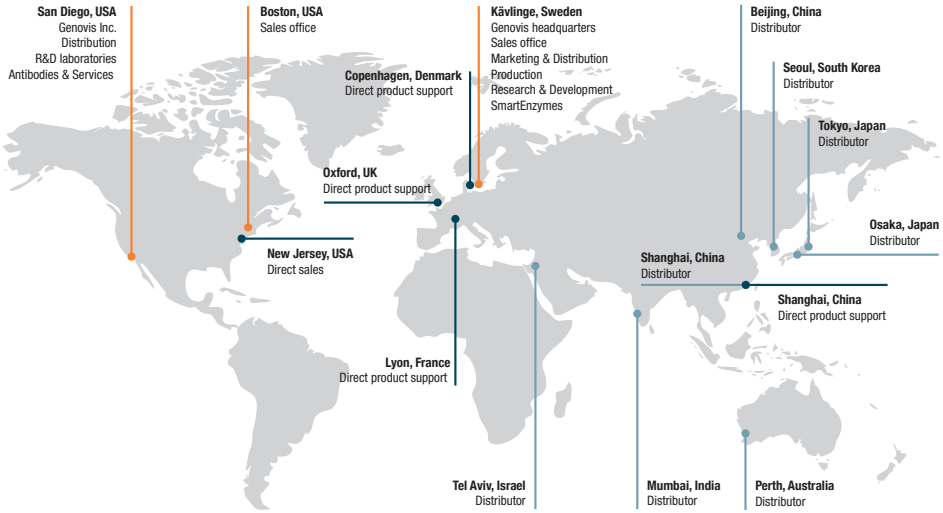
Genovis shall build strong customer relationships based on a strong interest in our customers' challenges and create value by offering innovative tools for the development of the medicines of the future.

More products, new application areas and expanded commercial organization

Genovis' products are in a market that encompasses the global life science market, ranging from research and diagnostics to drug development and production of drugs. The Company markets a total of 25 enzymes in different product formats under the common SmartEnzymes™ brand, as well as technologies related to labeling of antibodies and remodeling of antibodies' glycans. The subsidiary Genovis Inc. in the US is responsible for production, development and sales of antibodies for the research and diagnostics market, in part through direct sales, but also through distributors worldwide. In recent years, the commercial part of the organization was significantly strengthened with local representation in several key markets.

In 2023, our product portfolio and development pipeline were expanded with several new products and technologies from proprietary development and partnerships, as well as in-licensing agreements.

The Parent Company in Kävlinge handles sales and marketing for the European market, along with product and applications development. Support, production and administration functions are also provided from the Kävlinge headquarters. Genovis Inc. is responsible for sales of enzymes in the North American market, with an associated warehouse and logistics center in San Diego. Sales in North America are handled by sales representatives based in California, Massachusetts and New Jersey. In Asia, we have our own staff in Shanghai to support our sales and marketing in China. Sales in other Asian markets are handled by distributors with thorough knowledge of the local markets.

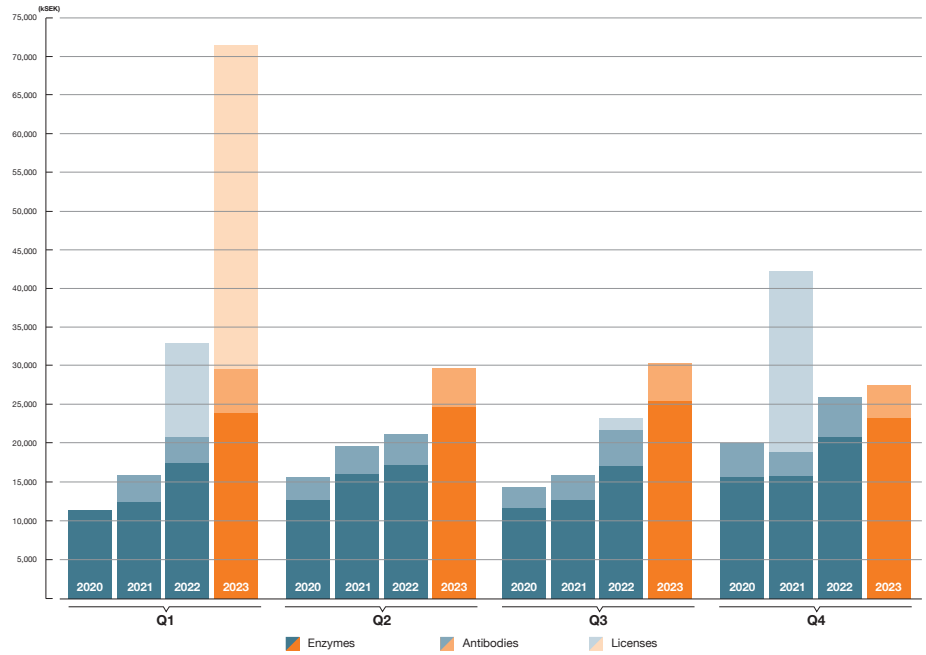


Sales

In 2023, sales totaled SEK 158,232 (102,387) thousand, corresponding to sales growth of 55%. Sales were driven by growing demand for both current and new products that provide better, faster and more reliable analytical methods regarding both choice of drug candidate and the entire process leading to the eventual approval and production of a new drug. In 2023, sales were also driven by license revenue from Genovis' enzyme technology for potential therapeutic use within gene therapy and autoimmune diseases through a sublicensing agreement with Astellas Pharma.

Sales increased in the main geographical markets, i.e. North America and Europe, while Asia decreased due to lower customer activity in China. The increase in sales comes from both established and newly developed products that have created clear value for Genovis' customers. The revenue stream comes partly from existing customers through repeat orders and projects where customers are in different parts of the development chain, but also from new customers with completely new pharmaceutical projects. Moreover, the number of customers using Genovis' products both more frequently and in higher volumes is also increasing for new application areas, in pace with the continued broadening of the product portfolio.

Sales by quarter 2020–2023



Five Year Summary	2023	2022	2021	2020	2019
Net sales (SEK thousand)	158,232	102,387	93,018	61,030	60,549
Operating income (SEK thousand)	54,224	8,277	24,543	3,140	10,067
Equity/assets ratio (%)	66	83	80	82	73
Acid test ratio (%)	679	524	398	431	227
Equity (SEK thousand)	190,810	125,652	113,994	87,165	35,621
Equity/share (SEK)	2.91	1.92	1.74	1.34	0.56
Closing balance as of December 31	37	37	33	34	24
Dividend per share (SEK)	0.94	0.17	0.38	0.10	0.15
Dividend per share (SEK)	0	0	0	0	0
Number of shares at year-end	65,465,714	65,465,714	65,465,714	65,465,714	63,100,000

Product launches

Genovis has continued to launch new products with high customer value during 2023, and by the end of the year, four new enzyme products for protein and biological drug analysis had been launched.

Early in 2023, an immobilized format of the popular GlySERIAS™ enzyme, which we launched in 2022, was introduced. This format offers several advantages for customers seeking a simpler workflow and has been well-received by the market.

Thanks to the launch of IgMBRAZOR™ in June 2023, we became the first in the world to offer a commercial IgM protease capable of digesting these types of antibodies. IgM, or immunoglobulin M, represents the first line of defense in an infection. Its rapid production and high binding affinity to pathogens make it central to the body's immediate response. Analyzing IgM is crucial for rapid diagnosis of infections, understanding the immune system's response, developing effective vaccines, studying autoimmune diseases, and designing various therapeutic strategies.

Another enzyme we launched in 2023 is ImpaRATOR™, which broadens our offering in the analysis of proteins and glycans. At the end of the year, we released our first enzyme that digests IgA antibodies. IgA, or immunoglobulin A, constitutes the majority of the mucosal immune response and is central to preventing pathogens from penetrating mucous membranes, emphasizing its critical role in local immunity and protection against infections.

During 2023, we intensified our efforts to ensure that our digital presence offers our customers a first-class experience. By the end of the year, we introduced Bioz Badges on our website, an innovative tool that uses artificial intelligence to support researchers in their search and evaluation of scientific research and laboratory products such as our SmartEnzymes. Bioz Badges provide quick and reliable access to relevant scientific information about laboratory products and protocols, demonstrating our commitment to continuous innovation and improvement.

In the US, we have continued our successful series of seminars with the simple goal of encouraging our customers to incorporate our technology into their analytical characterization labs and/or quality control. In China, we established a partnership with a Norwegian company, ArcticZymes, to accelerate our growth in a market experiencing challenging times due to macroeconomic trends.

Facilities

During the fall of 2023, the operations relocated to a newly constructed building situated in the newly developed neighborhood of Stationsstaden in Kävlinge. The building is located in close proximity to the railway station and has all conceivable amenities nearby. The new premises offer all necessary infrastructure in the form of modern laboratories, enabling increased production capacity, and further expansion opportunities in all aspects of the operations in the coming years.

Employees

At year-end, the Group had 37 employees, as well as a number of people who work on a consulting basis, mainly in the sales and marketing organization, as well as in finance.

Message from the CEO

We have successfully continued to develop Genovis in 2023 and can proudly put yet another successful year of strong growth and our best performance ever behind us. By moving to new custom-designed premises, we have created improved long-term prospects for continued growth. I look forward to working with my colleagues to continue to grow Genovis' business and helping our customers develop the medicines of the future.

Strong momentum and continued growth

Looking back at 2023, I can say that we have once again achieved our best performance to date. We increased our sales by 55% to SEK 158 million and our operating profit more than sixfold compared with the previous year. For the full year, the core business grew by 31%. Enzymes in analytics grew by 35% and the antibody business by 13%. At the same time that we moved the entire enzyme operation to new custom-built premises in Kävlinge, we have maintained our operational capacity, ensured the functionality of our new production facility and launched 4 new products.

New products and more business opportunities

Even in a year when we relocated our operations, our product development has maintained a good pace. As we sum up the year, we have launched four new products across different categories. Within enzymes, we launched immobilized GlySERIAS™, a further development of our fast-growing GlySERIAS enzyme. With the launch of IgMBRAZOR™ in June 2023, we became the first in the world to offer a commercial IgM protease that can specifically and precisely cleave these types of antibodies, paving the way for new applications and markets in the future. We also launched ImpaRATOR™, which broadens our offering in analysis of proteins and glycans. At the end of the year, we released our first enzyme for IgA antibodies, which means that we now have the broadest offering in the market of enzymes for important molecules in the human immune system.

Our 2023 launches have garnered considerable interest and have been well received by our customers. With the new products, we have further expanded our portfolio of enzymes targeting key components of the immune system. thereby opening up opportunities for new applications in analytics and potentially for diagnostic and therapeutic use in the future.

During the year, we acquired the patent rights to a new enzyme for analyzing DNA. This is our first enzyme in genomics with applications in research, diagnostics and forensics. This year, we focused on productization in preparation for application efforts as part of the marketing preparations for the enzyme.

One of our strategic initiatives is to broaden the customer and application base for our growing enzyme portfolio. As part of this effort, we continue to actively expand collaborations with industrial partners in application development, marketing and new markets. In April we announced a collaboration with ArcticZymes for the Chinese market, and we have continued our collaboration with Waters™ in the application and marketing of efficient workflows for analysis of biomolecules. We also conducted marketing campaigns in partnership with Sciex, ProteinSimple and Bio-Techne. During the year, we held several webinars where our dedicated customers presented how they use our enzymes for improved and simplified analysis of their drug molecules.

The year was characterized by our move to new, specially designed premises that offer improved opportunities for scaling up and continued growth. The new facilities and related investments have therefore impacted our cost base, but at the same time they provide us with new opportunities for future expansion.

Our gene therapy business expanded at the beginning of the year through a sublicensing agreement with Astellas Pharma, while clinical development of the Xork enzyme continued and several important advances were made in 2023. Although the collaborations were discontinued in early 2024 and we are regaining the rights to Xork, there are currently no known preclinical or clinical data that contradict future therapeutic applications of the enzyme. Interest in solving the immunological challenges of gene therapy treatment remains strong and opens up new business opportunities with other partners in gene therapy and autoimmune diseases. We have also continued to develop next-generation enzymes with potential clinical applications to further broaden our offering and create more business opportunities.

In summary, we have achieved all of our operational objectives for the year. We have moved into our new premises and ensured that our production and other laboratory functions are operational. At the same time, we have maintained our delivery capability and operational capacity across all parts of the business. Our pipeline of new products is continuously growing, partly through our own development, but also through an increase in the number of external collaborations that will broaden our future product portfolio. External partnerships are an important component of our strategic growth initiatives, which also include technology licensing and acquisitions as part of our future growth.

2023 was a challenging year for our industry with lingering effects from the COVID-19 pandemic and challenging capital market conditions affecting some of our customers' ability to fund their projects as they had previously. The geopolitical turmoil has also created challenges in some geographic markets.

From this perspective, I believe we have done a good job of navigating the market conditions during the year. We have shown that by broadening our offering to a growing customer base, growth is possible even in a challenging external climate.

Finally, I would like to thank the Board, shareholders and partners for their commitment and support in 2023. Above all, I would like to extend a special warm thank you to my colleagues at Genovis who do an outstanding job every day helping our clients in their efforts to develop future treatments for patients around the world.

Fredrik Olsson
Chief Executive Officer

This is Genovis

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

The unique portfolio of reagents and technologies offered by the Genovis group is used by industry-leading and global pharmaceutical companies in research, analytical characterization, process development, and quality control. Within the Genovis group, there are two main product portfolios: SmartEnzymes™ and Antibodies. We continue our work towards our goal of offering researchers new and improved technologies that lead to cutting-edge research, enable early diagnosis, and accelerate the development of new biological drugs for patients in need.

Genovis SmartEnzymes™

Nature offers a vast source of enzymes, perfected through evolution to perform defined reactions. At Genovis, we believe that enzymes with unique properties can be used as biological tools to support the research and development of complex biopharmaceuticals to help bring safe and effective medicines to patients in need. We call these enzymes SmartEnzymes™.

In 2011, we launched our first enzyme, whose scientific name is IdeS. We nicknamed IdeS FabRICATOR®, because this name directly explains to the researcher its function – to "fabricate" small fragments called Fabs. These Fabs, small parts of monoclonal antibodies, are invaluable for researchers by providing quick and detailed information about potential drug candidates. Competing techniques still struggle today to deliver this information to the same extent and with the same speed as FabRICATOR. After ten years, FabRICATOR (IdeS) is still a prominent sales success and has been cited in over 1,000 scientific publications, including high-impact journals like Nature.

Over the past decade, the development of new drug candidates has become significantly more complex, and Genovis is committed to keeping up with and adapting to this development. We aim to continuously develop relevant and innovative SmartEnzymes to meet the increasing demands from the research community and enable progress in medical research. Today, we have 25 SmartEnzymes available on the market in the following categories:

These six categories can be divided into three overarching groups: proteases, glycosidases and site-specific conjugation. The SmartEnzymes market is estimated to be USD 1,000 million, with a growth rate of 5-20%.

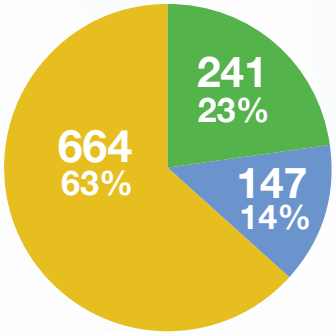
Customer story: Clone selection and process development

During 2023, Genovis has continued to expand the GenovisWebinar series introduced in 2022. In this series, we ask specific customers to share how they are using our products. This initiative means that we continue to strengthen our relationship with our global customer base across all three regions: the US, China, and Europe.

Olle de Bruin, Senior Scientist at BioInvent International AB in Sweden, was invited to the webinar titled "Subunit Analysis of mAbs to Support Process Development and Clone Selection." There, Olle provided examples of how subunit analysis supports clone selection during process development, enabling quick and easy characterization of product quality to make more informed decisions.

BioInvent is a clinical-stage company discovering and developing antibodies for cancer therapy.

Olle de Bruin, PhD, Senior Scientist, BioInvent International AB



- Proteases*
- Glycosidases*
- Site-specific Conjugation**

** MarketsAndMarkets, 2019*
*** Protein Labeling Market - GrandViewResearch*

Customers and trends

All our enzymes are sold worldwide to the biopharmaceutical industry, particularly to companies working on antibody therapies. This sector is growing in both cancer and non-cancer-related diseases. With the transition from using antibodies solely for diagnostic purposes to including therapeutic applications, we have seen the emergence of more complex formats in the development phase, such as fragments, bispecific antibodies, immune conjugates, and ADCs (antibody-drug conjugates). ADCs consist of antibody derivatives conjugated to small-molecule drugs through a linker, while immune conjugates involve antibody derivatives fused or conjugated to other biologically relevant modalities, such as proteins. Our products in antibody labeling are used in the development of these new antibodies.

Through close dialogue with our customers, we have successfully developed products for all these new formats, and we also see great interest in these products. The launch of GlySERIAS™ last year marked a significant step forward. The product is used to cleave the linkers in immunoconjugated products. These linkers are highly stable and make the drug significantly larger, posing challenges for analysis. GlySERIAS enables quick and easy analyses. At the global ASMS conference in the US, we presented key parts of the development work supporting GlySERIAS, and at the same time, AstraZeneca presented how they have successfully used our product at an event sponsored by Waters Corporation. This generated significant attention.

All in all, Genovis SmartEnzymes follow market trends and remain at the forefront in meeting the shifting needs of the market.

Competitors

Genovis competes in a global market where there are several competing companies and technologies. Examples of competitors include Thermo Fisher, Promega, New England Biolabs, R&D Systems, and companies within the Danaher group. Genovis primarily competes by offering unique, high-quality enzymes, many of which are covered by approved patents or patent applications.

Customer story: Assured QC with automated MAM analysis

Claire Butré from Quality Assistance presented how they developed a fully automated (2D)-LC-MS workflow for Multiple Attribute Monitoring (MAM) analysis of monoclonal antibodies using Genovis products in a QC-compliant environment.

Quality Assistance S.A. is a prominent European contract research organization that provides all analytical services required by the pharmaceutical industry according to EMA and FDA regulations for the development and marketing of innovative pharmaceuticals for humans.

The customer stories we have presented here were part of the 2023 GenovisWebinar series, which was highly appreciated and successful, clearly demonstrating how Genovis SmartEnzymes enable increased efficiency for our global customers.

In 2024, we will continue to develop the GenovisWebinar series with more customers presenting how our products have contributed to their success!

Claire Butré, PhD, R&D Technical Leader, Quality Assistance S.A.

Genovis Antibodies

Through the acquisition of QED Bioscience in 2020, 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 as components in diagnostic applications.

Genovis's wholly-owned subsidiary, Genovis Inc., offers not only sales, warehousing, and order processing of SmartEnzymes but also develops and sells antibodies for the research and diagnostic markets. The antibody operation in San Diego also offers a service business, where the team's expertise in antibody development helps customers generate unique antibodies against their choice of small molecules, proteins, or peptides. In 2023, new antibodies continued to be developed in collaboration with customers, but products complementing Genovis's enzyme business in gene therapy have also been launched.

In the Antibodies product portfolio, Genovis offers products in the following categories:

Customers and trends

Genovis antibodies are utilized as tools in drug research and development, as well as in diagnostic applications where unique, high-quality antibodies enable biomarker detection. Within the antibody business, the products are also used by numerous academic customers for basic research, and the service department offers development of custom antibodies and contract antibody production. In 2023, we also began producing several antibodies *in vitro* in response to customer demand.

Competitors

Within the antibody segment, there are many smaller and larger companies. Examples of more well-known and larger competitors include Abcam, Thermo Fisher, and Santa Cruz Biotechnology. For the antibody business, most competitors also serve as resellers of Genovis antibody products. From Genovis's perspective, these companies are not solely seen as competitors, but several of them could be excellent partners for the continued commercialization of Genovis products.

Genovis Group

Continuing to meet customer needs for unique technologies that solve their challenges and problems requires dedicated, talented and creative employees in every part of the organization.

RESEARCH & DEVELOPMENT

The team identifies and develops new enzymes and technologies for analysis, characterization and production of biopharmaceuticals. Ideas for new products are obtained by continuously monitoring new research, in collaboration with selected universities and research groups, as well as by maintaining a constant ongoing dialogue regarding customer needs for new products. During the year, a special focus on new external collaborations has generated a growing pipeline of product development projects.

PRODUCTION

The production team is responsible for the entire production process, from culture of bacteria 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.

APPLICATION DEVELOPMENT & SUPPORT

Genovis AB The application group is a key element in the development of new products based on R&D findings, but also a component of our strategic marketing and sales initiatives to increase understanding of current products. New products are adapted to be user-friendly and robust for customers, while marketing materials such as Application Notes, or scientific posters explain how the products are used and what value they bring to customers in their workflows.

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

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

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Employees and consultants in numbers as of December 31, 2023: 43 (37+6)

SALES & BUSINESS DEVELOPMENT

A key part of Genovis' strategy is to work closely with customers to provide the right knowledge, product and support. Direct sales in our main markets in North America and Europe are a key part of reaching more customers, building deeper relationships and learning about the challenges our customers face today and in the future.

Dedicated resources are responsible for business development, coordinating collaborative efforts, external relations and the M&A agenda at Genovis. Genovis Inc. handles all sales and marketing of SmartEnzymes in the North American market.

Genovis Inc. is also responsible for sales of antibodies and the related service business, including formulation of customer-specific antibodies and production service.

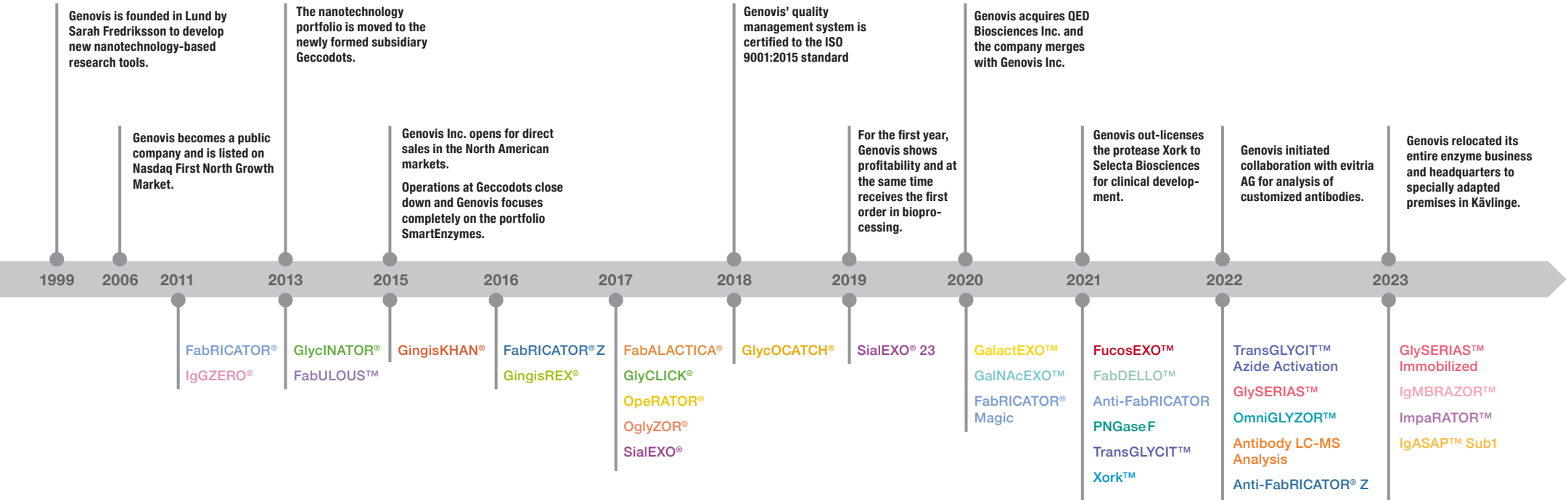
In Asia, Genovis works partly through its own staff in Shanghai to support distributors for sales in China. In other parts of Asia, sales are handled by distributors who have good knowledge of both local customers and logistics. Our unique marketing of Genovis SmartEnzymes is driven by staff in Kävlinge together with external consultants.

CENTRAL FUNCTIONS

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

Genovis' history & launches

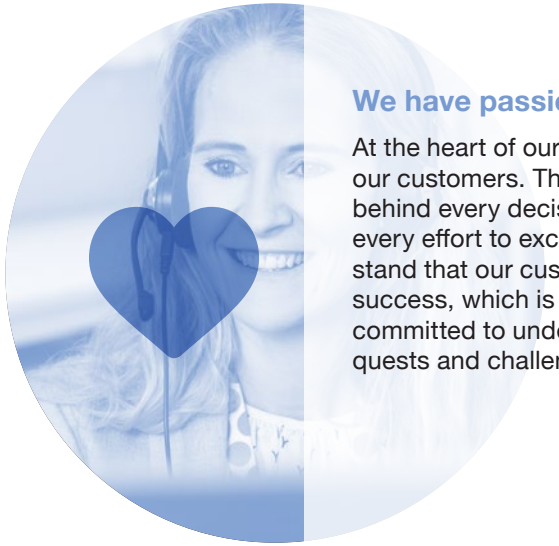
Genovis' history dates back to 1999 and over the years, a number of important strategic decisions and the launch of new enzyme products have culminated in the company that Genovis is today: a global biotech company offering unique reagents to develop better biopharmaceuticals.



Genovis’ core values

We embrace our colorful identity

Our identity is as unique as the innovations we create. We are proud of our colorful character and see it as an important part of what makes us special. We value diversity, creativity and a strong sense of community. Our colorful identity is our strength. The creative use of colors to reflect our passion and creativity makes us memorable and makes us stand out as an interesting player in the competitive biotech industry.

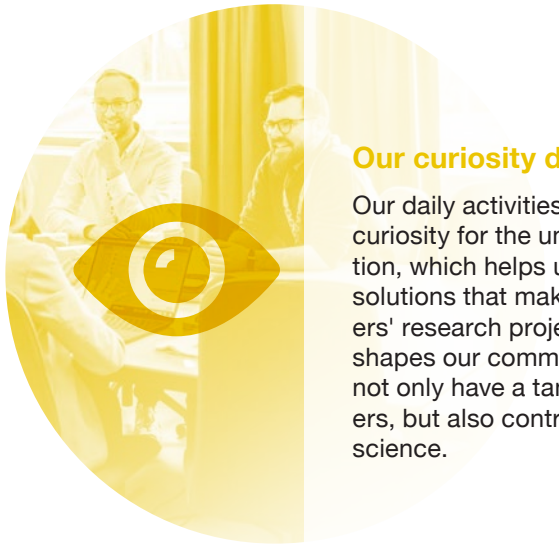


We have passion for customers

At the heart of our business is a deep passion for our customers. This passion is the driving force behind every decision, every innovation and every effort to exceed expectations. We understand that our customers are at the heart of our success, which is why we are wholeheartedly committed to understanding their needs, requests and challenges.

We nurture a fun and supportive team spirit

For us, our workplace is more than just a place where we do our work. It is a community where we value and nurture our fun and supportive team spirit. We strive to create a working environment where every individual feels welcome, inspired and important to the team. We care about each other, help each other and treat each other with respect. We embrace a cheerful workplace culture where laughter and positivity are a natural part of our daily activities.



Our curiosity drives innovation

Our daily activities are characterized by a curiosity for the unknown and for driving innovation, which helps us create tailored and unique solutions that make a difference in our customers' research projects. This fundamental curiosity shapes our commitment to deliver solutions that not only have a tangible impact on our customers, but also contribute to the advancement of science.

Genovis' products

Genovis offers tools to customers in the pharmaceutical and research industries that facilitate and save time in the development of new treatment methods and diagnostics. Genovis enzyme products, known as SmartEnzymes™, are used by researchers worldwide, and the innovative product formats facilitate the development and quality control of biological drugs. We also provide high-quality polyclonal and monoclonal antibodies, as well as innovative customized antibody services for development and bulk production. Genovis currently has five main product areas in which we offer specific products, product formats, and service offerings: SmartEnzymes™, Antibodies, BioProcess, GeneTherapy, and Services.

SmartEnzymes™

The SmartEnzymes portfolio consists of enzymatic products and technologies designed to improve the efficacy and throughput in analytical or preparative workflows for complex biopharmaceuticals such as antibodies, Fc-fusion proteins, complex glycoproteins or antibody conjugates.

Genovis currently offers six main categories of enzymes: "Antibody Digestion," "Fusion Protein Digestion," "Antibody Conjugation," "Proteomics," "Glycan Profiling" and "Antibody Deglycosylation."

Antibodies

Through the acquisition of QED Bioscience in 2020, Genovis offers a comprehensive portfolio of thousands of antibodies and other reagents. These are used in basic research at universities as well as in drug development at biotechnology companies and pharmaceutical companies. They also serve as crucial components in diagnostic applications. Many of the antibodies are unique and have been developed in close collaboration between customers and our team in San Diego. Additionally, Genovis offers reagents to detect antibody responses to, for example, bacteria or viruses.

Bioprocess

SmartEnzymes from Genovis have not only revolutionized analytical characterization workflows but can also be used in manufacturing of novel biologics.

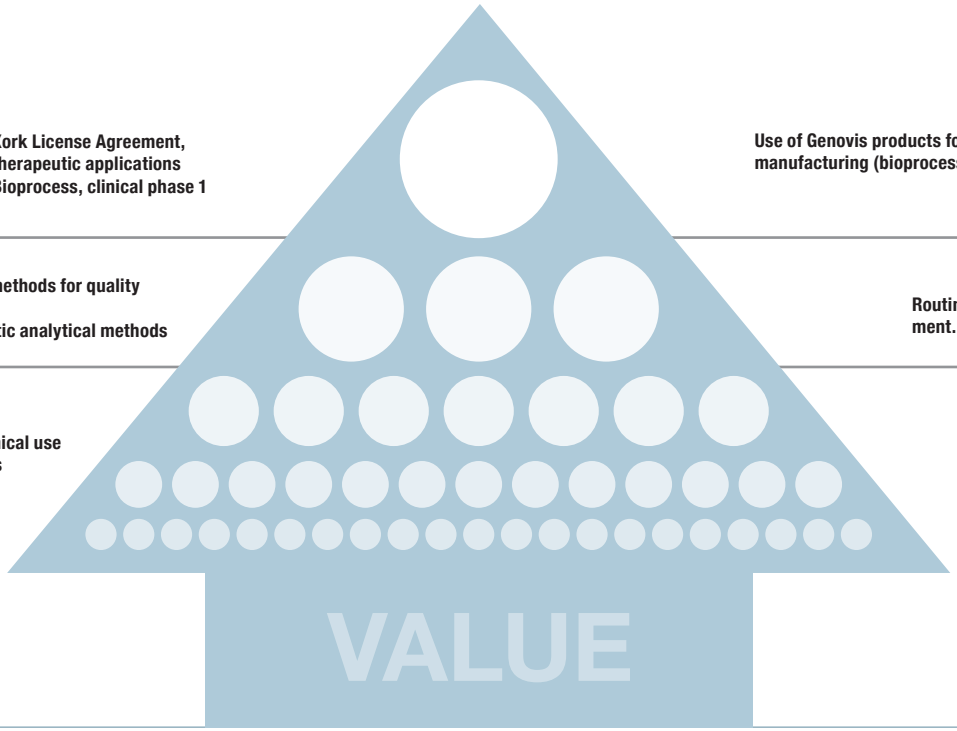
The unique specificity of SmartEnzymes enables processing of biological drugs into novel homogenous formats with desired clinical properties. Genovis has a track record of supplying high quality enzymes at quantities needed for manufacturing scale to enable the next generation of biopharmaceuticals.

GeneTherapy

In 2021, Genovis launched a new IgG-specific protease (Xork™), initially targeted at the gene therapy market. There has been interest in using IgG-specific proteases in gene therapy, and Genovis has provided enzymes as research tools to several companies in this application. Many gene therapy treatments use viral particles to deliver new genetic material. In the population and in many patients, there are antibodies against the viruses, which means these patients must be excluded from gene therapy treatment. By pretreating patients with an enzyme, the antibodies are cleaved, and the virus's ability to transport new genetic material is maintained.

Services

Within both the enzyme and antibody businesses, Genovis offers a wide range of services. Leveraging the expertise and capabilities of Genovis, customers in the enzyme business are offered the opportunity to send in antibodies for analysis. These antibodies are analyzed using Genovis' advanced equipment, and a comprehensive analysis report is provided to the customer within a few working days. We also offer digestion and conjugation of antibodies. In the antibody business, we provide custom production and development of antibody-based products, including hybridoma development, bulk production *in vivo* or *in vitro*, affinity purification, anti-idiotyping, and conjugation.



Goals and strategy

Overarching goals

- To enable the development of new and effective treatments and medicines through innovative products.
- Continue to establish Genovis products as valuable tools throughout the customer's value chain from discovery to production of pharmaceuticals.
- Genovis will create long-term shareholder value through results that generate both dividends for shareholders and funding for innovation and growth initiatives for the continued development of the Company.

Targets 2024–2026

- **Financial targets**
  - Positive EBITDA.
  - Sales growth of 20% per year over a three-year period.
- **Operational targets**
  - At least three product launches annually.

Operational strategy

- Develop our 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.
- Proactively work on inorganic growth strategies and M&A to strengthen the customer offering and drive growth.
- Work closely with customers to implement the products into analytical procedures and workflows 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 employees' skills and gives them the opportunity to influence their own professional development and work situation.

Corporate Governance Report

INTRODUCTION

The Group consists of Genovis AB, as well as the wholly owned subsidiaries Genovis Inc. and GeccoDots AB. The Group had 37 employees on December 31, 2023. Nine people were employed in the US, and 28 were employed in Sweden who are responsible for centrally coordinating functions in R&D, Production, Sales & Marketing, business and administration.

EXTERNAL AND INTERNAL REGULATIONS

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

SHAREHOLDERS AND SHARE CAPITAL

At year-end 2023, Genovis had 8,233 shareholders according to Euroclear Sweden AB. Share capital at year-end was SEK 16,366,428.5 and the total number of shares was 65,465,714. Genovis' market capitalization amounted to about SEK 3,404 million on December 31,2023. The Company's largest shareholder is Mikael Lönn, who represents 14.5% of the total number of shares and votes in the Company. Genovis' shareholder structure, share performance, etc., are presented on page 28–29.

GENERAL MEETING OF SHAREHOLDERS

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

2023 Annual General Meeting

Genovis held its Annual General Meeting on May 16, 2023, in Lund where 42.7% of the number of shares and voting rights were represented. Board members Torben Jørgensen and Mikael Lönn participated in the Meeting.

Mikael Lönn, Steve Jordan, Lotta Ljungqvist and Magnus Gustafsson were re-elected as ordinary Board members for a one-year term up until the close of the following Annual General Meeting. Torben Jørgensen was re-elected to serve as both an ordinary Board member and Chairman of the Board.

Resolutions

- Adoption of the balance sheet and income statement for the Parent Company and the Group.
- The Board and the Chief Executive Officer were discharged from liability.
- The Board shall consist of five ordinary members without deputies until the next AGM.
- The AGM resolved to approve remuneration to the Board of Directors in the amount of SEK 200,000 to Board members and SEK 400,000 to the Chairman of the Board.
- A Nomination Committee will be formed with the four largest shareholders as of September 30, 2024.

REMUNERATION OF SENIOR EXECUTIVES

These guidelines concern remuneration and other terms of employment for the Chief Executive Officer and senior executives. The guidelines are forward-looking and applicable to remuneration already agreed, and amendments to remuneration already agreed. The AGM adopted the guidelines in 2022. 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 Group is able to recruit, retain and develop senior executives. These guidelines enable Genovis to offer senior executives a competitive total remuneration package. For more information about the Company's business strategy: https://investor.genovis.com/en/company-overview/

Types of remuneration

The Genovis Group's 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 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 50% 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 percent 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 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 amount to not more than 15% of the fixed annual cash salary.

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

Termination of employment

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

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall only be paid to compensate for loss of income in so far as the previously employed Group Management member is not entitled to severance pay.
The remuneration shall be based on the fixed cash salary at the time of termination of employment, amount to not more than 60 percent of the monthly income at the time of termination of employment and be paid during the time the noncompete undertaking applies, however 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 assessed/determined when the measurement period has ended. The Board is responsible for the evaluation so far as it concerns variable cash remuneration to the Chief Executive Officer. The Chief Executive Officer is responsible for evaluation regarding variable cash remuneration to other senior executives. For financial targets, 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 management, the application of the guidelines for remuneration of senior executives, as well as the current remuneration structures and compensation levels in the company. The Chief Executive Officer and other members of the senior management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

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

NOMINATION COMMITTEE

The Nomination Committee evaluates the Board and its work. As a basis for its proposals for the 2024 Annual General Meeting, the Nomination Committee has assessed whether the current Board is appropriately composed and fulfills the demands made on the Board by the Company's current and future position in the market. Board members have responded to a questionnaire and personally introduced themselves to the members of the Nomination Committee, who have had the opportunity to ask questions of everyone on the Board.

Genovis' Nomination Committee for the 2024 AGM:

- Mikael Lönn (Chairman)
- TIN Ny Teknik, represented by Erik Sprinchorn, Portfolio manager
- Swedbank Robur Fonder, represented by Bo Lundgren
- Handelsbanken Fonder, represented by Anna Henricsson

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 2023 Annual General Meeting resolved that the Nomination Committee for the 2024 AGM will consist of representatives of the four largest shareholders as of September 30, 2023. 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. Such a change shall be announced on the Company's website.

AUDIT COMMITTEE AND REMUNERATION COMMITTEE

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

EXTERNAL AUDITORS

The audit firm Öhrlings PricewaterhouseCoopers AB is the auditor for Genovis, with authorized auditor Neda Feher as auditor in charge. The auditor was 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 2024 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 2023 amounted to SEK 462 (615) thousand and fees for other assignments totaled SEK 54 (32) thousand.
Please see note 5 for additional information.

INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING

Internal control

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

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

Risk assessment

Risk assessment is based on the Group's financial 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 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.

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 2023

The Board of Directors has consisted of five members since the Annual General Meeting on May 16, 2023. In 2023 the Board held nine 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. 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, investments in product development and new product concepts, as well as issues related to the Company's IP rights.

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 Boule Diagnostics. Board member of Biotage AB and Advanced Instruments.

Relevant work experience:

Works as CEO and president of Biotage. Previous appointments include CEO and President of Biotage, Affibody AB, Karo Bio and DAKO A/S.

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

Holdings in Genovis: 105,000 shares

Mikael Lönn (b. 1949)

Member of the Board since: 2014

Education: MD, B.A.

Other directorships and positions:

Chairman of the Board of Wingspan Company Culture AB, Dentalum Operations AB and Dentalum Group AB, as well as board member for Mahatma Psykiatri AB, Oxlantic Medical AB, Redeye AB/Redhold AB, Vasa Angels 1 AB, Mikael Lönn AB, Professionell ägarstyrning i Sverige AB, Professionell ägarstyrning PÄAB II, and Collabodoc AB.

Relevant work experience: Mikael Lönn is a physician and entrepreneur who has been active as a business leader, mainly in the healthcare sector. He has extensive experience in financial investments, solid experience providing advisory services and active participation on the board of directors for a number of startups and growth companies, as well as experience in large county and municipal-owned organizations.

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

Holdings in Genovis: 9,490,653 shares

Magnus Gustafsson (b 1972)

Member of the Board since: 2022

Education: MSc, MBA, PhD Medical Biochemistry and Biophysics

Other directorships and positions: Board member of Biovian OY.

Relevant work experience: Works as Chief Business Officer at Biovian, a Nordic CDMO. He has more than 15 years of experience in various commercial positions such as Head of Global Business Development for Biovian, Director of Strategy Search and Evaluation för Cytiva GE/Healthcare Life Sciences and as Corporate and Business Development Director for Cobra Biologics (now Charles River).

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

Holdings in Genovis: 5,000 shares

Steve Jordan (b. 1953)

Member of theBoard since: 2021

Education: CChem FRSC

Other directorships and positions: Steve Jordan has no other Board directorships.

Relevant work experience: Steve currently works as a consultant for several companies engaged in the development of novel technologies and materials for the life science industries. Has previously held the position of Chief Scientific Officer and Senior Director R&D Chemistry at Biotage, Steve also has broad senior management experience in both large pharmaceutical and life science companies and has extensive M&A experience from the industry.

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

Holdings in Genovis: None

Lotta Ljungqvist (b. 1961)

Member of the Board since: 2019

Education: Ph.D. Biochemistry

Other directorships and positions: Chairperson of the board of SwedenBIO, as well as board member of Atlas Antibodies AB, BioArctic AB, NorthX Biologics AB, BioLamina AB and Arocell AB.

Relevant work experience: Was previously CEO of Testa Center, GE Norden and IMED AB, as well as global head of BioProcess R&D at GE Healthcare Life Science; has also held several leading positions at Biovitrum, Pharmacia Corp and Pharmacia & Upjohn.

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

Holdings in Genovis: 5,160 shares

SENIOR EXECUTIVES

The Chief Executive Officer is responsible for ensuring that the ongoing management is handled in accordance with the guidelines and instructions provided by the Board of Directors, as clarified in separate instructions for the CEO. The CEO shall ensure, through satisfactory control systems, that the Company complies with laws and regulations, as well as Nasdaq First North Growth Market's Rules for Issuers.

The Chief Financial Officer (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. The CFO shall ensure that the Company has good internal control and procedures to ensure that established financial reporting and internal control principles are applied. The CEO shall ensure that the Board receives objective, detailed and relevant information to enable it to 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.

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.

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: 149,074 shares

Magnus Långberg (b. 1971)
Chief Financial Officer

Education: BSc in economics, Lund University

Employed since: 2022

Magnus Långberg has more than 20 years of experience in medical technology and pharmaceuticals. He has held various leading global positions in finance, sales and production at companies such as BD, QPharma and HemoCue/Danaher. In all roles, he has driven development and continuous improvement of processes in both administration and sales growth.

Holdings in Genovis: 3,200 shares

Susanne Ahlberg (b 1957)
General counsel

Education: LL.M., Lund University

Employed since: 2007

Susanne has broad experience in all types of corporate law issues, stock market compliance and general business law. She has previously worked in corporate finance, as well as in senior positions in listed companies.

Holdings in Genovis: 62,648 shares

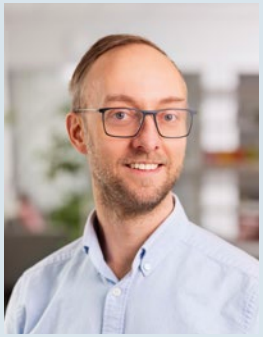
Stephan Björk (b 1975)
VP Production

Education: MSc

Employed since: 2023

Stephan has worked at Genovis as a Senior Scientist between 2013 and 2019, as well as in various roles within the pharmaceutical industry at companies such as Pharmacia&Upjohn, BioInvent, and Ferring, primarily focusing on biotechnology, but also on quality. His previous position at Genovis provided extensive experience in leading projects for the development of new enzymes for the company's enzyme portfolio and overseeing their production. He also has experience in the food industry as a Quality Control Manager.

Holdings in Genovis: 500



Rolf Lood (b 1984)
VP Research & Development

Education: Ph.D., Biomedicine, Lund University

Employed since: 2017

Rolf has worked as a consultant in new product development for several major international companies. He has extensive experience in research on microorganisms and enzymes, with a strong focus over the past ten years on bacterial proteases and glycosidases with biotech applications. Rolf is an associate professor at the division of Experimental Infection Medicine at Lund University, serves as a scientific adviser for several international biotech companies and has authored several scientific publications and patents.

Holdings in Genovis: 575 shares

Helén Carlsson Nyhlén (b. 1964)
VP Quality Assurance

Education: M.Sc. in Engineering, Ph.D., Faculty of Engineering, Lund University

Employed since: 2016

Helen has worked with biochemistry and proteins in the pharmaceutical and biotechnical industry for more than 25 years and has been employed at Genovis in various roles since 2016, most recently as Vice President of Application Development & Support. She has extensive experience in product development and has held various roles in development projects in the preclinical and clinical phases for the manufacturing and analysis of biological drug candidates. She has several years of experience in implementing and working according to various quality systems.

Holdings in Genovis: 615 shares

Rikke Rytter (b. 1967)
VP Sales and Marketing

Education: B.Sc. Biomedical Laboratory Science

Employed since: 2021

Rikke has experience in sales and marketing to Life Sciences customers since 1995 when she started as a product specialist in chromatography. She has worked in various roles for major global companies such as Pharmacia Biotech, GE Life Sciences, Dako as well as Biotage. At Biotage, she was responsible for global marketing and launched several new products on a global level with great success.

Holdings in Genovis: 2,767 shares

Administration Report

OPERATIONS AND STRUCTURE

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

The organization consists of Genovis AB and the wholly owned subsidiaries Genovis Inc. and GeccoDots AB.

Genovis Inc. handles all sales and local marketing of enzyme products in the North American market. In addition, through the merger with QED, Genovis Inc. now also offers development and sales of antibodies that are marketed globally. In the Asian markets, sales are handled by distributors. Genovis AB is responsible for sales and marketing in Europe, as well as for global operations. Genovis AB manages all administration for the Group.

In addition to products, the Group also provides knowledge and support, where specialists at Genovis assist customers globally with interpreting and evaluating information such as research findings.

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 biologics.

During the year, several aspects of the product portfolio were broadened through the launch of proprietary and in-licensed enzymes and antibodies.

FINANCIAL OVERVIEW

Revenue

Consolidated net sales rose to SEK 158,232 (102,387) thousand, an increase in sales of 55%. Growth, adjusted for currency effects, jumped 47%. The positive growth is largely attributable to sales in the US and Europe, as well as the license income from Selecta Biosciences of approximately SEK 40 million. Other operating income for the full year was SEK 5,371 (9,711) thousand, of which SEK 4,497 (8,434) thousand relates to exchange rate gains and SEK 874 (1,277) thousand relates to other items. The US is the Group's largest market, followed by the European market.

Expenses

Consolidated expenses including depreciation and amortization increased by SEK 8,869 thousand to SEK -110,726 (-101,857) thousand. Raw materials and consumables totaled SEK -16,507 (-13,054) thousand. Personnel costs amounted to SEK -50,513 (-40,500) thousand, which increased by SEK 10,013 thousand due to new hires, salary increases, incentives linked to the license income from Selecta Biosciences and higher USD and EUR exchange rates in relation to the SEK. Other external expenses totaled SEK -28,836 (-27,693) thousand, an increase of SEK 1,143 thousand largely attributable to the move to new premises.

Other operating expenses totaled SEK -5,148 (-13,978) thousand and decreased mainly due to non-recurring costs the previous year related to the repaid portion of the insurance compensation received 2015-2016 of approximately SEK 9 million in the patent dispute case against Promega Corporation. Other items relate to exchange losses.

Operating profit before depreciation and amortization (EBITDA)

Operating profit before depreciation and amortization (EBITDA) totaled SEK 63,946 (14,909) thousand.

Operating profit (EBIT)

Operating profit after depreciation and amortization totaled SEK 54,224 (8,277) thousand.

Net financial items

Net financial items totaled SEK 626 (-281) thousand and mainly consist of interest income from banks and interest expense on leases.

Taxes

The Group has a deferred tax asset of SEK 17,082 (10,174) thousand, broken down as follows: SEK 8,017 (1,718) thousand arising from the Parent Company, deferred tax on internal profit in inventories of SEK 8,544 (8,456) thousand and other items of SEK 521 (0) thousand. The deferred tax asset in the Parent Company corresponded to a loss carryforward of about SEK 39 million.

The Parent Company Genovis AB reports no tax liability since it has unutilized deficits from previous years. The Parent Company's total tax loss amounts to SEK 39 (99) million. It is the Board's assessment that future taxable surpluses will be available against which the unutilized tax losses can be utilized.

Deferred tax liability for the Group totals SEK 2,014 (2,425) thousand and is attributable to deferred tax on surplus values from the acquisition of QED Inc. in 2020.

Profit for the year

Profit for the year was SEK 61,500 (11,191) thousand and comprehensive income was SEK 65,158 (12,618) thousand. Earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK 0.94 (0.17). Earnings per share are calculated by dividing profit for the year by the weighted average number of shares during the year.

Investments

The Group's net capital expenditure for the full year totaled SEK 12,808 (3,825) thousand, of which SEK 10,440 (2,932) thousand is attributable to property, plant, and equipment, primarily laboratory equipment, and SEK 2,368 (893) relates to intangible assets. A new lease for new premises of SEK 76 million has been recognized as a right-of-use asset, with corresponding lease liability.

Cash flow and financial position

Consolidated cash flow for the full year totaled SEK 50,431 (-8,485) thousand. Cash flow was favorably impacted by the strong sales growth in the US and Europe, as well as the license income from Selecta Biosciences of approximately SEK 40 million. The change was also impacted by non-recurring costs the previous year of approximately SEK 9 million for the repaid portion of the previously received insurance compensation. Cash flow from financing activities totaled SEK -4,513 (-3,732) thousand.

Consolidated cash and cash equivalents amounted to SEK 123,261 (72,830) 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 190,810 (125,652) thousand after taking the profit for the period into account. Equity per share based on the weighted average of the number of outstanding shares (basic and diluted) was SEK 2.91 (1.92). The Group's equity ratio at the end of the period was 66% (83).

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

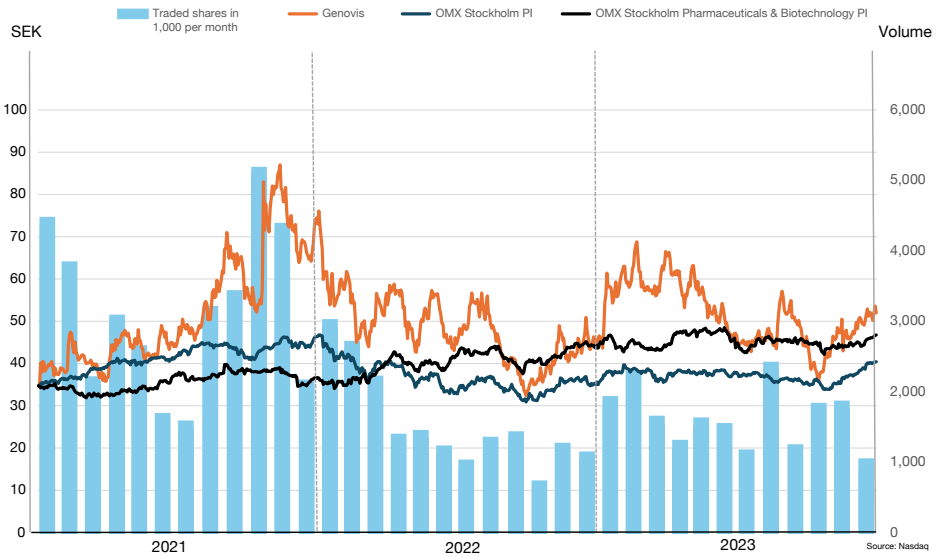
Lease liabilities	(SEK 000s)
Noncurrent lease liabilities	
Maturity between 1 and 15 years	74,808 (4,438)
Current lease liabilities	
Maturity within 1 year	4,513 (2,885)

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 the Company's assets and earnings and carry equal rights in terms of dividends. Shareholders may vote for the full number of shares that they own or represent at Annual General Meeting for Genovis. Outstanding shares in the Company may be freely transferred, without restrictions under law or Genovis' Articles of Association. Genovis is not aware of any agreements between shareholders, which limit the right to transfer shares in the Company. Genovis' Articles of Association are available on the Company's website.

On December 31, 2023, the share price was SEK 52.00, compared with SEK 45.95 the previous year, and the market value was SEK 3,404 million.



Certified Adviser

Carnegie Investment Bank AB (publ) is Genovis' Certified Adviser
phone: +46 (0)73 856 42 65, email: certifiedadviser@carnegie.se.

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.

Share capital

Share capital is attributable to Parent Company shareholders and as of December 31, 2023, totaled SEK 16,366,428, consisting of 65,465,714 shares with a par value of SEK 0.25.

Analysts who follow Genovis

Danske Bank.
Nordea Investment Banking & Equities.
In 2023, Genovis purchased analyses from Redeye AB.

Shareholder information

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

Shareholding by size December 31, 2023

Holdings	Number of shareholders	Number of shares	Holdings (%)	Market value (SEK thousand)
1 - 5,000	7,525	4,813,288	7.35	249,810
5,001 - 20,000	455	4,591,390	7.02	238,293
20,001 - 100,000	192	7,213,161	11.02	374,363
100,001 - 500,000	45	9,731,146	14.86	505,046
500,001 -	16	39,116,729	59.75	2,030,158
Total	**8,233**	**65,465,714**	**100.00**	**3,397,671**

Source: Euroclear Sweden AB

The largest shareholders as of December 31, 2023

Name	Number of shares	Votes (%)
LÖNN, MIKAEL	9,490,653	14.5
STATE STREET BANK AND TRUST CO, W9	5,478,530	8.37
ÅLANDSBANKEN ABP (FINLAND), SWEDISH, BRANCH	3,648,988	5.57
TIN NY TEKNIK	3,321,296	5.07
SWEDBANK ROBUR FONDER	3,100,000	4.74
HANDELSBANKEN FONDER	2,400,000	3.67
SECOND AP FUND	2,230,304	3.41
J.P. MORGAN SE, LUXEMBOURG BRANCH, W8IMY/NQI	1,672,261	2.55
AVANZA PENSION	1,577,377	2.41
OTHER	32,546,305	49.71
TOTAL	65,465,714	100

Source: Euroclear Sweden AB

Dividend policy

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

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

The Board of Directors proposes that no dividend be distributed for 2023. In the short term, the Company intends to use any profits that arise to finance continued business development and expansion.

PRODUCTS

Genovis develops and provides unique enzymes and antibodies for the global life science market. The enzymes are marketed under the common brand name SmartEnzymes™, representing a portfolio of 25 different enzymes available in various product formats. These enzymes are used in analytical applications, bioprocessing, and gene therapy, offering versatile solutions for our customers' unique needs. Our service offerings within the enzyme business span across various areas, including digestion and labeling of antibodies, as well as comprehensive solutions for antibody characterization through mass spectrometry.

Genovis also has a broad product offering of antibodies for the research and diagnostic markets, and to further support our customers' needs, we offer a service business for the development and production of custom antibodies.

EVENTS DURING THE YEAR

Agreements

In January 2023, Selecta Biosciences announced the sublicensing of the Xork enzyme to Astellas Pharma for development with AT845, a gene therapy product, for the treatment of Pompe disease. As part of the license agreement entered between Genovis AB and Selecta Biosciences Inc. in 2021, in the first quarter of 2023 Genovis received USD 4 million following the sublicensing.

Genovis and ArcticZymes Technologies signed a collaboration agreement to engage in joint marketing activities in the Chinese market.

Product launches

IDuring 2023, Genovis successfully expanded its product portfolio by introducing four new enzyme products intended for the analysis of proteins and biological drugs.

A significant launch included GlySERIAS™ Immobilized, a new format of the successful GlySERIAS enzyme. This format offers customers simpler workflows and increased efficiency. The launch of the IgM protease IgMBRAZOR™ made Genovis pioneers as the first in the world to commercially provide an IgM protease.

To further strengthen our position in protein and glycan analysis, Genovis introduced ImpaRATOR™, a product similar to OpeRATOR®, enabling digestion of proteins carrying O-glycans. Towards the end of the year, we expanded our product portfolio by launching IgASAP™, a specific IgA protease. This diversification of enzyme products positions Genovis as a leading player in providing innovative tools for the biopharmaceutical market.

Facilities

During the second half of the year Genovis moved its operations to Kävlinge in newly built premises adapted to the business. The premises offer continued expansion potential for the future.

INNOVATION AND PRODUCT DEVELOPMENT

Product development is a key component of Genovis' growth strategy. By launching new products and new formats of existing enzymes, Genovis aims to provide products and services that deliver high customer value. Product development at Genovis usually takes place in close dialogue with customers and key opinion leaders within the intended application of the products. By developing close relationships and engaging in frequent dialogue with the customer base, we manage our product development projects to ensure that there are relevant in the market and provide clear value for the user. Product development occurs through close collaboration involving the various functions within the Company to achieve an efficient agile product development process with subsequent product launch. In 2023, Genovis continued to have a strong focus on product development and mainly increased the capacity in that part of the business through strategic external collaborations in both industry and academia. This strategy broadens Genovis' ability to identify and develop new SmartEnzymes™. In addition, investments have been made in our process development during the early development phase, which facilitates and streamlines projects up to commercial production. In 2023, Genovis will continue its efforts to launch new products in current and new markets.

EMPLOYEES

Genovis' corporate culture

In 2023, Genovis successfully developed and clarified its corporate ethos, based on four core values: our passion for customers, our curiosity which drives innovation, our fun and supportive team spirit, and embracing our colorful identity. This emphasis on our core values marks our commitment to shaping and strengthening our corporate culture. As an employer, Genovis rejects all forms of discrimination and harassment on the grounds of sex, transgender identity or expression, ethnicity, religion or belief, disability, sexual orientation, or age and places high demands on partners and suppliers.

Code of Conduct

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

Number of employees

On Dec. 31, 2023, the Group had 37 employees, compared with the same period in 2022, when the Group had 37 employees.
In all, 28 people were employed by the Parent Company in Lund and nine employees work for the subsidiary Genovis Inc. in the US.

ENVIRONMENTAL IMPACT

Environmental impact consists mainly of emissions to air and water, as well as the environmental effects of energy use and waste production. Manufacturing divisions in Sweden and the US adapt operations, apply for the necessary permits and report to authorities in compliance with local legislation. No material non-conformances related to applicable environmental legislation were reported in 2023.

In 2023, we successfully reduced our environmental impact by reducing our paper use by 50%, an achievement mainly attributable to our initiative to design new product boxes. This significant progress reflects our commitment to actively contributing to a more sustainable and environmentally friendly operation.

PARENT COMPANY

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

Key figures Parent Company	2023	2022	2021	2020	2019
Net sales (SEK thousand)	124,062	81,770	68,399	61,182	50,861
Operating income (SEK thousand)	56,772	19,696	26,030	19,561	9,219
Equity/assets ratio (%)	94	92	86	92	82
Acid test ratio (%)	982	690	529	845	308
Dividend per share (SEK)	0	0	0	0	0

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

RISK MANAGEMENT

Research and development

Genovis' future growth is dependent on the Company's ability to successfully develop new product formats from 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.

FINANCIAL RISK MANAGEMENT

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

Currency risk

The majority of the Group's expenses are denominated in SEK. The Group's revenue, however, is largely dependent on other currencies, primarily the USD and the EUR.

The effects of exchange rate fluctuations on profit and equity are calculated based on known volumes and results denominated in a foreign currency. The calculation below is an assumption of the impact of a 10% change in the exchange rate on sales, which the Company experienced in 2023.

Currency estimated exchange rate, 2023	Net volume 2023 SEK 000s	Impact on earnings/equity in SEK 000s at 10%
USD: 10.55	121,010	+/- 12,101
EUR: 11.47	33,979	+/- 3,398

Sensitivity analysis

Genovis' financial performance is affected by a number of external factors. The table below shows how changes in some of the factors that are important for Genovis could have affected the Group's net income for 2023.

Change in profit/loss before tax		SEK 000s
Net sales	+/- 3%	4,747
Cost of goods sold	+/- 3%	495
Payroll expenses	+/- 3%	1,515

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, 2023, consolidated shareholders' equity was SEK 190,810 (125,652) thousand and Genovis AB's shareholders' equity was SEK 212,963 (146,890) thousand.

Liquidity risk

Liquidity risk consists of the risk that the Group cannot obtain funds to meet its obligations. Consolidated cash and cash equivalents at the end of the full year amounted to SEK 123,261 (72,830) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the circumstances change, measures to raise additional capital may be considered.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

On October 21, 2021, Genovis entered into a license agreement with Selecta Biosciences/ Carthesian Therapeutics. This license agreement was terminated by Carthesian Therapeutics in March 2024. Genovis has now regained the rights to the unique Xork™ enzyme. This development will allow new business opportunities with other partners in gene therapy and autoimmune diseases.

Substantial resources have already been invested in the project which, through the termination of the agreement, are now partially benefiting Genovis, including new versions of the Xork enzyme and associated patent applications. There are currently no known preclinical or clinical data that contradict future opportunities for therapeutic applications of the Xork enzyme.

Prior to the termination of the agreement, in the first quarter Genovis received USD 1 million in a milestone payment related to the development of the Xork™ enzyme. The milestone payment was related to the achievement of development goals.

OUTLOOK

Although the Life Science field is, historically, relatively independent of business cycles, periods of uncertainty can influence our customers' appetite to invest in new technology. With all development projects proceeding according to plan, Genovis is positioned to make additional advances with respect to both new products and sales. Overall, volume growth is expected to be positive in 2024.

Proposed appropriation of profits

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

Proposed appropriation of the Company's profit or loss

The following funds are at the disposal of the Annual General Meeting:	(SEK 000s)
Accumulated loss	-85,952
Share premium reserve	216,476
Profit for the year	66,073
Comprehensive income	**196,597**
Carry forward to new account	196,597

The Board of Directors proposes that no dividend be paid for the 2023 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 15, 2024.

STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Net sales	2	158,232	102,387	124,062	81,770
Change in inventory, finished goods		1,347	-1,964	1,296	-2,121
Other operating income	3	5,371	9,711	5,333	9,711
		164,950	**110,134**	**130,691**	**89,360**
Operating expenses					
Raw materials and consumables		-16,507	-13,054	-7,512	-4,993
Other external costs	4,5,6	-28,836	-27,693	-21,780	-18,437
Personnel costs	7	-50,513	-40,500	-37,416	-30,758
Depreciation, amortization and impairment of plant, property, and equipment and intangible assets	8	-9,722	-6,632	-2,227	-1,575
Other operating expenses	9	-5,148	-13,978	-4,984	-13,901
Total operating expenses		**-110,726**	**-101,857**	**-73,919**	**-69,664**
Operating profit		**54,224**	**8,277**	**56,772**	**19,696**
Profit/loss after financial items					
Financial risks		2,890	57	3,992	178
Financial expenses		-2,264	-338	-990	-1,363
Financial items - net		**626**	**-281**	**3,002**	**-1,185**
Profit before tax		**54,850**	**7,996**	**59,774**	**18,511**
Income tax	10	6,650	3,195	6,299	0
PROFIT FOR THE YEAR		**61,500**	**11,191**	**66,073**	**18,511**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Translation of foreign subsidiary		3,658	1,427		
COMPREHENSIVE INCOME FOR THE YEAR		**65,158**	**12,618**	**66,073**	**18,511**
Profit for the year attributable to Parent Company shareholders		61,500	11,191		
Comprehensive income for the year for the year attributable to Parent Company shareholders		65,158	12,618		
Earnings per share, basic and diluted	11	0.94	0.17		
Average number of shares		65,465,714	65,465,714		

BALANCE SHEET

SEK 000s	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
ASSETS		Dec. 31	Dec. 31	Dec. 31	Dec. 31
Noncurrent assets					
Intangible assets	**12**				
Patents and licenses		5,622	4,059	5,622	4,059
Customer relationships		7,199	8,664	0	0
Goodwill		4,573	4,753	0	0
Total intangible assets		**17,394**	**17,476**	**5,622**	**4,059**
Property, plant and equipment	**13**				
Equipment, tools, fixtures, and fittings		17,415	8,513	17,153	8,206
Right-of-use assets		77,840	7,299	0	0
Total property, plant and equipment		**95,255**	**15,812**	**17,153**	**8,206**
Financial non-current assets					
Participations in Group companies	14	0	0	19,875	19,875
Receivables from Group companies	23	0	0	24,630	25,600
Other noncurrent receivables		86	89	0	0
Total financial noncurrent assets		**86**	**89**	**44,505**	**45,475**
Deferred tax assets	10	17,082	10,174	8,017	1,718
Total noncurrent assets		**129,817**	**43,551**	**75,297**	**59,458**
Current assets					
Inventories		14,905	12,557	10,944	8,631
Current receivables					
Accounts receivable	15	15,242	16,913	3,820	6,205
Receivables from Group companies		0	0	13,137	12,773
Other receivables		1,651	1,669	1,651	1,669
Prepaid expenses and accrued income	16	3,981	3,000	3,336	2,656
Total current receivables		**20,874**	**21,582**	**21,944**	**23,303**
Cash and cash equivalents	15, 17	123,261	72,830	119,145	68,852
Total current assets		**159,040**	**106,969**	**152,033**	**100,786**
TOTAL ASSETS		**288,857**	**150,520**	**227,330**	**160,244**

BALANCE SHEET

SEK 000s	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
EQUITY AND LIABILITIES		Dec. 31	Dec. 31	Dec. 31	Dec. 31
Equity					
Share capital	18	16,366	16,366	16,366	16,366
Total restricted equity				**16,366**	**16,366**
Other paid-in capital		215,655	215,655	0	0
Share premium reserve				216,476	216,476
Translation reserve		2,636	-1,021		
Accumulated loss		-105,347	-116,539	-85,952	-104,463
Profit for the year		61,500	11,191	66,073	18,511
Total unrestricted equity				**196,597**	**130,524**
Total equity attributable to Parent Company shareholders		**190,810**	**125,652**	**212,963**	**146,890**
Noncurrent liabilities					
Deferred tax	10	2,014	2,425	0	0
Lease liabilities	15, 19	74,808	4,438	0	0
Total noncurrent liabilities		**76,822**	**6,863**	**0**	**0**
Current liabilities					
Accounts payable	15	4,302	5,452	3,980	5,215
Lease liabilities	15, 19	4,513	2,885	0	0
Liabilities to Group companies		0	0	100	100
Other liabilities		1,569	1,691	1,266	1,431
Accrued expenses and deferred income	20	10,841	7,977	9,021	6,608
Total current liabilities		**21,225**	**18,005**	**14,367**	**13,354**
TOTAL EQUITY AND LIABILITIES		**288,857**	**150,520**	**227,330**	**160,244**

STATEMENT OF CASH FLOWS

SEK 000s	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Operating activities					
Operating profit		54,224	8,277	56,772	19,696
Adjustment for items not affecting cash flow	21	9,518	5,877	2,022	820
Changes in working capital	22	3,384	-14,800	263	894
Interest received		2,890	57	3,974	178
Interest paid		-2,264	-339	-1	-2
Cash flow from operating activities		**67,752**	**-928**	**63,030**	**21,586**
Investing activities					
Acquisitions, patents		-2,368	-893	-2,368	-893
Acquisition of property, plant and equipment		-10,440	-2,932	-10,369	-2,853
Cash flow from investing activities		**-12,808**	**-3,825**	**-12,737**	**-3,746**
Financing activities					
Change in noncurrent receivables	23	0	0	0	-26,961
Repayment of loans relating to finance leases	24	-4,513	-3,732	0	0
Cash flow from financing activities		**-4,513**	**-3,732**	**0**	**-26,961**
Total cash flow after financing activities		**50,431**	**-8,485**	**50,293**	**-9,121**
Cash and cash equivalents, Jan. 1		72,830	81,315	68,852	77,973
Cash and cash equivalents, Dec. 31	17	**123,261**	**72,830**	**119,145**	**68,852**

CHANGES IN EQUITY

GROUP

SEK 000s	Share capital	Other paid-in capital	Translation reserve	Accumulated loss	Total equity
Opening balance as of January 1, 2022	16,366	215,655	-2,449	-116,538	113,034
Profit for the year	0	0	0	11,191	11,191
Other comprehensive income	0	0	1,427	0	1,427
Closing balance as of December 31, 2022 according to adopted balance sheet	**16,366**	**215,655**	**-1,022**	**-105,347**	**125,652**
Profit for the year	0	0	0	61,500	61,500
Other comprehensive income	0	0	3,658	0	3,658
Closing balance as of December 31, 2023	**16,366**	**215,655**	**2,636**	**-43,847**	**190,810**

PARENT COMPANY

SEK 000s	Share capital	Share premium reserve	Accumulated loss	Profit for the year	Total equity
Opening balance as of January 1, 2022	16,366	216,476	-130,700	26,237	128,379
Appropriation of profit/loss as resolved by AGM	0	0	26,237	-26,237	0
Profit for the year	0	0	0	18,511	18,511
Closing balance as of December 31, 2022 according to adopted balance sheet	**16,366**	**216,476**	**-104,463**	**18,511**	**146,890**
Appropriation of profit/loss as resolved by AGM	0	0	18,511	-18,511	0
Profit for the year	0	0	0	66,073	66,073
Closing balance as of December 31, 2023	**16,366**	**216,476**	**-85,952**	**66,073**	**212,963**

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.

Amended accounting policies resulting from amended IFRS

Amended IFRSs that became effective from January 1, 2023 have had no material impact on the Group's accounting.

Standards, amendments and interpretations not yet applied

New and amended IFRSs adopted by the IASB with future application are not expected to have a material impact on the Company's financial statements.

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

Revenue recognition

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

Financial instruments

Financial instruments recognized in the balance sheet on the asset side include cash and cash equivalents, loan receivables and accounts receivable. The liabilities include accounts payable. A financial asset or financial liability is recognized in the balance sheet when the Company becomes party to the instrument's contractual terms. A receivable is recognized when the company performed and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been submitted.

Liabilities are recognized when the counterparty has performed and a contractual obligation to pay exists, even if the invoice has been received. A financial asset is derecognized from the balance sheet when the contractual rights are realized, expire or the company loses control over them. The same applies to part of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to part of a financial liability. A financial asset and a financial liability are only offset and recognized at the net amount in the balance sheet when the Company is legally entitled to offset their amounts and the Company intends to settle the items with a net amount or simultaneously realize the asset and settle the liability. Purchases and sales of financial assets are recognized on the date when the transaction is carried out.

Leases

The Group recognizes one right-of-use asset and one lease liability on the start date of the lease. The right-of-use asset is measured initially at cost, which consists of the lease liability's original value plus lease payments paid at or prior to the start date and any initial direct costs. The right-of-use asset is then depreciated on a straight-line basis from the start date to the earlier of the end of the asset's right of use and the end of the terms of the lease, which for the Group is normally the end of the lease.

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

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

Taxes

All tax deemed payable on reported earnings, adjustment of previous years' tax and deferred tax is reported in the income statement. The Group uses the balance sheet method to calculate deferred tax assets and liabilities. Deferred tax is recognized in accordance with the balance sheet method, which means that deferred taxes are calculated on all temporary differences identified on the closing date, i.e., between the tax basis for assets or liabilities on the one hand and their carrying amounts on the other, as well as tax loss carryforwards.

Intangible assets

Patents

The Group's expenditures for patents are capitalized when fulfilling the prerequisites of being entered as intangible assets, in accordance with IAS 38. Patents have a limited useful life and are therefore recognized at cost less accumulated amortization. The amortization period begins when the patent has 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, liabilities and contingent liabilities recognized. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested annually for impairment in the fourth quarter, or when there is an indication of impairment.

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

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

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

• Laboratory equipment	5–10 years
• Building fixtures and fittings	10 years
• Other equipment	5–10 years
• Right-of-use assets	5-15 years (based on contract duration)
• Right-of-use assets	5-15 years (based on contract duration)

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

FOREIGN CURRENCIES
Functional currency
The functional currency is the currency of the primary economic environments in which the companies operate. The presentation currency of the Parent Company is the SEK, which is also the reporting currency of the Parent Company and the functional currency of the Group.

Transactions denominated in foreign currencies
Transactions denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency using the exchange rate prevailing at the end of the reporting period. Exchange rate differences arising on translation are recognized in profit or loss for the year. Exchange gains and losses on operating receivables and liabilities are included in operating profit or loss, while exchange differences on financial receivables and liabilities are recognized among financial items.

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

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

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

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.

Taxes

Of the Group's recognized deferred tax assets, SEK 8,017 thousand relates to deferred tax on loss carryforwards in Sweden. The Parent Company has a deferred tax asset amounting to SEK 8,017 (1,718) thousand at the end of the period, corresponding to a loss carryforward of SEK 38,919 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.

Goodwill

The valuation of intangible assets is reviewed at least annually or more frequently if there are indications that an impairment may have occurred. Goodwill has been tested for impairment in accordance with IAS 36. The test showed a value of USD 3.5 million. The test produced a value in use of USD 4.5 million in relation to tested assets of USD 1.0 million. A discount rate of 12% and a perpetual growth rate of 2% have been used.

Financing/liquidity

Consolidated cash and cash equivalents at year-end amounted to SEK 123,261 (72,830) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the circumstances change, measures to raise additional capital may be considered. With shareholder approval, Genovis can issue new shares, buy back shares, or increase/decrease loans. The capital structure is regularly revised.
On December 31, 2023, consolidated shareholders' equity was SEK 190,810 (125,652) thousand and Genovis AB's shareholders' equity was SEK 212,963 (146,890) thousand.

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, production and quality control of biopharmaceuticals, as well as antibodies for research and diagnostics. Reference is made to the financial statements concerning primary segment reporting. About 26% of net sales in the Group is attributable to revenue related to services from license agreements.

Revenue	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Geographic markets				
Sweden	795	631	795	631
Rest of world	157,437	101,756	123,267	81,139
Total	**158,232**	**102,387**	**124,062**	**81,770**
Product category				
Enzyme	138,639	85,117	124,062	81,770
Antibodies	19,593	17,270	0	0
Total	**158,232**	**102,387**	**124,062**	**81,770**

**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 2023	Group 2022	Parent Company 2023	Parent Company 2022
Exchange gains	4,497	8,434	4,497	8,434
Research grants received	836	1,175	836	1,175
Other remuneration	38	102	0	102
Total	**5,371**	**9,711**	**5,333**	**9,711**

NOTE 4 RELATED PARTY TRANSACTIONS

Genovis' board member and principal owner Mikael Lönn, who holds a 14.50% stake in Genovis, owns 15.27% 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. Genovis is a member of SwedenBIO, for which Board member Lotta Ljungqvist is chair of the board. Genovis has paid service and membership fees totaling SEK 51 thousand to SwedenBIO for the full year. All related party transactions have been carried out on an arm's length basis. Please see note 7 for remuneration of the Board of Directors and senior executives.

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 2023	Group 2022	Parent Company 2023	Parent Company 2022
PwC				
Audit assignment	462	615	462	615
Non-audit assignments	54	32	54	32
Total	**516**	**647**	**516**	**647**

NOTE 6 LEASES

Lease costs relate mainly to the rental of premises by the Parent Company and its subsidiary, Genovis Inc. The lease period for the Parent Company's lease for office and laboratory premises runs until June 30, 2038. Genovis Inc. has a lease that runs until April 30, 2027. Lease costs for the year in the Parent Company amounted to SEK 6,042 (3,450) thousand, consisting mainly of rent for premises and a small number of car leases.

Costs for leases in Group	Depreciation/ Amortization 2023	Interest 2023	Depreciation/ Amortization 2022	Interest 2022
Rent for premises	5,844	2,220	3,491	268
Car leases	345	25	276	27
Rent equipment	-	-	52	42
Total	**6,189**	**2,245**	**3,819**	**337**

The cash flow impact for leases is SEK 4,513 (3,731) thousand. Please see note 19 for lease liabilities

NOTE 7 PERSONNEL

The Chief Executive Officer is entitled to a defined-contribution pension that is 35% of the fixed annual cash 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 2023	Group 2022	Parent Company 2023	Parent Company 2022
Total	35	35	26	27
Women	22	24	16	18
Salaries and remuneration:				
Board, CEO and senior executives	12,543	9,246	12,543	9,246
Other employees	25,065	19,674	13,899	11,626
Total salaries	**37,608**	**28,920**	**26,442**	**20,872**
Social security expenses	7,023	5,430	6,219	4,788
Pension costs CEO and senior executives	2,558	2,111	2,558	2,111
Pension costs, other employees	1,909	1,860	865	938
Total social security expenses and pension costs	**11,490**	**9,401**	**9,642**	**7,837**
Other personnel costs	1,502	2,179	1,419	2,049
Total	**50,600**	**40,500**	**37,503**	**30,758**

Remuneration and other benefits for the Board, Chief Executive Officer and senior executives

2023	Basic salary/ Board fees	Consultant fee	Variable remuneration	Benefits	Pension costs	Social security expenses	Total
Torben Jørgensen, Chairman of the Board	350	0		0	0	36	386
Mikael Lönn	175	0		0	0	18	193
Charlotta Ljungqvist	175	0		0	0	55	230
Steve Jordan	0	175		0	0	0	175
Magnus Gustafsson	175	0		0	0	55	230
Fredrik Olsson, CEO	1,499	0	1,071	89	515	808	3,895
Senior executives	5,757	0	3,341	263	2,043	2,941	14,345
Total	**8,131**	**175**	**4,412**	**352**	**2,558**	**3,913**	**19,454**

2022	Basic salary/ Board fees	Consultant fee	Benefits	Pension costs	Social security expenses	Total
Torben Jørgensen, Chairman of the Board	300				31	331
Mikael Lönn	150				15	165
Kenth Petersson	75				8	83
Charlotta Ljungqvist	150				47	197
Steve Jordan		150				150
Magnus Gustafsson	75				24	99
Fredrik Olsson, CEO	1,585		87	494	525	2,691
Senior executives	6,911		233	1,617	2,245	11,006
Total	**9,246**	**150**	**320**	**2,111**	**2,895**	**14,722**

In 2023 the Board was composed of 4 men and 1 woman. In 2022 the Board was composed of 4 men and 1 woman.
The average number of senior executives was 6 (7). Guidelines for remuneration of senior executives as resolved at the 2023 Annual General Meeting are presented in the Corporate Governance report on pages 19–20.

NOTE 8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Amortization patent	-806	-660	-806	-660
Amortization customer relation-ships	-1,201	-1,145	0	0
Depreciation equipment, tools, fixtures and fittings	-7,715	-4,827	-1,421	-915
Depreciation on leased assets	-6,189	-3,819	0	0
Total	**-9,722**	**-6,632**	**-2,227**	**-1,575**

NOTE 9 OTHER OPERATING EXPENSES

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Exchange losses	-5,148	-5,104	-4,984	-5,027
Non-recurring costs related to reimbursement of part of the previously received insurance compensation.	0	-8,874	0	-8,874
Total	**-5,148**	**-13,978**	**-4,984**	**-13,901**

NOTE 10 TAXES

Taxes	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Deferred tax	6,712	3,432	6,299	0
Income tax	-62	-237	0	0
Reported effective tax	**6,650**	**3,195**	**6,299**	**0**

Reported effective tax	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Profit before tax	54,851	7,996	59,774	18,511
Tax at nominal tax rate for the Parent Company	-11,299	-1,647	-12,313	-3,813
Effect of other tax rates for foreign subsidiaries	-69	-55	0	0
Tax effect from non-deductible items	-327	-335	-24	-17
Tax effect from non-taxable items	314	330	0	0
Deferred tax on capitalized loss carryforwards	6,299	0	6,299	0
Utilization of previously unrecog-nized loss carryforwards	12,337	3,830	12,337	3,830
Tax attributable to previous years	217	-17	0	0
Translation differences	-822	1,089	0	0
Reported effective tax	**6,650**	**3,195**	**6,299**	**0**

The tax rate for Genovis Inc. is 27% and Genovis AB is 20.6%.

Deferred tax asset/tax liability	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Deferred tax asset				
Deficit	8,017	1,718	8,017	1,718
Inventories	8,544	8,456	0	0
Noncurrent receivables	200	0	0	0
Right-of-use assets (gross accounting)	16,574	0	0	0
Total deferred tax asset	**33,335**	**10,174**	**8,017**	**1,718**
Deferred tax liability				
Leases (gross accounting)	16,253	0	0	0
Surplus value acquisition QED Inc	2,014	2,425	0	0
Total deferred tax liability	**18,267**	**2,425**	**0**	**0**

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 38,919 (98,810) million. The carryforward of unused tax losses has no time limit.

NOTE 11 EARNINGS PER SHARE

Earnings per share, basic and diluted, are calculated by dividing profit for the year attributable to the shareholders of the Parent Company by the weighted average number of outstanding shares during the period. There is no dilutive effect.

	Group 2023	Group 2022
Profit for the year, SEK	61,500	11,191
Weighted average number of outstanding shares	65,465,714	65,465,714
Number of shares at year-end	65,465,714	65,465,714
Earnings per share, basic and diluted, SEK	**0.94**	**0.17**

NOTE 12 – INTANGIBLE ASSETS

Patents	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Opening cost	9,473	8,580	9,473	8,580
Acquisition/capitalization	2,368	893	2,368	893
Closing cost	**11,841**	**9,473**	**11,841**	**9,473**
Opening accumulated amortization	-5,414	-4,754	-5,414	-4,754
Amortization for the year	-806	-660	-806	-660
Closing accumulated amortization	**-6,219**	**-5,414**	**-6,219**	**-5,414**
Carrying amount	**5,622**	**4,059**	**5,622**	**4,059**

Customer relationships	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Opening cost	11,815	10,237	0	0
Foreign currency translation	-448	1,577	0	0
Closing cost	**11,367**	**11,815**	**0**	**0**
Opening accumulated amortization	-3,151	-1,706	0	0
Amortization for the year	-1,201	-1,145	0	0
Foreign currency translation	184	-300	0	0
Closing accumulated amortization	**-4,168**	**-3,151**	**0**	**0**
Carrying amount	**7,199**	**8,664**	**0**	**0**

Goodwill	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Opening cost	4,753	4,118	0	0
Foreign currency translation	-180	635	0	0
Closing cost	**4,573**	**4,753**	**0**	**0**
Carrying amount	**4,573**	**4,753**	**0**	**0**

Goodwill has been tested for impairment in accordance with IAS 36. The test showed a value of USD 3.5 million. The test produced a value in use of USD 4.5 million in relation to tested assets of USD 1.0 million. A discount rate of 12% and a perpetual growth rate of 2% have been used.

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

Equipment, tools, fixtures, and fittings	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Opening cost	18,204	15,218	17,713	14,860
Purchases	10,440	2,922	10,368	2,853
Disposals	-2,826	0	-2,826	0
Foreign currency translation	-24	64	0	0
Closing cost	**25,794**	**18,204**	**25,255**	**17,713**
Opening accumulated amortization	-9,691	-8,668	-9,507	-8,592
Depreciation on disposals	2,826	0	2,826	0
Amortization for the year	-1,526	-1,008	-1,421	-915
Foreign currency translation	12	-15	0	0
Closing accumulated amortization	**-8,379**	**-9,691**	**-8,102**	**-9,507**
Carrying amount	**17,415**	**8,513**	**17,153**	**8,206**

Right-of-use assets	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Opening cost	17,072	12,337	0	0
Purchases	77,130	7,974	0	0
Disposals	-9,514	-3,877	0	0
Foreign currency translation	-324	638	0	0
Closing cost	**84,364**	**17,072**	**0**	**0**
Opening accumulated depreciation	-9,773	-9,284	0	0
Depreciation on disposals	9,231	3,377	0	0
Amortization for the year	-6,189	-3,819	0	0
Foreign currency translation	208	-47	0	0
Closing accumulated amortization	**-6,524**	**-9,773**	**0**	**0**
Carrying amount	**77,840**	**7,299**	**0**	**0**

In 2023, leases for new premises were signed in Genovis AB, which is included under purchases in the above table. Terminated leases for former premises are recorded as disposals.

NOTE 14 PARTICIPATIONS IN GROUP COMPANIES

	Parent Company 2023	Parent Company 2022
Opening cost	42,252,382	42,252,382
Purchases	0	0
Closing cost	**42,252,382**	**42,252,382**
Opening accumulated impairment losses	-22,377,854	-22,377,854
Closing accumulated impairment losses	**-22,377,854**	**-22,377,854**
Carrying amount	**19,874,528**	**19,874,528**

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

NOTE 15 FINANCIAL INSTRUMENTS IN THE GROUP

	Carrying amount 2023	Fair value 2023	Carrying amount 2022	Fair value 2022
Financial assets				
Accounts receivable	15,242	15,242	16,913	16,913
Cash and cash equivalents	123,261	123,261	72,830	72,830
Financial liabilities				
Lease liability	79,321	79,321	7,323	7,323
Accounts payable	4,302	4,302	5,452	5,452

Accounts receivable are entered at the amounts by which they are expected to be paid, after individual assessment As of December 31, 2023, accounts receivables of SEK 4,253 (3,643) were past due. A write-down of SEK 82 was taken.
Below is an age analysis of these overdue accounts receivable:

	2023	2022
Less than 3 months	3,527	3,586
3 to 6 months	333	40
> 6 months	393	17
Total overdue	**4,253**	**3,643**

Future payment commitments, nominal value	Group 2023	Group 2022
Car leases		
Within 1 year	315	297
Between 1 and 5 years	631	631
Rent for premises		
Within 1 year	4,198	2,588
Between 1 and 15 years	74,177	3,807
Total	**79,321**	**7,323**

Please see note 19 for lease liabilities

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Insurance	611	250	351	83
Rent/Leased premises	1,768	852	1,655	734
Software licenses	486	555	449	555
Annual fees for patents	354	360	354	360
Other items	762	983	527	924
	3,981	**3,000**	**3,336**	**2,656**

NOTE 17 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 2023	Group 2022	Parent Company 2023	Parent Company 2022
Bank deposits	123,261	72,830	119,145	68,852
Total	**123,261**	**72,830**	**119,145**	**68,852**

NOTE 18 SHARES

All shares are issued and fully paid.

Number of issued and fully paid shares	Par value	Shares
As of December 31, 2022	0.25	65,465,714
As of December 31, 2023	**0.25**	**65,465,714**

NOTE 19 LEASE LIABILITIES

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

	Group 2023	Group 2022
Noncurrent interest-bearing liabilities		
Maturity between 1 and 15 years	74,808	4,438
Total	**74,808**	**4,438**
Current interest-bearing liabilities		
Maturity within 1 year	4,513	2,885
Total	**4,513**	**2,885**

NOTE 20 ACCRUED EXPENSES AND DEFERRED INCOME

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Accrued payroll-related expenses	7,247	5,384	6,805	5,027
Royalty cost	1,514	474	1,514	474
Consultant fee	922	895	227	385
Board fees	231	173	231	173
Deferred income	0	640	0	472
Other items	927	411	244	77
Total	**10,841**	**7,977**	**9,021**	**6,608**

NOTE 21 ITEMS NOT AFFECTING CASH FLOW

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Depreciation/Amortization	9,722	6,632	2,226	1,575
Revaluation derivatives	-204	-755	-204	-755
Total	**9,518**	**5,877**	**2,022**	**820**

NOTE 22 CHANGE IN WORKING CAPITAL

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Inventories	-2,348	-139	-2,313	274
Accounts receivable and other receivables	-8,706	-14,341	1,724	8,170
Accounts payable and other payables	14,438	-320	852	-7,550
Total	**3,384**	**-14,800**	**263**	**894**

NOTE 23 CHANGE IN NONCURRENT RECEIVABLES

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Opening balance receivables from Group companies	0	0	25,600	0
Loans to Group companies	0	0	0	26,961
Unrealized currency revaluation (not affecting cash flow)			-970	-1361
Closing balance receivables from Group companies	**0**	**0**	**24,630**	**25,600**

NOTE 24 CHANGE IN FINANCIAL LIABILTY/LEASE FOR THE YEAR

	Group 2023	Group 2022
Opening financial liabilities	7,323	2,831
Recognized financial liabilities (not affecting cash flow)	76,511	8,224
Repayment financial liability (affecting cash flow)	-4,513	-3,732
Closing financial liabilities	**79,321**	**7,323**

NOTE 25 POST-BALANCE SHEET EVENTS

On October 21, 2021, Genovis entered into a license agreement with Selecta Biosciences/ Carthesian Therapeutics. This license agreement was terminated by Carthesian Therapeutics in March 2024. Genovis has now regained the rights to the unique Xork™ enzyme. This development will allow new business opportunities with other partners in gene therapy and autoimmune diseases.

Substantial resources have already been invested in the project which, through the termination of the agreement, are now partially benefiting Genovis, including new versions of the Xork enzyme and associated patent applications. There are currently no known preclinical or clinical data that contradict future opportunities for therapeutic applications of the Xork enzyme.

Prior to the termination of the agreement, Genovis received USD 1 million in a milestone payment related to the development of the Xork™ enzyme. The milestone payment was related to the achievement of development goals.

NOTE 26 RISK FACTORS

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

OPERATING RISKS

Technology-related risks

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

Market

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

Competition

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

Production-related risk

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

Key personnel

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

Patents and intellectual property

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

Distributors and dealers

Genovis is dependent to some extent on distributors who market the Company's products in their respective markets. To avoid the negative consequences associated with unsuccessful marketing by these distributors, Genovis avoids signing agreements for exclusive sales as far as 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 2023.

Currency estimated exchange rate, 2023	Net volume 2023 SEK 000s	Impact on earnings/equity in SEK 000s with a 10% currency fluctuation
USD: 10.55	121,010	+/- 12,101
EUR: 11.47	33,979	+/- 3,398

Credit risk

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

Interest risk

Interest risk refers to the Group's exposure to a change in interest rates. The Group only has financial liabilities in the form of lease liabilities, for which reason the Company believes that it is not currently affected by any material interest rate risk.

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, 2023, consolidated shareholders' equity was SEK 190,810 (125,652) thousand and Genovis AB's shareholders' equity was SEK 212,963 (146,890) thousand.

Liquidity risk

Liquidity risk consists of the risk that the Group cannot obtain funds to meet its obligations. Consolidated cash and cash equivalents at the end of the full year amounted to SEK 123,261 (72,830) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the circumstances change, measures to raise additional capital may be considered.

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 2024, the Company will take a structured approach to maintain a desirable low level of tied up capital.

NOTE 27 APPROPRIATION OF PROFITS

The Board of Directors and CEO propose that unrestricted equity be treated as follows:	SEK
Accumulated loss, SEK	-85,952
Share premium reserve	216,476
Profit for the year, SEK	66,073
Comprehensive income	**196,597**
Carry forward to new account	196,597

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 18, 2024. 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 15, 2024.
Kävlinge April 18, 2024

Torben Jørgensen
Chairman of the Board

Mikael Lönn

Lotta Ljungqvist

Magnus Gustafsson

Steve Jordan

Fredrik Olsson
Chief Executive Officer

AUDITOR'S SIGNATURE

Our Audit Report was submitted on April 19, 2024.

Öhrlings PricewaterhouseCoopers AB

Neda Feher
Authorized public accountant
Auditor in charge

Krenare Neziri
Authorized public accountant
Co-signing auditor

Auditors' report

Unofficial translation

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 the year 2023. The annual accounts and consolidated accounts of the company are included on pages 26–54 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2–25. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is 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 concerning 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 Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s 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 Director's and the Managing Director of Genovis AB for the year 2023 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 Director's and the Managing Director be discharged from liability for the financial year.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Malmö den 19 april 2024

Öhrlings PricewaterhouseCoopers AB

Neda Feher
Auktoriserad revisor
Huvudansvarig revisor

Krenare Neziri
Auktoriserad revisor
Medpåskrivande revisor


GENOVIS