GENOVIS

ANNUAL REPORT
2022

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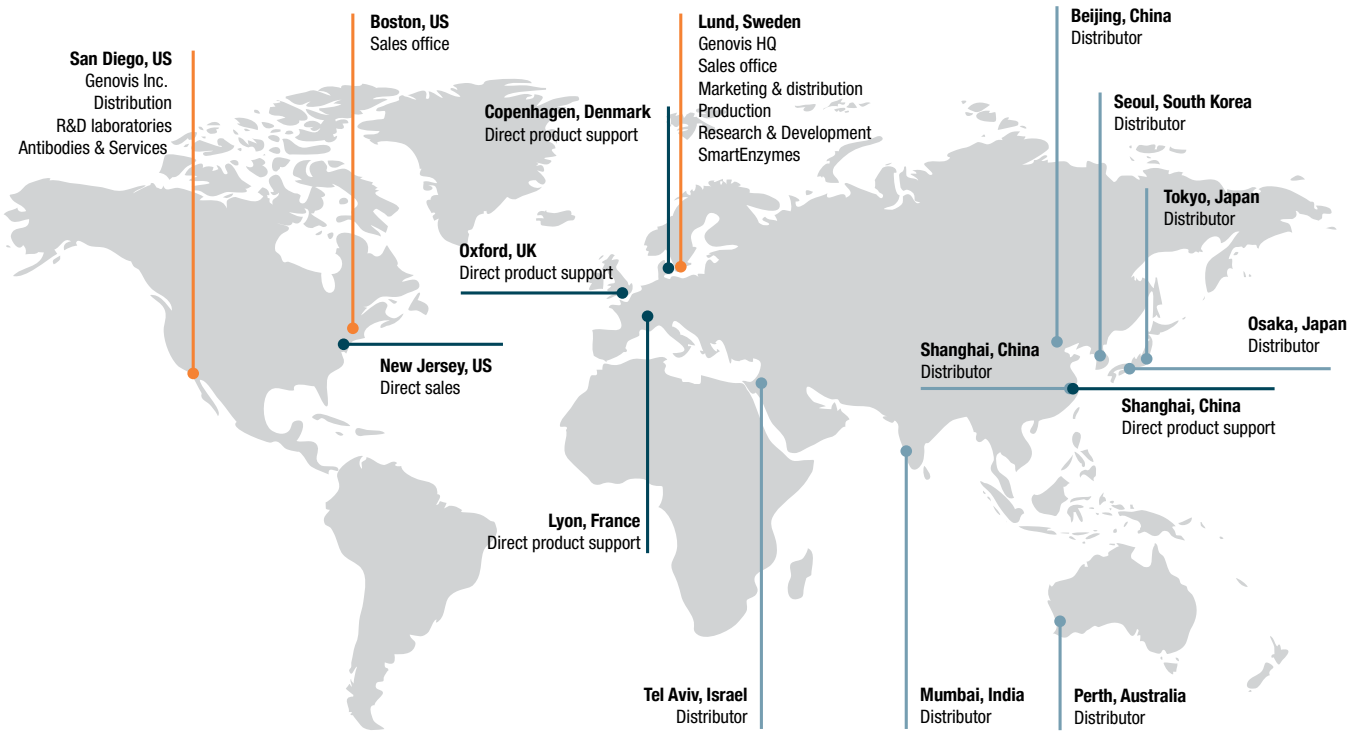
Contents

FINANCIAL INFORMATION

The Genovis Group 2022

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.



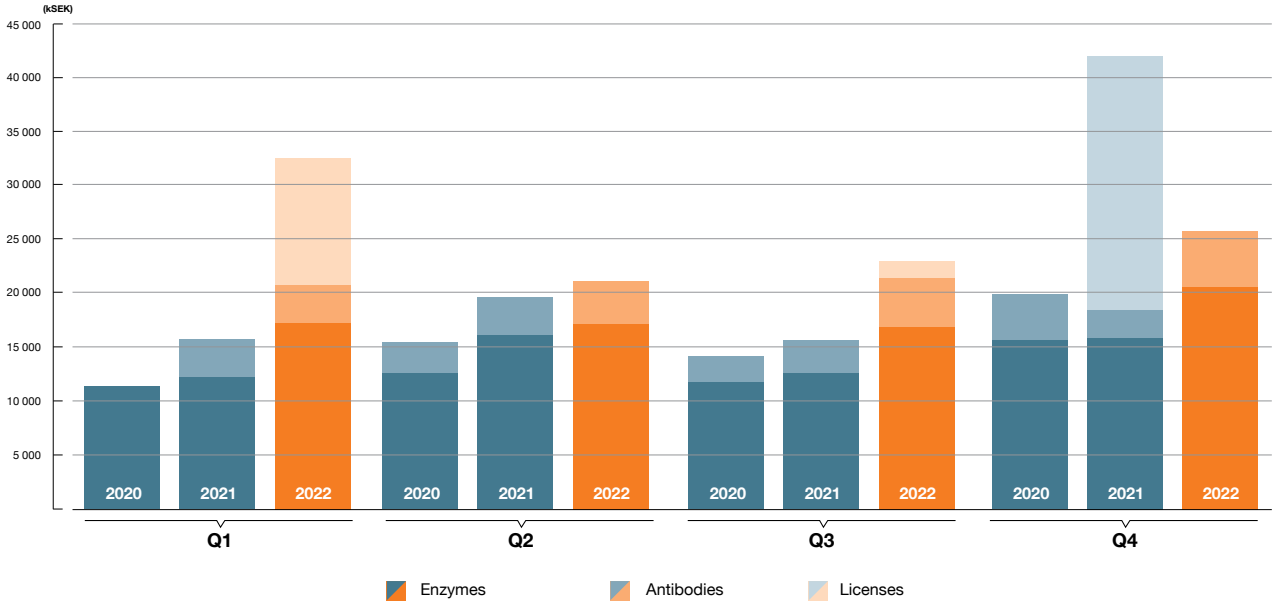
More products, new application areas and expanded commercial organization

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 22 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. During the year, the commercial part of the organization was significantly strengthened with local representation in several key markets.

In 2022, the product portfolio was expanded with several new products and technologies from proprietary development and partnerships, as well as in-licensing and out-licensing agreements.

The Parent Company in Lund handles sales and marketing in the European market, as well as product development, applications development & support, production and administration. 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 added our own staff in Shanghai during the year to support sales and marketing in China. Sales in other Asian markets are handled by distributors with thorough knowledge of the local markets. Genovis Inc. also engages in sales, marketing and production of antibodies, as well as associated services through both direct sales and distributors in various geographic markets.

Sales by quarter 2020–2022



Sales

In 2022, sales totaled SEK 102,387 (93,018) thousand, corresponding to sales growth of 10%.
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 2022, sales were also driven by license revenue from Genovis' enzyme technology for potential therapeutic use within gene therapy and autoimmune diseases.

Sales increased in all main geographic markets – North America, Europe and Asia – and the increase in sales comes from both established and newly developed products that have created clear value for Genovis' customers. 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. In addition, 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.

Five Year Summary	2022	2021	2020	2019	2018
Net sales (SEK thousand)	102,387	93,018	61,030	60,549	34,568
Operating income (SEK thousand)	8,277	24,543	3,140	10,067	-960
Equity/assets ratio (%)	83	80	82	73	69
Acid test ratio (%)	524	398	431	227	243
Equity (SEK thousand)	125,652	113,994	87,165	35,621	26,071
Equity/share (SEK)	1.92	1.74	1.34	0.56	0.42
Closing balance as of December 31	37	33	34	24	20
Dividend per share (SEK)	0	0	0	0	0
Number of shares at year-end	65,465,714	65,465,714	65,465,714	63,100,000	63,100,000

Product launches

Genovis continued to launch new products with high customer value in 2022, and by year-end had launched three new enzyme products for analysis of proteins and biopharmaceuticals, as well as one antibody product for the research and diagnostics markets.
As an extension of the antibody labeling platform launched in 2021, TransGLYCIT™ Azide Activation was launched in April. This product offers accurate and specific labeling of antibodies with different types of markers, depending on the area of application.

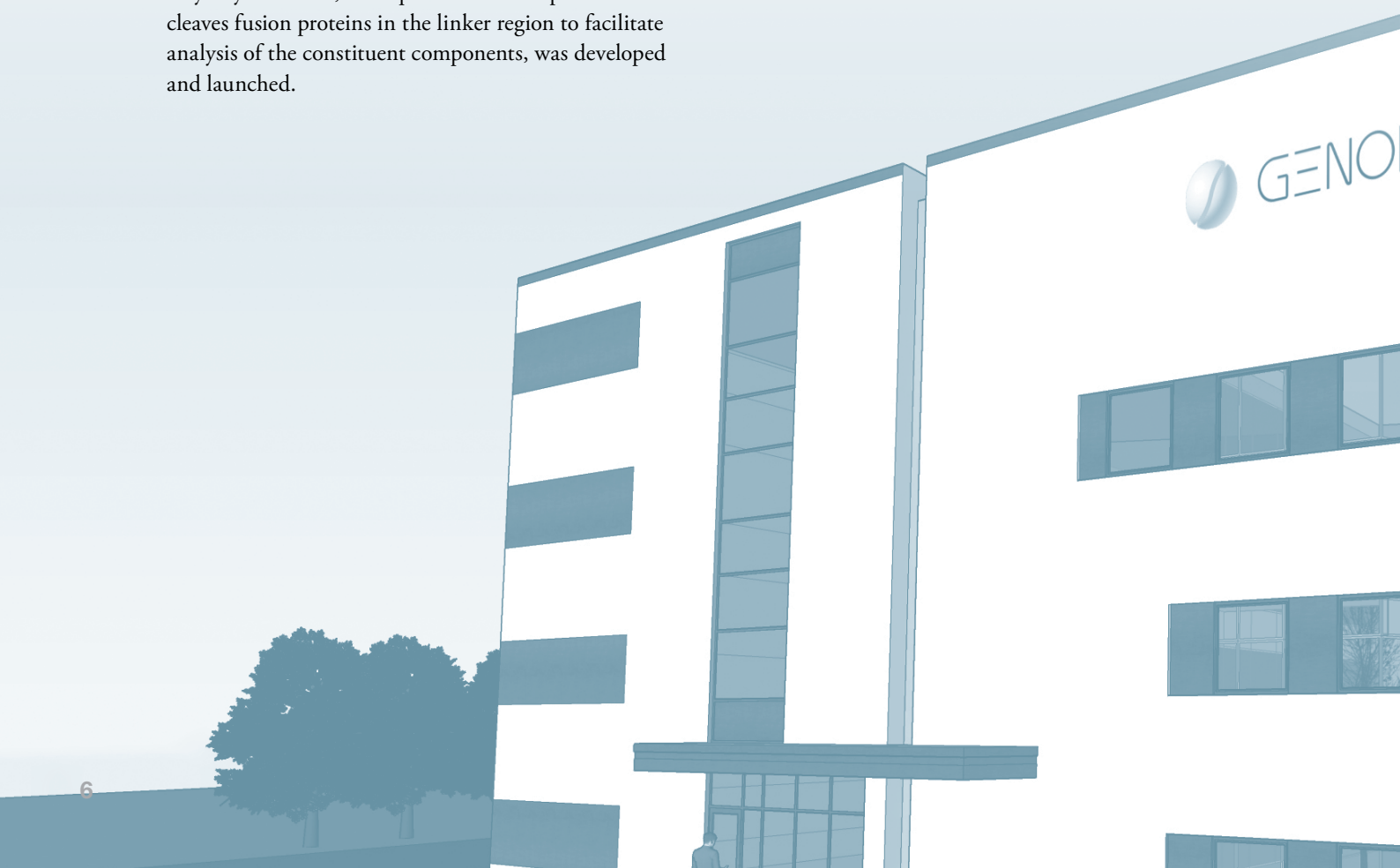
Glycosylation of proteins is a complex process, and the sugar structure of a particular protein has a major impact on its properties. There is a great need for new tools that facilitate the analysis of proteins with high levels of glycosylation. To meet this need, OmniGLYZOR™, a product that offers fast and efficient removal of the most common sugar structures from proteins and simplifies analysis of the underlying protein, was launched in June.

Fusion proteins have evolved as a class of novel biomolecules with multifunctional properties, and can be created by joining two or more protein domains using specific linker regions. Because of their complex nature, fusion proteins are usually difficult to analyze. That is why GlySERIAS™, a unique and efficient protease that cleaves fusion proteins in the linker region to facilitate analysis of the constituent components, was developed and launched.

Together with the team at Genovis Inc. in San Diego, an antibody product used to detect the enzyme FabRICATOR® Z in various applications, including gene therapy, was developed and launched in the fall.

In addition to the enzyme and antibody products, Genovis has also broadened its product range during the year by launching a service product (Antibody LC-MS Analysis) at the end of the summer that offers a complete solution for customers who wish to characterize antibodies. Customers are now offered the opportunity to take advantage of the expertise and capacity that Genovis possesses by sending in antibodies for analysis using Genovis' advanced analysis equipment, after which the customer receives a full analysis report within a couple of working days.

The year 2022 was also shaped by extensive efforts to improve and develop the visual profile that presents the company. Genovis wants to capitalize on the strong branding provided by the bright colors, exciting product names and distinctive cartoon characters by showcasing them in marketing materials. These efforts will continue in 2023.



Geographic expansion during the year

In 2022, Genovis came even closer to its customers by expanding its sales and customer support teams in three regions: the US, China and Europe. As a direct result of this strategy, the GenovisWebinar platform, where knowledge can be shared by and with customers, was launched in the middle of November. A customer in England was invited to speak at the first global webinar in November about experiences using the newly launched product GlySERIAS, as well as other SmartEnzymes. The Webinar, entitled *"Improved Characterization of Complex Biopharmaceuticals using SmartEnzymes Subunit Workflows"*, was highly successful.

In the US, additional resources were allocated to support in-person consultation meetings with customers. During these sessions, customers are introduced to new products and their benefits in various workflows, which has proven to be highly appreciated by customers in this region.

In China, the first product specialist was established, offering local support to distributors in the region. Marketing materials and other documentation have been translated into local languages to make product information more widely available to customers, thereby helping to increase the customer base and sales in this region.

For many years, Genovis has sold products to the European market from the sales office in Lund, but in 2022 product support was established in key areas across Europe. In European countries where the biopharma industry is large, such as Germany, Switzerland, England and France, Genovis now has dedicated product specialists, which has helped to increase sales in Europe.

Facilities

During the year, Genovis proactively worked to secure future expansion opportunities with respect to both premises and infrastructure to avoid restrictions on future growth. As a result, Genovis will be moving its operations to a newly constructed building with occupancy planned for early 2023. The new premises will offer all the necessary infrastructure, including modern laboratories that will enable increased production capacity and further expansion opportunities in all areas of the business in the coming years. As part of this expansion, investments in machinery and equipment will be made continuously in early 2023.

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

Together, we have continued to develop Genovis in 2022 and can proudly put yet another successful year behind us. Despite the challenging external environment, with both geopolitical and macroeconomic concerns, we achieved all operational goals for the year. In addition to our strategic expansion of the commercial organization, we launched additional products and initiated a service business based on SmartEnzymes™. I look forward to the future with confidence as we work with our growing team to continue helping our customers develop the medicines of the future with our innovative products.

Strong momentum and continued growth

We can now put another successful year at Genovis behind us. For the first time, our sales passed SEK 100 million which is a milestone in our growth journey. It is particularly gratifying that the revenues were widely distributed across our product portfolio. The core business in enzymes for analysis continued to develop strongly, driven by both existing and new products, thereby creating a broader offering to our customers. The antibody business has gradually improved during the year and showed strong growth toward the end of 2022, where we see increased activity in the service business. The inflow of projects is increasing once again after a period with subdued customer activity because of the pandemic.

New products and more business opportunities

We have maintained a solid pace in our product development. As we sum up the year, we have launched four new products across different categories. In the enzyme portion we launched GlySERIAS™, OmniGLYZOR™ and TransGLYCIT™ Azide Activation, and in antibodies, a product for use in our gene therapy offering.

GlySERIAS, a completely new enzyme for the analysis of protein drugs, has been very well received by our customers as it facilitates the analysis of the next generation of protein drugs under development. We also had the opportunity to conduct our own first webinar where applications with GlySERIAS were presented by researchers from AstraZeneca in the UK. The product development and launch of GlySERIAS is a good example of our strategy of a customer-driven innovation process, where we can quickly respond to customer needs and market trends with the help of our sales organization.

In glycans, we strengthened our offering with OmniGLYZOR, which effectively facilitates the analysis of proteins with complex glycans. This is one of the most advanced enzyme products we have on the market, based on multiple enzymes working in parallel in one product to increase efficiency for our customers.

Our ambitions in antibody labeling were also boosted with the launch of the TransGLYCIT Azide Activation. The product complements our existing offering and is based on click chemistry, which to our great pleasure received extra attention in connection with this year's Nobel Prize.

In addition, we have further broadened our customer offering by entering into a collaboration with evitria AG for the analysis of customized antibodies that they offer to their customers. Together with our unique enzymes and our expertise in automated analysis, we can offer a fast and cost-effective analytical service. The aim is to expand our service offering and customer base in 2023.

In August, we signed a multi-year license and supply agreement with a new customer in our bioprocess business for the use of our enzyme technology in the development and manufacture of a new biologic. The agreement strengthens us in our ambitions in the bioprocess business and we look forward to continuing to further developing our offering in the coming years, at the same time that we are proud of the confidence our customers have in us as a supplier of new technology to the biopharmaceutical industry.

Our collaboration with Selecta Biosciences in gene therapy has deepened and developed over the course of the year. Together we are driving a jointly focused busi-

ness development effort for our unique offering in gene therapy where the combination of the Xork™ enzyme and Selecta's ImmTOR® platform could potentially help more patients gain access to life-saving treatments. In parallel to the clinical development of Xork, we are actively working with other potential partners who have shown interest in Xork in combination with their gene therapy candidates. At the beginning of 2023, Selecta sublicensed Xork to Astellas Pharma for use together with their gene therapy candidate for treatment of Pompe disease.

In summary, we acted on all strategic objectives for 2022. One of the main goals was to expand our commercial organization to capitalize on the product portfolio that we have built up through investments in product development and production in recent years. During the year, we gradually built up our sales organization with new product specialists located in important geographic markets. It feels great that we now have local representation in Asia through a local office in Shanghai, as well as for several key markets such as the UK, Germany, Switzerland, France, Italy and Denmark.

During the year, we noted a steady waning of the headwinds we previously experienced as a result of the pandemic, while we noted increased activity in our customers' projects and more normalized customer activity as a result of a return to pharmaceutical projects that focus more on indications other than Covid-19.

At the same time, the geopolitical climate has changed with the war in Ukraine. In addition to great human suffering, it has also affected the macroeconomy in general and capital markets in particular. The availability of venture capital for investment in the development of new medicines among smaller biotech companies has decreased. Some companies have had to set priorities among their projects. From this perspective, I believe we have done a good job of navigating the challenges 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.

In conclusion, I would like to thank the Board of Directors and shareholders for another year of progress for Genovis. Above all, I'd like to extend a warm thank you to our entire growing team at Genovis who are doing a great job for our customers every day, in their quest to develop new and better treatments for patients all over 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 work for researchers. By developing new biological tools and technology platforms, Genovis' customers can advance basic research, develop faster and more accurate diagnostic tests and, ultimately, make it possible to develop new treatment methods for patients.

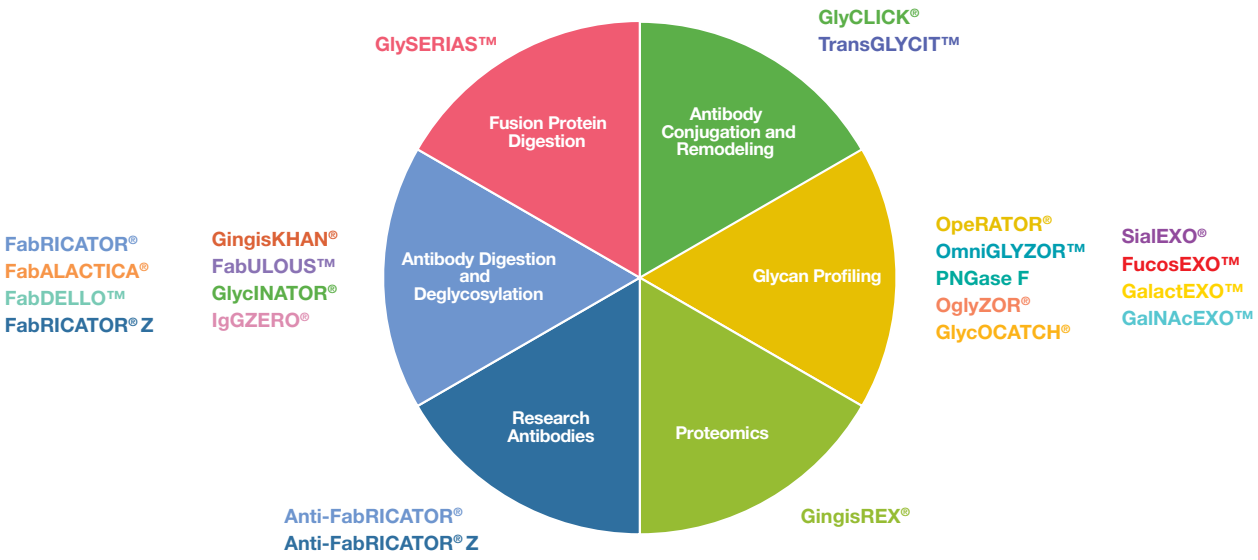
The unique portfolio of reagents and technologies offered by the Genovis Group is used by industry-leading and global pharmaceutical companies in research, analytical characterization, process development and quality control. Two product portfolios can be found within the Genovis Group: SmartEnzymes™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

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

Genovis enzymes

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

Genovis markets and sells a portfolio of SmartEnzymes that are currently used in development and quality testing of biologics by global pharmaceutical companies. Development of biopharmaceuticals and research for more effective treatment of serious diseases require new tools. That is why Genovis continues to launch



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

Genovis antibodies

In addition to sales, stock and order processing of SmartEnzymes, Genovis' wholly owned subsidiary Genovis Inc. offers development and sales of antibodies for the research and diagnostics market. The products can be found at universities, biotech companies, diagnostic companies and pharmaceutical companies. The antibody business in San Diego also offers its expertise in the development of antibodies and associated service, which helps customers to develop unique antibodies to small molecules, proteins, or peptides. In 2022, new antibodies were developed in collaboration with customers, but products that complement Genovis' enzyme business in gene therapy were also launched.

Genovis' customers

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

When enzymes from Genovis are included in an analysis package of, for example, an antibody, the enzyme follows the drug project through process development and clinical development, which takes many years. The clinical success of the drug determines whether it will

be produced on a commercial scale; if that occurs, the analysis package produced during development is also included, along with any potential Genovis enzymes. During the development process of a biological drug, Genovis enzymes are used in applications such as:

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

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

Trends and driving forces

In recent years development of biologics, especially antibodies, has led to new medications that help a growing number of patients. Currently, the US FDA has approved more than 100 antibodies for clinical use[1]. In 2022 alone, 13 antibodies were approved for therapeutic use either in the US or in Europe.[2] Biopharmaceuticals account for eight of the world's ten best-selling drugs. At the same time, it has also become clear that not all medicines are suitable for all patients, which explains the growing importance of personalized medicine and the need for new types of medicines. In parallel with the development of monoclonal antibodies, more and more biopharmaceutical companies are opting for new formats, where antibody drug conjugates (ADCs) have received considerable attention in recent years. ADCs use the targeting ability of the antibody to deliver a chemotherapy agent locally to the tumor, which results in more effective treatment. Despite these benefits, the development of ADCs has been difficult and 14 ADC products have been approved at this time. Nevertheless, the number of clinical trials evaluating ADCs has increased over the past decade, and more than 200 ADC programs in various stages of development are currently underway.[3]. Genovis has the GlyCLICK technology to support customers during the development phase.

Gene therapy is an area of intense research and the development of advanced gene therapy is promising, giving thousands of patients new hope for a cure. Many of the current gene therapies use adeno-associated viruses (AAV) as carriers of the new genetic material. Up to 60% of patients may have antibodies to AAV[4], and the presence of such neutralizing antibodies is usually an exclusion criterion that prevents patients from being eligible for gene therapy. A new strategy to avoid the problem of neutralizing antibodies includes the use of specific IgG proteases to cleave and increase the clearance of the neutralizing antibodies, thereby increasing the uptake of the new genetic material.

Regulatory authorities have a major impact on drug development since drug regulatory authorities put patient safety first and want the industry to improve their processes and better understand what process parameters give rise to or affect the properties of biologics. This also creates incentives to study quality at an early stage to ensure that drug projects succeed through development and into clinical applications. In recent years, analytical methods such as mass spectrometry have been increasingly used in quality assurance laboratories as the technology has become available to the masses, partly due to the commercialization of enzymes such as SmartEnzymes.

1 Manis et al., 2023. Overview of therapeutic monoclonal antibodies. UpToDate.

2 Reichert, M., 2023. Approved Antibody Therapeutics. The Antibody Society, Inc. https://www.antibodysociety.org/resources/approved-antibodies/

3 Fu et al., 2022. Antibody drug conjugate: the "biological missile" for targeted cancer therapy. Sig Transduct Target Ther 7, 93.

4 Rasko et al., 2022. Global Seroprevalence of Neutralizing Antibodies Against Adeno-Associated Virus (AAV) Serotypes of Relevance to Gene Therapy. Blood 140 (Supplement 1), p.10668-10670.

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

- Precision medicine (personalized medicine), which includes monoclonal antibodies, ADCs and gene therapy.
- Increased need for quality analysis earlier in the development of biopharmaceuticals.
- New biologics and advanced formats create a need for reagents for rapid and specific analysis of both proteins and glycans.
- Demand for more analyses in less time.
- Growing need for automated analysis of biopharmaceuticals due to limited supply of skilled personnel, as well as to reduce variation in analysis results caused by operator handling when preparing samples.

Competitive advantages

Outstanding products, expanded production capacity, robust patents and a patent strategy that goes hand in hand with the Company's business strategy provide a strong competitive edge where the ability to rapidly transform customer needs into specific products that are in demand from customers is of great significance. Genovis places great emphasis on establishing and maintaining good relationships with key customers and frequent collaboration allows for insight into new trends and an understanding of customer needs.

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

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

Competitors

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

Genovis Group

Continuing to meet customer needs for unique technologies that solve their challenges and problems requires dedicated, talented and creative employees. During the year, Genovis strengthened its commercial organization by recruiting product specialists for several important markets in Europe, as well as by establishing a presence in Shanghai, the first in Asia. In addition to new recruitments for the enzyme business, the antibody business has been strengthened with a new sales and marketing manager and lab staff.

RESEARCH & DEVELOPMENT

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

PRODUCTION

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

The production team can also offer customized products based on specific customer requests.

APPLICATION DEVELOPMENT & SUPPORT

Genovis AB The application group is a key element in the development of new products based on R&D findings and helps 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, 2022: 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. Genovis' wholly owned subsidiary handles all sales and marketing of SmartEnzymes in the North American market. Genovis Inc. is also responsible for sales of antibodies and the related service business, including formulation of customer-specific antibodies and production service.

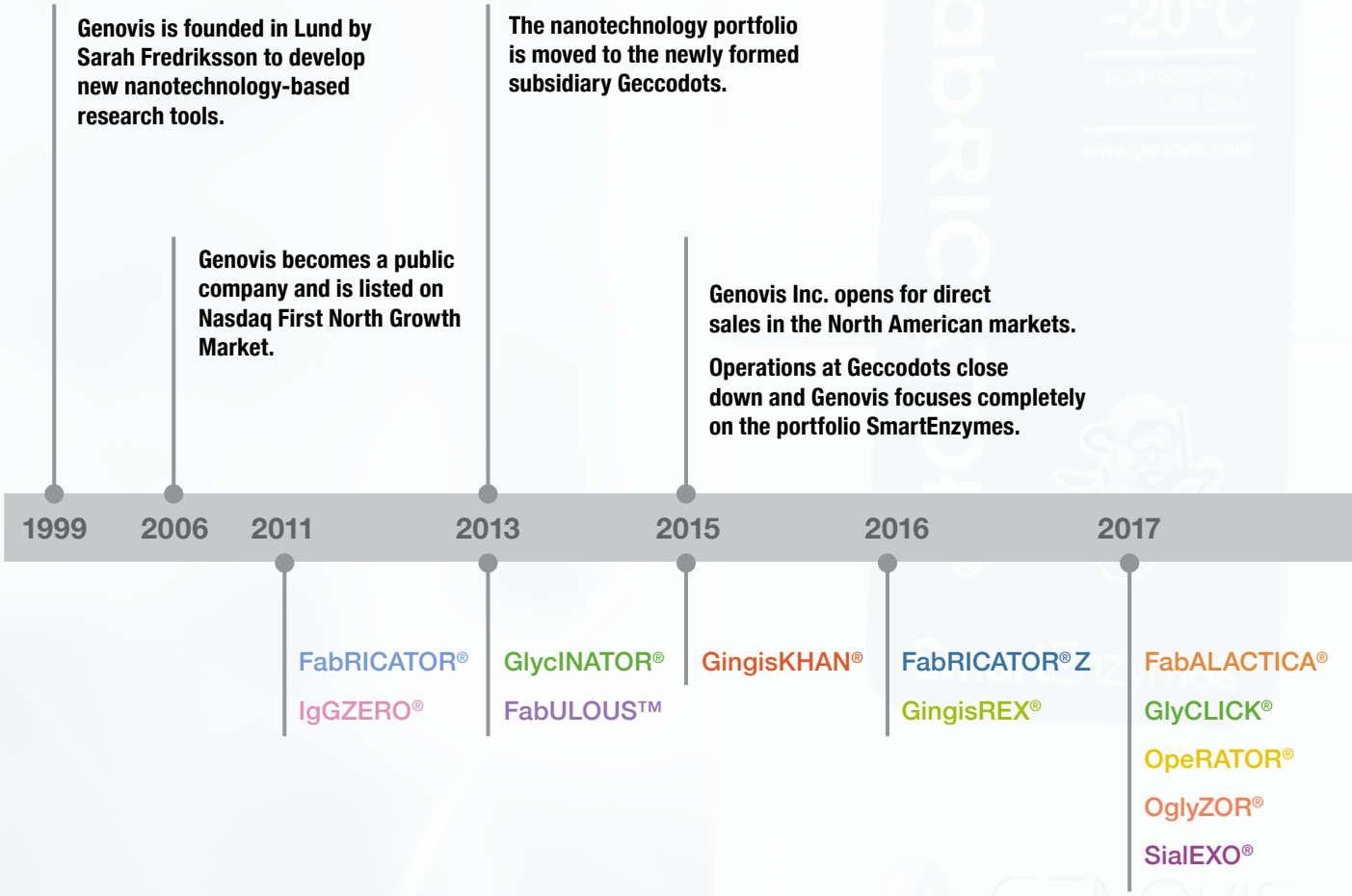
In Asia, Genovis works partly through its own staff in Shanghai to support distributors for sales in China. In other parts of Asia, sales are handled by distributors who have good knowledge of both local customers and logistics. Our unique marketing of Genovis SmartEnzymes is driven by staff in Lund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

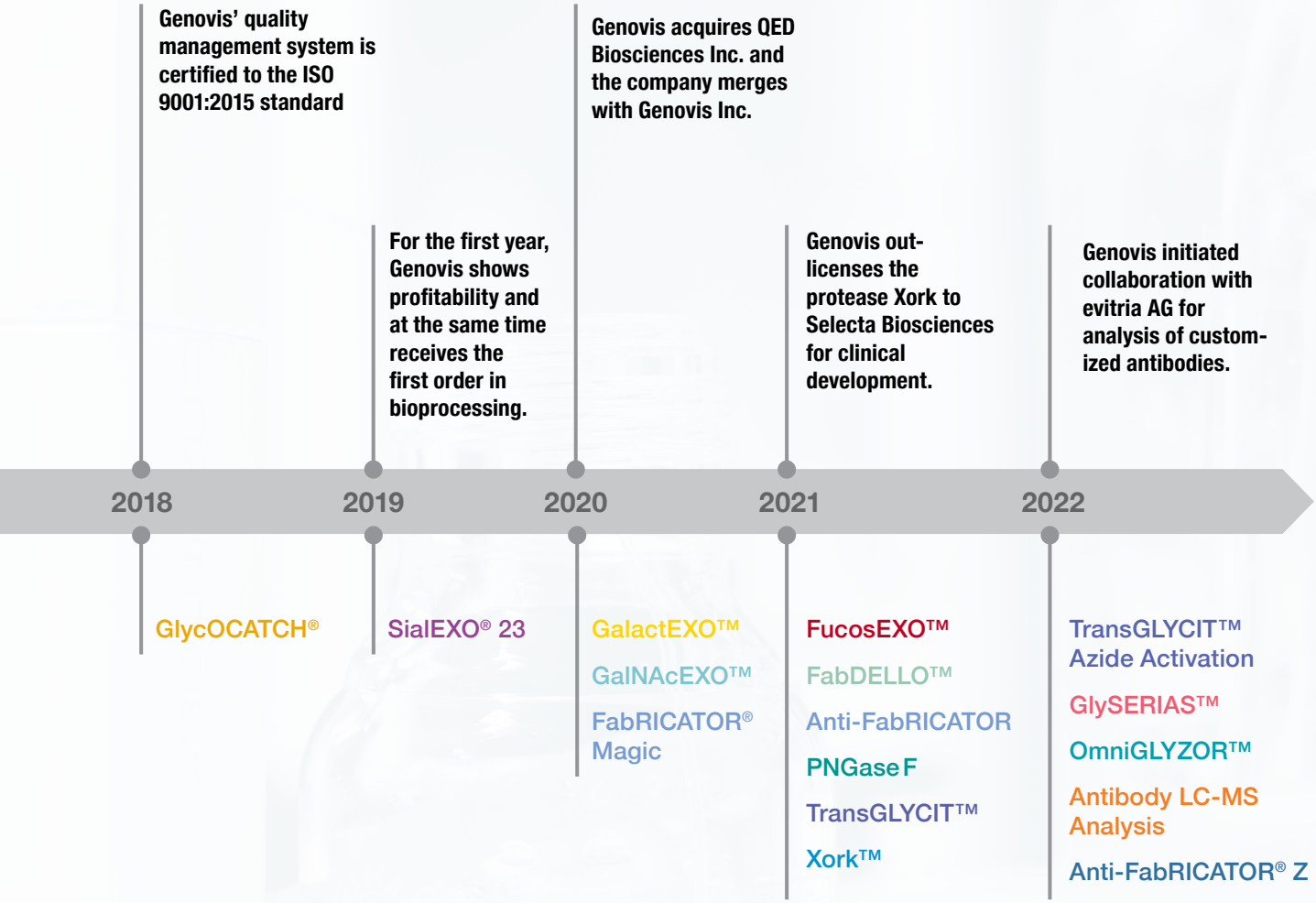
CENTRAL FUNCTIONS

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 biological medicines.



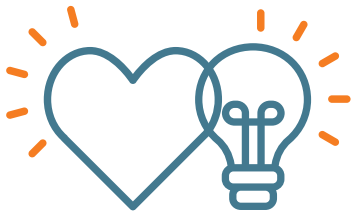

Genovis' quality management system is certified to the ISO 9001:2015 standard
For the first year, Genovis shows profitability and at the same time receives the first order in bioprocessing.
Genovis acquires QED Biosciences Inc. and the company merges with Genovis Inc.
Genovis out-licenses the protease Xork to Selecta Biosciences for clinical development.
Genovis initiated collaboration with evitria AG for analysis of customized antibodies.
2018
2019
2020
2021
2022
GlycOCATCH®
SialEXO® 23
GalactEXO™
GalNAcEXO™
FabRICATOR® Magic
FucosEXO™
FabDELLO™
Anti-FabRICATOR
PNGase F
TransGLYCIT™
Xork™
TransGLYCIT™ Azide Activation
GlySERIAS™
OmniGLYZOR™
Antibody LC-MS Analysis
Anti-FabRICATOR® Z

Sustainability at Genovis

Innovation, credibility and sustainability are Genovis' top priorities

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

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



Innovation and passion go hand in hand

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

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

Every employee works sustainably, in harmony with customer needs.

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

A good work environment stimulates employee job satisfaction and personal growth

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

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

Genovis' products

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

Cleavage of antibodies

The group with proteases that cleave antibodies includes our first enzyme, FabRICATOR® (IdeS), as well as more recent additions such as FabDELLO. Our most recent addition, GlySERIAS™, which cleaves fusion proteins, also belongs to this category. The enzymes are sold to a market that is estimated at approximately USD 120 million[1]. Proteases are a group of enzymes that break down proteins by catalyzing the hydrolysis of bonds between the amino acids that make up the protein. Genovis enzymes are both unique and specific and are used to study biologics in detail, often using mass spectrometry, though they can also be used in the large-scale production of antibody fragments. During the year, Genovis broadened its customer offering by adding a service product, where we can offer customers a fast and cost-effective analysis service through a combination of our unique enzymes and our expertise in automated analysis.

Antibody labeling

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

Xork License Agreement, therapeutic applications
Bioprocess, clinical phase 1

Validated analytical methods for quality control
Reagents for diagnostic analytical methods

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

1. MarketsAndMarkets 2015.

Glycan analysis

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

Antibodies for the research market

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

Gene therapy

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

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

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

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

LUE

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 2023–2024

Financial targets

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

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.
- 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.

Patents and brands

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

Patents	Title	GlycINATOR (EndoS2)	FabRICATOR (IdeS)	FabALACTICA (IgdE)	OpeRATOR	OglyZOR	SialEXO	GlycOCATCH	Xork
PCT/ EP2012/067841	Endoclycosidase from Streptococcus pyogenes and methods using it.	●							
PCT/ EP2017/052463	New streptococcal proteases			●					
PCT/ EP2018/063832	I PCT/EP2018/063832 Protease and binding polypeptide for o-glycoprotein				●		●	●	
PCT/ EP2018/063833	Tools for glycan analysis					●	●		
PCT/ EP2022/060766	Immunoglobulin cleaving enzyme								●

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

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. In 2022, sales of SmartEnzymes-based analysis services to customers were also initiated. 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 some 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. Moreover, service and contract research is carried out in both the enzyme and antibody businesses.

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 enzymes and antibodies.

FINANCIAL OVERVIEW

Revenue

Consolidated net sales rose to SEK 102,387 (93,018) thousand, an increase in sales of 10%. Organic growth, adjusted for currency effects, decreased by -4%. The negative growth is largely attributable to the license income from Selecta Biosciences of approximately SEK 20 million in 2021. Other operating income for the full year was SEK 9,712 (4,311) thousand, of which SEK 8,434 (3,584) thousand relates to exchange rate gains and SEK 1,278 (727) 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 30,149 thousand to SEK -101,858 (-71,709) thousand. Raw materials and consumables totaled SEK -13,054 (-10,652) thousand. Personnel costs amounted to SEK -40,500 (-30,883) thousand, which increased by SEK 9,617 thousand due to new hires, salary increases and a higher USD exchange rate. Other external expenses totaled SEK -27,693 (-21,966) thousand, an increase of SEK 5,727 thousand largely attributable to increased sales and marketing activities. Other operating expenses totaled SEK -13,978 (-2,437) thousand and increased mainly due to non-recurring costs of approximately SEK 9 million related to the repaid portion of the insurance compensation received 2015-2016 in the patent dispute case against Promega Corporation. The dispute, which ended in 2016, was covered by a patent insurance policy and the company received some compensation. The insurance company subsequently questioned the size of the compensation and in 2019 an impairment charge was taken for a receivable from the insurance company of SEK 3.5 million, which was announced in the 2019 year-end report. It has emerged that part of the compensation that the company received was not covered by the insurance policy and a refund has been made. Other items relate to exchange losses.

Operating profit before depreciation and amortization (EBITDA)

Operating profit before depreciation and amortization totaled SEK 14,909 (30,314) thousand.

Operating profit (EBIT)

Operating profit after depreciation and amortization totaled SEK 8,277 (24,543) thousand.

Profit/loss for the year

Profit for the year was SEK 11,191 (24,777) thousand and comprehensive income was SEK 12,618 (26,828) thousand. Earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK 0.17 (0.38).
Earnings per share are calculated by dividing profit for the year by the weighted average number of shares during the year.

Net financial items

Net financial items totaled SEK -281 (60) thousand and mainly consist of interest expense on leases.

Taxes

The Parent Company Genovis AB reports no tax liability since it has unutilized deficits from previous years. The Group has a deferred tax asset of SEK 1,718 thousand arising from the Parent Company, as well as deferred tax on intra-group profit on inventories, which during the period totaled SEK 8,456 (5,023) thousand. Deferred tax at the end of the full year was SEK 10,174 (6,741) thousand. The deferred tax asset in the Parent Company corresponded to a loss carryforward of about SEK 8 million. It is the Board's assessment that future taxable surpluses will be available against which the unutilized tax losses can be utilized. The Parent Company's total tax loss amounts to SEK 99 (116) million. Deferred tax liability for the Group totals SEK 2,425 (2,387) thousand and is attributable to deferred tax on surplus values from the acquisition of QED Inc. in 2020.

Investments

The Group's net capital expenditure for the full year totaled SEK 3,825 (4,491) thousand, of which SEK 2,932 (1,773) thousand is attributable to property, plant, and equipment, primarily laboratory equipment, and SEK 893 (2,718) relates to intangible assets.

Cash flow and financial position

Consolidated cash flow for the full year totaled SEK -8,485 (37,197) thousand. Cash flow was negatively impacted by non-recurring costs of approximately SEK 9 million for the repaid portion of the previously received insurance compensation. Cash flow from financing activities totaled SEK -3,732 (-4,231) thousand.

Consolidated cash and cash equivalents amounted to SEK 72,830 (81,315) 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 125,652 (113,994) thousand after taking the result for the period into account.
Equity per share based on the weighted average of the number of outstanding shares (basic and diluted) at the end of the period was SEK 1.92 (1.74). The Group's equity ratio at the end of the period was 83% (80).

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

Lease liabilities	(SEK 000s)
Non-current lease liabilities	
Maturity between 1 and 5 years	4,438 (1,123)
Current lease liabilities	
Maturity within 1 year	2,885 (1,708)

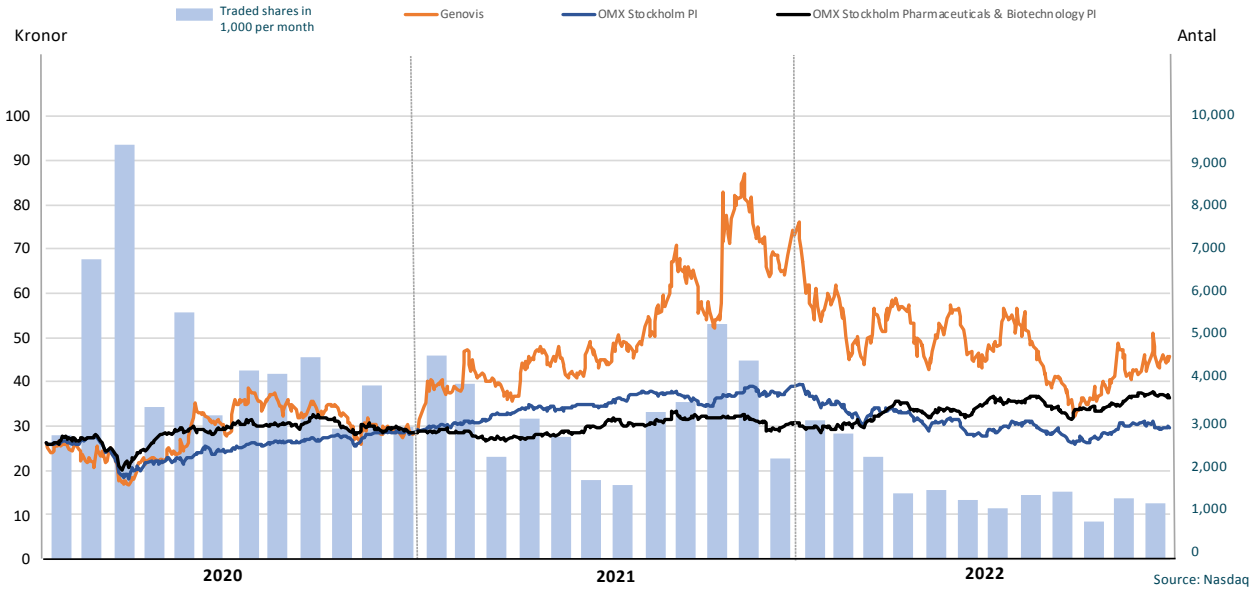
THE SHARE AND SHARE CAPITAL

The share

Genovis shares have been traded since September 14, 2006, on Nasdaq First North Growth Market. First North is Nasdaq's European emerging market intended for growth companies. The ticker symbol for the share is GENO, with ISIN code SE0002485979. The trading block is one (1) share and the account operator is Euroclear Sweden AB. All shares entitle the holder to the same proportion of the Company's assets and earnings and carry equal rights in terms of dividends. Shareholders may vote for the full number shares that they own or represent at Annual General Meeting for Genovis. Outstanding shares in the Company may be freely transferred, without restrictions under law or 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, 2022, the share price was SEK 45.95, compared with SEK 73 the previous year, and the market value was SEK 3,008 million.

Genovis share performance and turnover 2020–2022



Certified Advisor

Erik Penser Bank is Genovis' Certified Advisor certifiedadviser@penser.se, tel: +46 (0)8-463 83 00.

Shareholder value

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

In 2022, Genovis purchased analyses from Redeye AB, and also purchased services from BioStock, a news and analysis service that presents listed Nordic Life Science companies.

Share capital

Share capital is attributable to Parent Company shareholders and as of December 31, 2022, totaled SEK 16,366,428, consisting of 65,465,714 shares with a par value of SEK 0.25.

Analysts who follow Genovis

Nordea Investment Banking & Equities.

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, 2022

Holdings	Number of shareholders	Number of shares	Holdings (%)	Market value (SEK thousand)
1 - 5,000	8,011	5,150,618	7.87	236,671
5,001 - 20,000	494	5,027,175	7.68	230,999
20,001 - 100,000	186	7,250,188	11.07	333,146
100,001 - 500,000	44	10,235,416	15.63	470,317
500,001 -	15	37,802,317	57.74	1,737,016
Total	**8,750**	**65,465,714**	**100.00**	**3,008,150**

Source: Euroclear Sweden AB

Major shareholders as of December 31, 2022

Name	Number of shares	Votes (%)
MIKAEL LÖNN	9,990,653	15.26
STATE STREET BANK AND TRUST CO, W9	5,652,221	8.63
ALANDSBANKEN ABP	3,665,426	5.6
TIN NY TEKNIK	3,321,296	5.07
SWEDBANK ROBUR NY TEKNIK BTI	2,250,000	3.44
SECOND AP FUND	2,230,304	3.41
HANDELSBANKEN MICROCAP SVERIGE	2,150,068	3.28
SIJOITUSRAHASTO AKTIA NORDIC	2,070,000	3.16
AVANZA PENSION	1,776,474	2.71
OTHER	32,359,272	49.44
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 2022. In the short term, the Company intends to use any profits that arise to finance continued business development and expansion.

PRODUCTS

Genovis develops unique enzymes and antibodies for the global life science market. The enzymes are marketed under a common brand, SmartEnzymes™. The Company currently has 22 different enzymes that are available in several different product formats for use in analytical applications, bioprocesses and gene therapy. The enzymes are categorized based on function within the subclasses of glycosidases, proteases and antibody labeling. Parts of SmartEnzymes technologies are used in products to specifically label antibodies with high precision and efficiency. There are currently two technology platforms within the category of antibody labeling, GlyCLICK® and TransGLYCIT™, which are enzyme-driven workflows for labeling antibodies with different types of markers, depending on the application. Moreover, Genovis has a broad product offering of antibodies for the research and diagnostics markets, which is supplemented by a service business for development and production of customer-specific antibodies. For cases where enzyme products such as FabRICATOR® and FabRICATOR® Z are used in gene therapy, the San Diego team worked in close collaboration with the staff in Lund to develop antibody products that are used to detect the respective enzymes. In 2022, Genovis broadened its service offering by launching a product called Antibody LC-MS Analysis, which offers a complete solution for customers wishing to characterize antibodies.

EVENTS DURING THE YEAR

Agreements

Genovis AB and evitria AG have entered into an agreement to offer evitria's customers rapid LC-MS analysis of recombinant antibodies using Genovis' enzyme platform. evitria AG is a world-leading supplier of antibodies expressed in CHO cells and has its headquarters in Zürich, Switzerland. The agreement expands Genovis' customer offering to include automated LC-MS analysis of recombinant antibodies. Through the combination of Genovis' expertise and SmartEnzymes, we can offer analyses that make advanced LC-MS data available to more antibody companies. The agreement with evitria is a starting point for Genovis' aim to also be able to offer automated LC-MS analysis as a service to biopharma industry customers, where the underlying trend of outsourcing research and development activities continues to grow.

Genovis also signed a multi-year license and supply agreement with a new customer in our bioprocess business for the use of our enzyme technology in the development and manufacture of a new biologic. The agreement further strengthens our ambitions in the bioprocess business and we are grateful for the confidence our customers have in us as a supplier of new technology to the biopharmaceutical industry.

Product launches

Genovis continued to expand the product portfolio in 2022, launching a total of three enzyme products for analysis of proteins and biopharmaceuticals, as well as one antibody product for the research and diagnostics markets.

Genovis launched GlySERIAS™, a unique protease that cleaves in the linker region of fusion proteins, enabling and simplifying the analysis of these otherwise difficult-to-analyze biomolecules. Another tool that simplifies analysis of difficult-to-analyze proteins was launched in mid-2022, OmniGLYZOR™. This product quickly and effectively removes sugar structures from glycoproteins, and both GlySERIAS and OmniGLYZOR have been extremely well received by the market. TransGLYCIT™ Azide Activation was launched in the first half of the year and offers accurate and specific labeling of antibodies.

Genovis has also broadened its product range by launching a service product (Antibody LC-MS Analysis) that offers a complete solution for customers who wish to characterize antibodies. Genovis has also launched an antibody product developed in the subsidiary in the US that complements the enzyme business.

Employees

Genovis has strengthened the organization with product specialists in several geographic markets in 2022. A total of four new product specialists for the markets in China, UK/Benelux, Germany/Switzerland/Denmark, France/Italy/Spain were added to the sales and marketing organization. Furthermore, a technical marketing resource was added to the US organization. The Company also hired a sales and business development resource for the antibody business.

Facilities

Genovis will move its operations to Kävlinge in newly constructed premises adapted to the business. The premises offer continued expansion potential for the future. The plan is to gradually transfer operations in the second half of 2023.

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 2022, 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

Each Genovis employee shall strive to understand and learn about current and future customer needs in order to continually and sustainably improve our products and services, in harmony with their needs and development. Innovation and passion are needed to meet new challenges and assist customers, such as in their efforts to develop new biopharmaceuticals. 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, 2022, the Group had 37 employees, compared with the same period in 2021, when the Group had 33 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 2022.

PARENT COMPANY

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

Key figures Parent Company	2022	2021	2020	2019	2018
Net sales (SEK thousand)	81,770	68,399	61,182	50,861	27,253
Operating income (SEK thousand)	19,696	26,030	19,561	9,219	-1,701
Equity/assets ratio (%)	92	86	92	82	82
Acid test ratio (%)	690	529	845	308	352
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 5% change in the exchange rate on sales, which the Company experienced in 2022.

Currency estimated exchange rate, 2022	Net volume 2022, SEK 000s	Impact on earnings/ equity in SEK 000s with a 5% currency fluctuation
USD: 10.13	59,331	+/- 2,967
EUR: 10.64	29,431	+/- 1,472

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 2022.

Change in profit/loss before tax		SEK 000s
Net sales	+/- 3%	3,072
Cost of goods sold	+/- 3%	392
Payroll expenses	+/- 3%	1,215

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, 2022, consolidated shareholders' equity was SEK 125,652 (113,994) thousand and Genovis AB's shareholders' equity was SEK 146,890 (129,338) 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 72,830 (81,315) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the conditions change, measures to raise additional capital may be considered. Interest-bearing liabilities relating to lease liabilities are shown below.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

Sub-licensing

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 will receive USD 4 million following the sublicensing. Subsequently, Genovis is eligible to receive additional sublicense revenue of up to USD 135 million from development and commercialization, plus royalties on sales where the Xork enzyme and AT845 are used together for treatment of Pompe disease.

OUTLOOK

Although the Life Science field is relatively independent of business cycles, periods of uncertainty can influence our customers' appetite to invest in new technology. With all development projects proceeding according to plan, Genovis is positioned to make additional advances with respect to both new products and sales. Overall, volume growth is expected to be positive in 2023.

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, 2022. Nine people were employed in the US, and 28 were employed in Sweden who are responsible for centrally coordinating functions in R&D, Applications & Support, Production, Sales & Marketing, business and administration.

EXTERNAL AND INTERNAL REGULATIONS

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

SHAREHOLDERS AND SHARE CAPITAL

At year-end 2022, Genovis had 8,750 shareholders according to Euroclear Sweden AB. Share capital at year-end was SEK 16,366,428.5 and the total number of shares was 65,465,714. Genovis' market capitalization amounted to SEK 3,008 million on December 31, 2022. The Company's largest shareholder is Mikael Lönn, who represents 15.26% of the total number of shares and votes in the Company. Genovis' shareholder structure, share performance, etc., are presented on pages 26–27.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest decision-making body. At the General Meeting, shareholders exercise their voting rights in accordance with Swedish corporate legislation and Genovis' Articles of Association. The General Meeting elects the Company's Board of Directors and uditor. 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.

2022 Annual General Meeting

Genovis held its Annual General Meeting on May 12, 2022, in Lund where 37.1% of the number of shares and voting rights were represented. No one attended the meeting in person; instead, only postal voting was permitted in accordance with section 22 of the Act (2020:198) on temporary exemptions to facilitate the execution of general meetings.

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

Resolutions

- Adoption of the balance sheet and income statement for the Parent Company and the Group.
- The Board and the Chief Executive Officer were discharged from liability.
- The Board shall consist of five ordinary members without deputies until the next AGM.
- The AGM resolved to approve remuneration to the Board of Directors in the amount of SEK 150,000 to Board members and SEK 300,000 to the Chairman of the Board.
- A Nomination Committee will be formed with the four largest shareholders as of September 30, 2023.
- The Meeting resolved to approve authorization to issue shares with or without preferential rights for existing shareholders. As a result of this decision, share capital increased by a maximum of SEK 1,625,000 through the issuance of a maximum of 6,500,000 new shares.

REMUNERATION OF SENIOR EXECUTIVES

These guidelines concern remuneration and other terms of employment for the Chief Executive Officer and senior executives. The guidelines are forward-looking and applicable to remuneration already agreed, and amendments to remuneration already agreed. The AGM adopted the guidelines in 2022. These guidelines do not apply to any remuneration decided or approved by the AGM.

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

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

Types of remuneration

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

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration shall be capped at a maximum of 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% of the fixed annual cash salary and may not be paid more than once each year per individual. Resolutions on such remuneration shall be made by the Board.

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

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

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

Termination of employment

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

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

Criteria for awarding variable cash remuneration, etc.

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

The extent to which the criteria for awarding variable cash remuneration have been satisfied shall be 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 the preparation of the Board's proposal for these remuneration guidelines, salaries and terms of employment for the Company's employees were taken into account in that information about employees' total remuneration, the remuneration components, the increase in remuneration and the rate of the increase over time formed a part of the decision basis used by the Board to evaluate whether the guidelines and the limitations set out herein were reasonable.

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

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

Derogation from the guidelines

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

NOMINATION COMMITTEE

The Nomination Committee evaluates the Board and its work. As a basis for its proposals for the 2023 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 2023 Annual General Meeting:

- Mikael Lönn (Chairman)
- TIN Ny Teknik, represented by Erik Sprinchorn, Portfolio manager
- Swedbank Robur Fonder, represented by Bo Lundgren
- Second AP Fund, represented by Johan Sjöström, Portfolio manager

The task of the Nomination Committee is to put forward proposals regarding the election of the Chairperson of the Annual General Meeting, election of the Chairperson and other members of the Board, appointment of auditors and fees paid to the Directors and the Auditors. The 2022 Annual General Meeting resolved that the Nomination Committee for the 2023 AGM will consist of representatives of the four largest shareholders as of September 30, 2022. 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 Pricewaterhouse Coopers 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 2023 Annual General Meeting.

FEES TO AUDITORS

Öhrlings PricewaterhouseCoopers AB is the Company's auditor. "Audit assignments" refer to the audit of the annual report and accounting records, as well as the administration of the Company by the Board of Directors and the Chief Executive Officer, other tasks incumbent on the Company's auditor and advice or other assistance resulting from observations made during audits or the performance of such tasks. Other assignments mainly refer to consultancy services related to auditing and taxation issues. Fees for audit assignments in 2022 amounted to SEK 615,300 (375,215) and fees for other assignments totaled SEK 31,500 (68,300).
Please see note 5 for additional information.

INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING

Internal control

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

The Genovis Group's organization is designed to quickly respond to changes in the market. Operational decisions are thus made at the company level, while decisions on strategy, focus, acquisitions and overall financial issues are made by Genovis' Board of Directors. The CEO regularly reports to the Board to increase awareness, transparency and control of the Company's accounting, financial reporting and risk management.

The CFO of Genovis is responsible for ensuring that internal control is maintained in accordance with the resolution of the Board. Monitoring is carried out throughout the Group, on various levels.

Risk assessment

Risk assessment is based on the Group's financial 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.

Torben Jørgensen (b. 1952)

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

Mikael Lönn (b. 1949)

Member of the Board since: 2014
Education: MD, B.A.
Other directorships and positions: 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, Dicel 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: 9,990,653 shares

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

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

Work of the Board 2022

The Board of Directors has consisted of five members since the Annual General Meeting on May 12, 2022. In 2022 the Board held seven meetings at which the minutes were recorded and when necessary, other officers participated as reporters or in administrative roles. The Board also took decisions by correspondence. 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.

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

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, Arocell AB and chairperson of IVA Avd X Bioteknik.
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

Steve Jordan (b. 1953)

Member of the Board since: 2021
Education: CChem FRSC
Other directorships and positions: Steve Jordan has no other Board directorships.
Relevant work experience: Steve currently works as a consultant for several companies engaged in the development of novel technologies and materials for the life science industries. Has previously held the 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

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.

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

Jonathan Sjögren (b. 1985)
VP, Business Development

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

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




Linda Andersson (b. 1976) VP Production

Education: M.Sc., Lund University
Employed since: 2016
Linda Andersson have many years of experience in product development, development and optimization of production processes and quality assurance of products going to market. She has previously worked in a global environment for GE Healthcare.
Holdings in Genovis: 555 shares

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

Education: M.Sc. in Engineering, Ph.D., Faculty of Engineering, Lund University
Employed since: 2016
Helén has more than 25 years of experience working with proteins in the pharmaceutical and biotech industries. She has extensive experience working with product development, as well as with projects in preclinical and clinical trials for production and analysis of drug candidates. She also has experience working with GMP.
Holdings in Genovis: 615 shares

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

Rikke Rytter (b. 1967) VP Sales and Marketing

Education: B.Sc. Biomedical Laboratory Science
Employed since: 2021
Rikke came to Lund eighteen months ago. She 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

Proposed appropriation of profits

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

Proposed appropriation of the Company's profit or loss

The following funds are at the disposal of the Annual General Meeting:	(SEK)
Accumulated loss	-104,463,772
Share premium reserve	216,475,893
Profit for the year	18,511,371
Comprehensive income	**130,523,492**
Carry forward to new account	130,523,492

The Board of Directors proposes that no dividend be paid for the 2022 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 16, 2023.

STATEMENT OF COMPREHENSIVE INCOME

(SEK)	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Net sales	2	102,386,899	93,017,543	81,769,975	68,399,164
Change in inventory, finished goods		-1,964,200	-1,076,854	-2,121,462	145,180
Other operating income	3	9,711,621	4,311,433	9,711,621	4,311,433
		110,134,320	**96,252,122**	**89,360,134**	**72,855,777**
Operating expenses					
Raw materials and consumables		-13,054,130	-10,651,716	-4,993,415	-4,204,903
Other external costs	4,5,6	-27,693,293	-21,966,351	-18,436,624	-16,999,084
Personnel costs	7	-40,500,109	-30,882,717	-30,758,240	-22,012,611
Depreciation, amortization and impairment of plant, property, and equipment					
and intangible assets	8	-6,631,872	-5,771,041	-1,574,877	-1,596,045
Other operating expenses	9	-13,978,199	-2,436,981	-13,900,946	-2,013,572
Total operating expenses		**-101,857,603**	**-71,708,806**	**-69,664,102**	**-46,826,215**
Operating profit/loss		**8,276,717**	**24,543,316**	**19,696,032**	**26,029,562**
Profit/loss after financial items					
Interest income, interest expenses and similar line items		-281,450	60,330	-1,184,661	207,506
Profit before tax		**7,995,267**	**24,603,646**	**18,511,371**	**26,237,068**
Income tax	10	3,195,400	173,739	0	0
PROFIT FOR THE YEAR		**11,190,667**	**24,777,385**	**18,511,371**	**26,237,068**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Translation of foreign subsidiary		1,427,566	2,051,021		
COMPREHENSIVE INCOME FOR THE YEAR		**12,618,233**	**26,828,406**	**18,511,371**	**26,237,068**
Profit for the year attributable to Parent Company shareholders		11,190,667	24,777,385		
Comprehensive income for the year for the year attributable to Parent Company shareholders		12,618,233	26,828,406		
Earnings per share, basic and diluted[1]	11	0.17	0.38		
Average number of shares		65,465,714	65,465,714		

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

BALANCE SHEET

(SEK)	Note	Group 2022 Dec. 31	Group 2021 Dec. 31	Parent Company 2022 Dec. 31	Parent Company 2021 Dec. 31
ASSETS					
Noncurrent assets					
Intangible assets	12				
Patents, licenses and customer relationships		12,723,232	12,357,002	4,059,046	3,825,778
Goodwill		4,753,045	4,118,492	0	0
Total intangible assets		**17,476,277**	**16,475,494**	**4,059,046**	**3,825,778**
Property, plant and equipment	13				
Equipment, tools, fixtures, and fittings		8,513,226	6,550,304	8,205,854	6,268,477
Right-of-use assets		7,298,796	3,053,795		
Total property, plant and equipment		**15,812,022**	**9,604,099**	**8,205,854**	**6,268,477**
Financial non-current assets					
Participations in Group companies	14	0	0	19,874,528	19,874,528
Receivables from Group companies		0	0	25,600,182	0
Other non-current receivables		88,903	77,034	0	0
Total financial non-current assets		**88,903**	**77,034**	**45,474,710**	**19,874,528**
Deferred tax assets	15	10,173,670	6,741,002	1,718,000	1,718,000
Total noncurrent assets		**43,550,872**	**32,897,629**	**59,457,610**	**31,686,783**
Current assets					
Inventories		12,557,413	12,419,001	8,630,994	8,904,870
Current receivables					
Accounts receivable	16	16,913,124	12,003,271	6,205,024	3,658,645
Receivables from Group companies		0	0	12,773,209	24,838,463
Other receivables		1,669,266	777,952	1,669,168	707,349
Prepaid expenses and accrued income	17	2,999,567	2,337,040	2,655,725	2,268,767
Total current receivables		**21,581,957**	**15,118,263**	**23,303,126**	**31,473,224**
Cash and cash equivalents	18	72,830,140	81,314,993	68,852,372	77,972,910
Total current assets		**106,969,510**	**108,852,257**	**100,786,492**	**118,351,004**
TOTAL ASSETS		**150,520,382**	**141,749,886**	**160,244,102**	**150,037,787**

BALANCE SHEET

(SEK)	Note	Group 2022 Dec. 31	Group 2021 Dec. 31	Parent Company 2022 Dec. 31	Parent Company 2021 Dec. 31
EQUITY AND LIABILITIES					
Equity					
Share capital	19	16,366,428	16,366,428	16,366,428	16,366,428
Total restricted equity				**16,366,428**	**16,366,428**
Other paid-in capital		215,654,881	215,654,881	0	0
Share premium reserve		0	0	216,475,893	216,475,893
Translation reserve		-1,021,393	-2,448,959	0	0
Accumulated loss		-116,538,193	-140,356,111	-104,463,772	-129,741,373
Profit for the year		11,190,667	24,777,385	18,511,371	26,237,068
Total unrestricted equity				**130,523,492**	**112,971,588**
Total equity attributable to Parent Company shareholders		**125,652,390**	**113,993,624**	**146,889,920**	**129,338,016**
Non-current liabilities					
Deferred tax	15	2,424,633	2,387,387	0	0
Lease liabilities	20	4,438,214	1,123,429	0	0
Total non-current liabilities		**6,862,847**	**3,510,816**	**0**	**0**
Current liabilities					
Accounts payable		5,451,636	2,537,226	5,215,141	2,187,456
Lease liabilities	20	2,884,992	1,707,989	0	0
Liabilities to Group companies		0	0	99,835	99,835
Other liabilities		1,691,257	1,280,893	1,430,954	1,177,678
Accrued expenses and deferred income	21	7,977,260	18,719,338	6,608,252	17,234,802
Total current liabilities		**18,005,145**	**24,245,446**	**13,354,182**	**20,699,771**
TOTAL EQUITY AND LIABILITIES		**150,520,382**	**141,749,886**	**160,244,102**	**150,037,787**

STATEMENT OF CASH FLOWS

(SEK)	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Operating activities					
Operating profit		8,276,717	24,543,316	19,696,032	26,029,562
Adjustment for items not affecting cash flow	22	5,876,812	5,771,041	819,817	1,596,045
Changes in working capital	23	-14,800,026	15,755,652	893,978	15,560,989
Interest received		57,409	0	177,873	207,506
Interest paid		-338,859	-151,108	-1,718	0
Cash flow from operating activities		**-927,947**	**45,918,901**	**21,585,982**	**43,394,102**
Investing activities					
Acquisitions, patents		-892,999	-2,717,847	-892,999	-1,052,206
Acquisition of subsidiary		0	0	0	-1,665,641
Acquisition of property, plant and equipment		-2,932,386	-1,773,387	-2,852,523	-1,587,151
Cash flow from investing activities		**-3,825,385**	**-4,491,234**	**-3,745,522**	**-4,304,998**
Financing activities					
Change in non-current receivables	24	0	0	-26,960,998	0
Amortization of loans relating to finance leases	25	-3,731,521	-4,230,475	0	0
Cash flow from financing activities		**-3,731,521**	**-4,230,475**	**-26,960,998**	**0**
Total cash flow after financing activities		**-8,484,853**	**37,197,192**	**-9,120,538**	**39,089,104**
Cash and cash equivalents, Jan. 1		81,314,993	44,117,801	77,972,910	38,883,806
Cash and cash equivalents, Dec. 31	18	**72,830,140**	**81,314,993**	**68,852,372**	**77,972,910**

CHANGES IN EQUITY

GROUP

(SEK)	Share capital	Other paid-in capital	Translation reserve	Accumulated loss	Total equity
Opening balance as of January 1, 2021	16,366,428	215,654,881	-4,499,980	-140,356,111	87,165,218
Profit for the year	0	0	0	24,777,385	24,777,385
Other comprehensive income	0	0	2,051,021	0	2,051,021
Closing balance as of December 31, 2021 according to adopted balance sheet	**16,366,428**	**215,654,881**	**-2,448,959**	**-115,578,726**	**113,993,624**
Correction of error*	0	0	0	-959,467	-959,467
Adjusted equity as of December 31, 2021	**16,366,428**	**215,654,881**	**-2,448,959**	**-116,538,193**	**113,034,157**
Profit for the year	0	0	0	11,190,667	11,190,667
Other comprehensive income	0	0	1,427,566	0	1,427,566
Closing balance as of December 31, 2022	**16,366,428**	**215,654,881**	**-1,021,393**	**-105,347,526**	**125,652,390**

** Relates to unrealized currency effects attributable to the result for 2021 that should have been recognized as other operating expenses in the income statement.*

PARENT COMPANY

(SEK)	Share capital	Share premium reserve	Accumulated loss	Profit/loss for the year	Total equity
Opening balance as of January 1, 2021	16,366,428	216,475,893	-148,617,065	18,875,692	103,100,948
Appropriation of profit/loss as resolved by AGM	0	0	18,875,692	-18,875,692	0
Profit for the year	0	0	0	26,237,068	26,237,068
Closing balance as of December 31, 2021 according to adopted balance sheet	**16,366,428**	**216,475,893**	**-129,741,373**	**26,237,068**	**129,338,016**
Correction of error*	0	0	-959,467	0	-959,467
Adjusted equity as of December 31, 2021	**16,366,428**	**216,475,893**	**-130,700,840**	**26,237,068**	**128,378,549**
Appropriation of profit/loss as resolved by AGM	0	0	26,237,068	-26,237,068	0
Profit for the year	0	0	0	18,511,371	18,511,371
Closing balance as of December 31, 2022	**16,366,428**	**216,475,893**	**-104,463,772**	**18,511,371**	**146,889,920**

** Relates to unrealized currency effects attributable to the result for 2021 that should have been recognized as other operating expenses in the income statement.*

The Company has not paid or proposed any dividend.

NOTE 1 ACCOUNTING POLICIES

GENERAL INFORMATION

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

Revenue recognition

Revenue is recognized according to IFRS 15. Revenue arises in the Group when the customer obtains control of the product or service sold. The Group's revenues are mainly generated by sales of its own products and out-licensing of its own products. Revenues include invoiced gross revenue as agreed for goods sold or licenses excluding VAT, discounts, and returns due to product or quality warranties or transport damage, and after elimination of intra-group sales. Customer agreements are analyzed and divided into distinct performance obligations. Once a performance obligation is satisfied, the revenue is recognized to the portion of the total agreed price that accrues from fulfillment of the obligation. License revenue is recognized for each agreement at the point in time of the performance obligation, or over time for the period of validity of the sold license if there are no points in time for distinct performance obligations. Royalties are recognized as revenue when the underlying use has taken place. Advance payments from customers are recognized as 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 term. In less usual cases, where the cost of the right-of-use asset reflects the Group's intention to exercise an option to purchase the underlying asset, the asset is depreciated until the end of its useful life. The lease liability, which is divided into a non-current 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 on the defined useful life. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, taking into account the residual value. The following depreciation periods apply:

• Laboratory equipment	5–10 years
• Computer equipment	3 years
• Other equipment	5 years
• Right-of-use assets	According to 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.

KEY ESTIMATES AND ASSESSMENTS
The preparation of financial statements in accordance with IFRS requires management to perform estimates and assumptions that affect the income statement, balance sheet and other disclosures. Assumptions, assessments and estimates are reviewed on a regular basis. The actual outcome may diverge from these assumptions, assessments and estimates. The Board and executive management regularly assess the deferred tax and intangible assets. The Parent Company has a deferred tax asset amounting to SEK 1,718 (1,718) thousand at the end of the period, corresponding to a loss carryforward of SEK 8,340 thousand. Valuation of loss carryforwards and the Company's ability to utilize unused tax losses is based on the assumption that taxable profit will be generated by the company in the foreseeable future. The valuation of intangible assets is reviewed at least annually or more frequently if there are indications that an impairment may have occurred. Goodwill has been tested for impairment in accordance with IAS 36. The test showed a value of USD 2.6 million.

The test produced a value in use of USD 3.7 million in relation to tested assets of USD 1.1 million. A discount rate of 12% and a perpetual growth rate of 2% have been used.

Consolidated cash and cash equivalents at year-end amounted to SEK 72,830 (81,315) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the conditions change, measures to raise additional capital may be considered. With shareholder approval, Genovis can issue new shares, buy back shares, or increase/decrease loans. The capital structure is regularly revised.
On December 31, 2022, consolidated shareholders' equity was SEK 125,652 (113,994) thousand and Genovis AB's shareholders' equity was SEK 146,890 (129,338) thousand.

CONSOLIDATED ACCOUNTS

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

FOREIGN CURRENCIES

Functional currency

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

Foreign currency translation

Transactions denominated in foreign currencies

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

Translation of foreign operations

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

INVENTORIES

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

STATEMENT OF CASH FLOWS

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

NOTE 2 NET SALES

Sales are based on a measure called net sales, which excludes revenues that are not attributable to sales of products and services. Senior management considers the business from a product perspective where operations only comprise one operating segment* that is used to make strategic decisions. The segment comprises unique enzymes that facilitate development, 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.

Revenue	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Geographic markets				
Sweden	631,402	636,725	631,402	636,725
Rest of world	101,755,497	92,380,818	81,138,573	67,762,439
Total	**102,386,899**	**93,017,543**	**81,769,975**	**68,399,164**
Product category				
Enzyme	85,116,877	80,516,397	81,769,975	68,399,164
Antibodies	17,270,022	12,501,146	0	0
Total	**102,386,899**	**93,017,543**	**81,769,975**	**68,399,164**

*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 2022	Group 2021	Parent Company 2022	Parent Company 2021
Exchange gains	8,434,314	3,583,853	8,434,314	3,583,853
Research grants received	1,174,929	657,538	1,174,929	657,538
Sick pay compensation and insurance compensation	102,378	70,042	102,378	70,042
Total	**9,711,621**	**4,311,433**	**9,711,621**	**4,311,433**

NOTE 4 RELATED PARTY TRANSACTIONS

Genovis' board member and principal owner Mikael Lönn, who holds a 15.26% stake in Genovis, owns 12.24% of the shares in Redeye AB, for which Mikael Lönn is also a board member. Genovis has purchased analysis services from Redeye AB for a total of SEK 420 thousand during the full year. 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 33 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 2022	Group 2021	Parent Company 2022	Parent Company 2021
PwC				
Audit assignment	615,300	375,215	615,300	375,215
Non-audit assignments	31,500	54,500	31,500	54,500
Tax services	0	13,800	0	13,800
Total	**646,800**	**443,515**	**646,800**	**443,515**

NOTE 6 LEASES

Lease costs relate mainly to the rental of premises by the Parent Company and its subsidiary, Genovis Inc. The term of the Parent Company's lease for offices expires on May 31, 2023, while the lease for laboratories expires on December 31, 2023, and is automatically renewed one year at a time, unless notice to terminate the lease is given not later than nine months prior to the lease expiration date. Genovis Inc. has a lease that runs until April 30, 2027. Lease costs for the year in the Parent Company amounted to SEK 3,450 (3,808) thousand, consisting mainly of rent for premises and a small number of car and equipment leases.

Expenses för leases i Group	Depreciation/ Amortization 2022	Interest 2022	Depreciation/ Amortization 2021	Interest 2021
Rent for premises	3,490,936	268,222	3,573,351	95,413
Car leases	276,364	26,934	123,268	15,697
Rent equipment	52,000	41,985	312,000	167,940
Total	**3,819,300**	**337,141**	**4,008,619**	**279,050**

The cash flow impact for leases is SEK 3,731 (4,230) thousand.
Please see note 20 for lease liabilities

NOTE 7 PERSONNEL

The Chief Executive Officer is entitled to a defined-contribution pension that is 30% of his fixed monthly 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 2022	Group 2021	Parent Company 2022	Parent Company 2021
Total	35	33	27	24
Women	24	24	18	17
Salaries and remuneration:				
Board, CEO and senior executives	9,246,444	6,753,060	9,246,444	6,753,060
Other employees	19,674,235	15,837,180	11,626,335	8,596,679
Total salaries	**28,920,679**	**22,590,240**	**20,872,779**	**15,349,739**
Social security expenses	5,429,650	4,062,210	4,788,174	3,445,289
Pension costs CEO and senior executives	2,110,957	1,376,681	2,110,957	1,376,681
Pension costs, other employees	1,859,804	1,565,222	937,778	769,985
Total social security expenses and pension costs	**9,400,411**	**7,004,113**	**7,836,909**	**5,591,955**
Other personnel costs	2,179,019	1,288,364	2,048,552	1,070,917
Total	**40,500,109**	**30,882,717**	**30,758,240**	**22,012,611**

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

2022	Basic salary/ Board fees	Consul-tant fee	Benefits	Pension costs	Social security expenses	Total
Torben Jørgensen, Chairman of the Board	300,000				30,630	330,630
Mikael Lönn	150,000				15,315	165,315
Kenth Petersson	75,000				7,658	82,658
Charlotta Ljungqvist	150,000				47,130	197,130
Steve Jordan	0	150,000			0	150,000
Magnus Gustafsson	75,000				23,565	98,565
Fredrik Olsson, CEO	1,584,771		87,348	494,332	525,380	2,691,831
Total	**2,334,771**	**150,000**	**87,348**	**494,332**	**649,677**	**3,716,128**

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

In 2022 the Board was composed of 4 men and 1 woman. In 2021 the Board was composed of 4 men and 1 woman.
Guidelines for remuneration of senior executives as resolved at the 2022 Annual General Meeting are presented in the Administration Report on pages 33–34.

NOTE 8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Amortization patents, brands, licenses and customer relationships	-1,804,599	-1,694,673	-659,731	-677,996
Depreciation equipment, tools, fixtures and fittings	-4,827,273	-4,076,368	-915,146	-918,049
Depreciation on leased assets	-3,819,300	-4,008,619	0	0
Total	**-6,631,872**	**-5,771,041**	**-1,574,877**	**-1,596,045**

NOTE 9 OTHER OPERATING EXPENSES

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Exchange losses	-5,104,217	-2,218,621	-5,026,964	-2,013,572
Non-recurring costs related to reimbursement of part of the previously received insurance compensation.	-8,873,982	0	-8,873,982	0
Other	0	-218,360	0	0
Total	**-13,978,199**	**-2,436,981**	**-13,900,946**	**-2,013,572**

NOTE 10 TAXES

Recognized income taxes include income tax in the US and deferred tax on intra-group profit on inventories.

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Profit before tax	7,995,267	24,603,646	18,511,371	26,237,068
Tax at nominal tax rate for the Parent Company	-1,647,025	-5,068,352	-3,813,342	-5,404,836
Effect of other tax rates for foreign subsidiaries	-55,087	-43,456	0	0
Effect from non-deductible items	-334,566	-273,539	-16,835	-11,647
Tax effect from non-taxable items	329,572	271,403	0	0
Utilization of previously unrecognized loss carryforwards	3,830,177	5,416,483	3,830,177	5,416,483
Tax attributable to previous years	-16,711	-220,029	0	0
Translation differences	1,089,040	91,228	0	0
Reported effective tax	**3,195,400**	**173,739**	**0**	**0**

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

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.

	Group 2022	Group 2021
Profit for the year, SEK	11,190,667	24,777,385
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	**0.17**	**0.38**

NOTE 12 – INTANGIBLE ASSETS

Patents and customer relationships	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Opening cost	18,817,020	16,796,841	8,579,555	7,527,349
Acquisition/capitalization	892,999	1,052,206	892,999	1,052,206
Foreign currency conversion	1,577,329	967,973	0	0
Closing cost	**21,287,348**	**18,817,020**	**9,472,554**	**8,579,555**
Opening accumulated amortization	-6,460,018	-4,693,744	-4,753,777	-4,075,778
Amortization for the year	-1,804,599	-1,694,673	-659,731	-677,999
Foreign currency conversion	-299,501	-71,601	0	0
Closing accumulated amortization	**-8,564,118**	**-6,460,018**	**-5,413,508**	**-4,753,777**
Reversals for the year	0	0	0	0
Carrying amount	**12,723,232**	**12,357,002**	**4,059,046**	**3,825,778**

Goodwill	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Opening cost	4,118,492	3,729,080	0	0
Foreign currency conversion	634,553	389,412	0	0
Closing cost	**4,753,045**	**4,118,492**	**0**	**0**
Carrying amount	**4,753,045**	**4,118,492**	**0**	**0**

Goodwill has been tested for impairment in accordance with IAS 36. The test showed a value of USD 2.6 million. The test produced a value in use of USD 3.7 million in relation to tested assets of USD 1.1 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 2022	Group 2021	Parent Company 2022	Parent Company 2021
Opening cost	15,218,342	13,435,032	14,860,287	13,273,135
Purchases	2,921,510	1,761,397	2,852,523	1,587,152
Disposals	0	0	0	0
Foreign currency conversion	63,902	21,913	0	0
Closing cost	**18,203,754**	**15,218,342**	**17,712,810**	**14,860,287**
Opening accumulated depreciation	-8,668,038	-7,696,990	-8,591,810	-7,673,761
Depreciation on disposals	0	0	0	0
Depreciation for the year	-1,007,973	-967,170	-915,146	-918,049
Foreign currency conversion	-14,517	-3,878	0	0
Closing accumulated depreciation	**-9,690,528**	**-8,668,038**	**-9,506,146**	**-8,591,810**
Carrying amount	**8,513,226**	**6,550,304**	**8,205,854**	**6,268,477**

Right-of-use assets	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Opening cost	12,337,494	15,201,045	0	0
Purchases	7,973,628	226,155	0	0
Disposals	-3,876,690	-3,257,391	0	0
Foreign currency conversion	637,645	167,685	0	0
Closing cost	**17,072,077**	**12,337,494**	**0**	**0**
Opening accumulated depreciation	-9,283,699	-8,442,533	0	0
Depreciation on disposals	3,376,690	3,257,391	0	0
Depreciation for the year	-3,819,300	-4,008,619	0	0
Foreign currency conversion	-46,972	-89,938	0	0
Closing accumulated depreciation	**-9,773,281**	**-9,283,699**	**0**	**0**
Carrying amount	**7,298,796**	**3,053,795**	**0**	**0**

In 2022, a new lease has been signed in Genovis Inc, which is included in purchases in the above table. Terminated contracts are classified as disposal.

NOTE 14 PARTICIPATIONS IN GROUP COMPANIES

	Parent Company 2022	Parent Company 2021
Opening cost	42,252,382	42,469,953
Purchases	0	0
Adjustment purchase consideration	0	-217,571
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 DEFERRED TAX ASSET/ LIABILITY

The Group's deferred tax asset at the end of the period was SEK 10,174 (6,741) thousand. The deferred tax receivable is attributable to unused tax loss carryforwards on the Parent Company of SEK 1,718 (1,718) thousand, as well as deferred tax on intra-group profit on inventories of SEK 8,456 (5,023) thousand. Deferred tax assets are recognized in the balance sheet only to the portion of value that can probably be utilized in the foreseeable future.
The Group's total tax loss is SEK 98,810 (116,443) million.
The carryforward of unused tax losses has no time limit.

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Deferred tax asset				
Deferred tax on tax losses	1,718,000	1,718,000	1,718,000	1,718,000
Deferred tax Intra-group profit on inventories	8,455,670	5,023,002	0	0
Total deferred tax asset	**10,173,670**	**6,741,002**	**1,718,000**	**1,718,000**
Deferred tax liability				
Deferred tax, surplus values acquisition QED Inc	2,424,633	2,387,387	0	0
Total deferred tax liability	**2,424,633**	**2,387,387**	**0**	**0**

NOTE 16 FINANCIAL INSTRUMENTS IN THE GROUP

	Carrying amount 2022	Fair value 2022	Carrying amount 2021	Fair value 2021
Financial assets				
Accounts receivable	16,913,124	16,913,124	12,003,271	12,003,271
Cash and cash equivalents	72,830,140	72,830,140	81,314,993	81,314,993
Financial liabilities				
Lease liability	7,323,206	7,323,206	2,831,418	2,831,418
Accounts payable	5,451,536	5,451,536	2,537,226	2,537,226

Accounts receivable are entered at the amounts by which they are expected to be paid, after individual assessment As of December 31, 2022, accounts receivables of SEK 3,643,522 (2,298,979) were past due. A write-down of SEK 43,076 was taken.

Below is an age analysis of these overdue accounts receivable:

	2022	2021
Less than 3 months	3,585,759	2,146,136
3 to 6 months	40,385	136,429
> 6 months	17,378	16,414
Total overdue	**3,643,522**	**2,298,979**

Future payment commitments, nominal value	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Car leases				
Within 1 year	297,295	154,521	297,295	154,521
Between 1 and 5 years	630,556	563,702	630,556	563,702
Leases for instruments				
Within 1 year	0	312,000	0	312,000
Between 1 and 5 years	0	240,000	0	240,000
Rent for premises				
Within 1 year	2,587,697	1,561,195	1,655,566	1,241,468
Between 1 and 5 years	3,807,657	0	0	0
Total	**7,323,206**	**2,831,418**	**2,583,417**	**2,511,691**

Please see note 20 for lease liabilities

NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Royalty revenue	200,000	120,000	200,000	120,000
Trade shows/conferences	266,432	45,142	266,432	45,142
License agreements	88,433	180,311	88,433	180,311
Insurance	250,099	190,123	82,537	140,722
Rent	852,002	1,100,945	733,979	998,673
Software licenses	554,844	488,925	554,844	488,925
Consultant fees	106,400	35,000	106,400	35,000
Annual fees for patents	359,735	0	359,735	0
Car lease fees	77,285	98,855	77,285	98,855
Other items	244,337	77,739	186,080	161,139
Total	**2,999,567**	**2,337,040**	**2,655,725**	**2,268,767**

NOTE 18 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 2022	Group 2021	Parent Company 2022	Parent Company 2021
Bank deposits	72,830,140	81,314,993	68,852,372	77,972,910
Total	**72,830,140**	**81,314,993**	**68,852,372**	**77,972,910**

NOTE 19 SHARES

All shares are issued and fully paid.

Number of issued and fully paid shares	Par value	Shares
As of December 31, 2021	0.25	65,465,714
As of December 31, 2022	**0.25**	**65,465,714**

NOTE 20 LEASE LIABILITIES

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

	Group 2022	Group 2021
Non-current interest-bearing liabilities		
Maturity between 1 and 5 years	4,438,214	1,123,429
Total	**4,438,214**	**1,123,429**
Current interest-bearing liabilities		
Maturity within 1 year	2,884,992	1,707,989
Total	**2,884,992**	**1,707,989**

NOTE 21 ACCRUED EXPENSES AND DEFERRED INCOME

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Accrued payroll-related expenses	5,384,455	4,052,469	5,027,506	3,700,401
Royalty cost	473,815	859,641	473,815	859,641
Consultant fee	895,308	610,735	384,730	220,000
Board fees	173,368	173,368	173,368	173,368
Deferred income	639,779	12,549,012	471,533	12,162,936
Other items	410,535	474,113	77,300	118,456
Total	**7,977,260**	**18,719,338**	**6,608,252**	**17,234,802**

NOTE 22 ITEMS NOT AFFECTING CASH FLOW

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Depreciation/ Amortization	6,631,872	5,771,041	1,574,877	1,596,045
Unrealized revaluation of derivatives	-755,060		-755,060	
Total	**5,876,812**	**5,771,041**	**819,817**	**1,596,045**

NOTE 23 CHANGE IN WORKING CAPITAL

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Inventories	-138,412	465,840	273,876	-680,742
Accounts receivable and other receivables	-14,341,292	884,053	8,170,099	4,139,548
Accounts payable and other payables	-320,322	14,405,759	-7,549,997	12,102,183
Total	**-14,800,026**	**15,755,652**	**893,978**	**15,560,989**

NOTE 24 CHANGE IN WORKING CAPITAL

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Opening balance receivables from Group companies	0	0	0	0
Loans to Group companies			26,960,998	
Closing balance receivables from Group companies	**0**	**0**	**26,960,998**	**0**

NOTE 25 CHANGE IN FINANCIAL LIABILTY FOR THE YEAR

	Group 2022	Group 2021
Opening financial liabilities	2,831,418	6,661,493
Recognized financial liabilities (not affecting cash flow)	8,223,309	400,400
Repayment financial liability (affecting cash flow)	-3,731,521	-4,230,475
Closing financial liabilities	**7,323,206**	**2,831,418**

NOTE 26 POST-BALANCE SHEET EVENTS

Sub-licensing

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 will receive USD 4 million following the sublicensing. Subsequently, Genovis is eligible to receive additional sublicense revenue of up to USD 135 million from development and commercialization, plus royalties on sales where the Xork enzyme and AT845 are used together for treatment of Pompe disease.

NOTE 27 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 2022.

Currency estimated exchange rate, 2022	Net volume 2022, SEK 000s	Impact on earnings/equity in SEK 000s with a 5% currency fluctuation
USD: 10.13	59,331	+/- 2,967
EUR: 10.64	29,431	+/- 1,472

Credit risk

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

Interest risk

Interest risk refers to the Group's exposure to a change in interest rates. The 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, 2022, consolidated shareholders' equity was SEK 125,652 (113,994) thousand and Genovis AB's shareholders' equity was SEK 146,890 (129,338) 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 72,830 (81,315) thousand. Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months. Should the conditions change, measures to raise additional capital may be considered. Interest-bearing liabilities to credit institutions are shown below.

Interest-bearing liabilities, SEK 000s	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Lease liabilities				
Maturity date up to 1 year from the balance sheet date.	2,885	1,708	-	-
Maturity date between 1 and 5 years from the balance sheet date	4,438	1,123	-	-

Senior management is aware of the importance of minimizing tied-up capital, including in inventory and accounts receivable. In preparation for the anticipated increase in activity in 2023, the Company will take a structured approach to maintain a desirable low level of tied-up capital.

NOTE 28 APPROPRIATION OF PROFITS

The Board of Directors and CEO propose that unrestricted equity be treated as follows:	SEK
Accumulated loss, SEK	-104,463,772
Share premium reserve	216,475,893
Profit for the year, SEK	18,511,371
Comprehensive income	**130,523,492**
Carry forward to new account	130,523,492

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, 2023. 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 16, 2023.

Lund April 18, 2023

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, 2023

Öhrlings PricewaterhouseCoopers AB

Neda Feher

Authorized public accountant

Auditor's report

To the general meeting of the shareholders of Genovis AB, corporate identity number 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 2022 with the exception of the Corporate Governance Report on pages 32–41. The annual accounts and consolidated accounts of the company are included in this document on pages 24–69.

In our opinion, the annual accounts and consolidated 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 2022 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report on pages 32–41. 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 can be found on pages 1-23 and 70-72. The Board of Directors and the Chief Executive Officer 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 Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer is 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. The Board of Directors and the Chief Executive Officer is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Chief Executive Officer is 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 Chief Executive Officer 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 Directors and the Chief Executive Officer of Genovis AB for the year 2022 and the proposed appropriations of the company's profit or loss.

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

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

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

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

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

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

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

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

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

Malmö, April 19, 2023

Öhrlings PricewaterhouseCoopers AB

Neda Feher

Authorized Public Accountant