

First quarter in brief

- **Net sales** rose by about 30 percent to SEK 6,246k (4,794k).
- **Gross margin*** was 90 (89) percent.
- **Operating result before depreciation and amortization (EBITDA)**** totaled SEK -16k (-2,534k).
- **Operating result** improved by SEK 1,495k and totaled -1,368k (-2,863k).
- **Comprehensive income for the period** improved by SEK 1,476 to a loss of SEK 1,396k (loss: 2,872k).
- **Comprehensive income per share**, basic and diluted, improved by SEK 0.03 to SEK -0.02 (-0.05).
- **Cash flow from operating activities** was a loss of SEK2,024k (loss: 1,586k).

* Excl. other revenue and "Change in inventory, finished goods"

** Genovis has chosen to apply IFRS 16 in advance, as well as the simplification rule regarding short-term leases. Consequently, this will not have any effect on the figures reported for 2017. Costs for rent and leases are therefore recognized under depreciation and amortization and beginning in 2018 will not affect EBITDA for the Group. Readmore under accounting policies, page 10-11.

Financial summary	2018	2017	2017
(SEK 000s)	Jan. - March	Jan. - March	full-year
Net sales	6,246	4,794	22,867
Gross profit/loss	6,365	4,128	21,841
Gross margin* (%)	90	89	90
Operating profit/loss	(1,368)	(2,863)	(7,835)
Comprehensive income for the period	(1,396)	(2,872)	(8,112)
Comprehensive income per share based on a weighted average of the number of outstanding shares	(0.02)	(0.05)	(0.17)
Cash flow from operating activities	(2,024)	(1,586)	(8,355)
Cash and cash equivalents at end of the period	1,672	1,805	4,918

* Excluding other revenue and inventory finished goods.

Events after the end of the period

Genovis has hired Kevin Cook as Senior Application & Market Area Manager for the subsidiary Genovis Inc. Kevin Cook has 20 years of experience with mass spectrometry from both the pharmaceutical and technology industries. Over the past ten years Kevin has worked with marketing and sales of instruments, consumables and reagents for mass spectrometry, which is a good fit with the market for Genovis' products.

Genovis launched a new product, GlycOCATCH™. The new product, GlycOCATCH, is a tool for fast, simple and specific purification of proteins or peptides and is aimed at pharmaceutical and diagnostics companies, as well as universities that work with O-glycosylated proteins. GlycOCATCH is designed to make these analyses easier, which has been requested by both industry and regulatory authorities..

Genovis carried out a directed share issue of 2,805,838 shares in accordance with the authorization granted by the Annual General Meeting on May 11, 2017. The issue was directed to a small group of qualified investors and raised SEK 10.1 million for the Company. The subscription price was SEK 3.60 per share.

Comments from Fredrik Olsson, Chief Executive Officer



2018 begins with strong momentum throughout the business

We continue to show strong growth in the first quarter of 2018. Our sales increased by 30 percent compared with the previous year and now amount to SEK 6.25k (4.8k). This means that we have now had sales growth for 14 consecutive quarters. Growth is exclusively organic as the number of orders continues to rise sharply and the repeat purchase rate continues to develop positively for the entire product portfolio. Just as for our industry colleagues and as we have seen in past years, we experience seasonal variations, with the first and third quarters somewhat weaker on the revenue side. Consequently, it is particularly encouraging that EBITDA was significantly improved this quarter, compared with the previous year, SEK -16k (-2,053k*). Our gross margin remains at an expected high level of 90 percent. We can also report that all geographic markets grew during the quarter.

Our strategy to expand our presence in key markets remains unchanged. After the end of the period we signed an additional distribution agreement, this time with Chayon Laboratories in South Korea, a market where biopharmaceuticals are on the rise. Our goal is to have agreements with partners in all key markets in Asia before the end of the year. In the next phase we are focusing primarily on Japan, Singapore and Taiwan.

We are clearly in a growth phase, where our expanding product portfolio lays the foundation for new business in all markets. We want to take advantage of and accelerate this strong momentum.

Consequently, the Board of Directors decided to carry out a rights issue in order to rapidly gain

** EBITDA for 2017 was adjusted to allow for a fair comparison on the EBITDA level since the Company chose to apply IFRS 16 (see the accounting policies on pages 10-11).*

guaranteed access to additional expansion capital. With the capital raised from the rights issue we can immediately strengthen our sales and marketing organization, thereby ensuring continued development of our popular patent-protected products and so continue on the proactive path of our growth journey. The rights issue is a clear acknowledgement of the quality of the Company and increases the value for Genovis shareholders.

As part of our strategy to increase our sales and marketing initiatives we have recruited Kevin Cook for our US sales organization at Genovis Inc. Kevin Cook has extensive experience in marketing and sales in mass spectrometry from both the instrument side and the reagents side, as well as great technological know-how combined with experience from the customer side. With a wide network of contacts, Kevin will focus on potential customers in the biopharmaceutical industry on the west coast of the US, at the same time that his experience will support us in our future product and application development.

In addition to this recruitment in the US, we intend to strengthen our marketing organization with additional employees. With our base in Lund, we are preparing for continued expansion, both in our existing markets and by developing the business in the Asian markets together with our partners and new distributors. Our continued success at Genovis also improves prospects for hiring top-notch talent. We receive many qualified applicants to our positions, including a large number of spontaneous applications, which strengthens us in our ambitions for the future.

At the end of April Genovis launched its first product for enrichment of proteins prior to analysis, GlycOCATCH™. In simple terms, this product facilitates and speeds up analysis processes, which has been requested by the industry, academia and regulatory authorities. This is our first product in this segment and it will be exciting to follow developments moving forward. Just as with many of our previous launches, we expect that GlycOCATCH will mainly begin to be used in the discovery phase, after which it will gradually be integrated into other parts of the value chain.

With a good start to the year from the first quarter, I see great opportunities to improve our business moving forward. The signs at the beginning of the second quarter indicate sales growth will continue to be strong. With our current efforts to further promote growth by enhancing our organization with new talent and several additions to the product portfolio, I look forward to working with my colleagues to strengthen our position as an innovative partner to the global pharmaceutical companies and driving developments at Genovis forward.

Genovis Group in brief

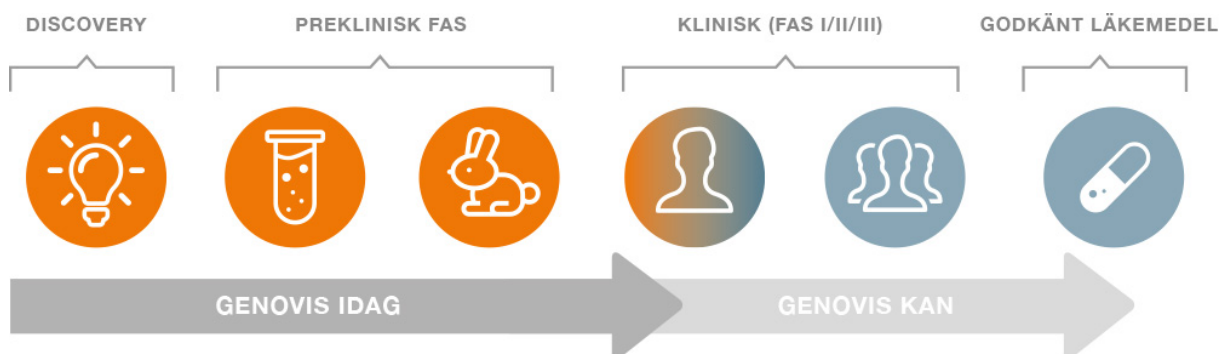


Genovis' enzymes are in a market that covers the entire life science and biotech supply industry. The Parent Company in Lund handles sales in the European market and the subsidiary, Genovis Inc., handles all sales in the North American market. In Asia Genovis works both with direct sales and with distributors who are familiar with the local market.

Genovis' business model has a long-term and sustainable focus based on two primary strategies that together are the drivers of the Company's success:

- continuing to launch unique new products, thereby growing the product portfolio, and
- deliberately working to encourage customers to use Genovis products in several stages farther along on the drug development value chain.

The Company will therefore continue to be creative and develop unique new high-value products for its customers. New products are mainly aimed at customers who work in the discovery phase or in preclinical development. In this phase most of the Company's customers are both curious and willing to test new analytical methods to address the clear needs and challenges related to analyzing biological drugs. Genovis rapidly achieved sales of the newly launched products, which is a clear stamp of quality demonstrating that the Company contributes innovation to the drug development process. Genovis also works on introducing existing products to customers in other parts of the value chain, especially in production and quality control for clinical use.



It takes between 10 and 20 years to develop a new drug and when Genovis' enzymes are included in the antibody analysis and selection package, the enzyme can be included in the journey all the way to the release of a new drug. While fewer customers are in preclinical and clinical phases, the value of their orders is substantially higher.

Performance

The Group's financial performance in summary

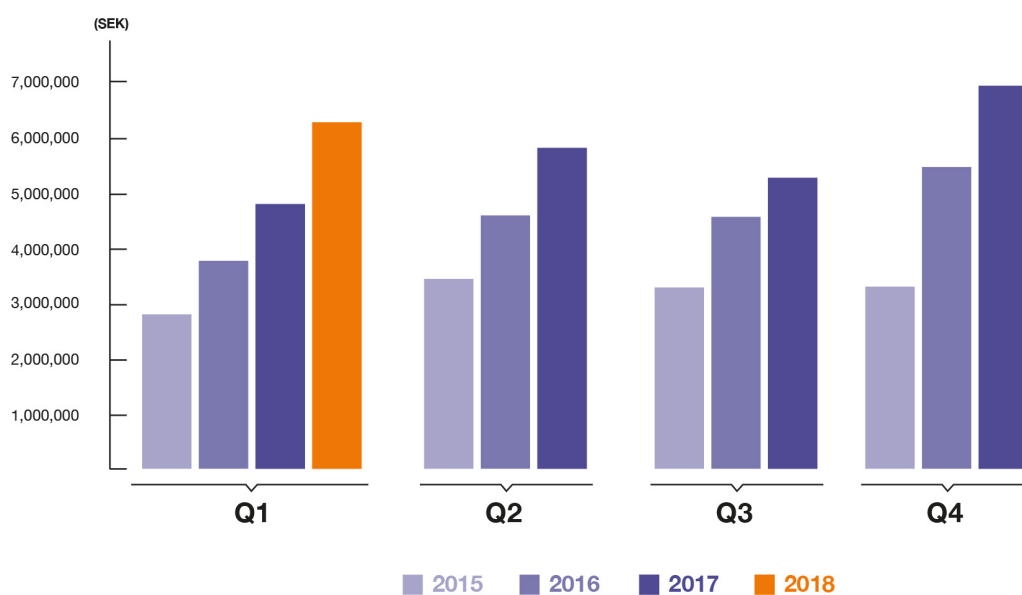
(SEK 000s)	2018 Jan. - March	2017 Jan. - March	2017 full-year
Net sales	6,246	4,794	22,867
Change in inventory, finished goods	686	(144)	1,317
Other operating income*	57	0	23
Raw materials and consumables	(624)	(522)	(2,366)
Gross profit/loss	6,365	4,128	21,841
<i>Gross profit/loss excluding other operating income</i>	<i>6,308</i>	<i>4,128</i>	<i>21,818</i>
Gross margin* (%)	90	89	90
Comprehensive income for the period	(1,396)	(2,872)	(8,112)

*Excl. other revenue and "Change in inventory, finished goods."

Net sales

Consolidated net sales rose to SEK 6,246k (4,794k), an increase in sales of about 30 percent.

Sales quarter by quarter 2015-201



Operating profit/loss before depreciation and amortization (EBITDA)

Operating result before depreciation and amortization for the period totaled SEK -16k (-2,534k). Genovis has chosen to apply IFRS 16 in advance. As a result of the transition to IFRS 16, the Company's other external expenses will decrease, while depreciation, amortization, financial expenses and the balance sheet will increase. Genovis applies the simplification rule for short-term leases, which means that the transition will not have any material effect on the restatement of EBITDA for January-March 2017. Read more under accounting policies, page 10-11.

Operating profit/loss (EBIT)

EBIT for the period was a loss of SEK 1,368k (loss: 2,863k), corresponding to an improvement of SEK 1,495k.

Comprehensive income

Comprehensive income for the period was a loss of SEK 1,396k (loss: 2,872k). Earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK -0.02 (-0.05).

Costs

Consolidated expenses for the period amounted to SEK 8,357k (7,513k).

Investments

Consolidated capital expenditure for the period totaled SEK 596k (890k), of which SEK 566k (431k) is attributable to property, plant, and equipment, primarily laboratory equipment and computers, and SEK 30k (459k) is attributable to investments in intangible assets.

Cash flow and financial position

Total shareholders' equity for the Group was SEK 16,792k (12,673k) 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 0.28 (0.23). The Group's equity ratio at the end of the period was 55 (66) percent.

Consolidated cash and cash equivalents at the end of the period amounted to SEK 1,672k (1,805k). Taking expected revenue into account, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months.

Consolidated cash flow for the period was SEK -3,246k (-2,476k). Cash flow from financing activities totaled SEK -626k (0k). This increase is attributable to amortization of loan liabilities relating to finance leases.

Only the Group has interest-bearing liabilities, where liabilities to credit institutions relate in their entirety to the present value of estimated future lease payments, which also includes rent for premises.

Liabilities to credit institutions

Noncurrent interest-bearing liabilities	
<i>Maturity between 1 and 5 years</i>	7,376,832
Current interest-bearing liabilities	
<i>Maturity within 1 year</i>	1,877,679

Taxes

The Group has a deferred tax asset that arises from the Parent Company, amounting to SEK 1,718k (1,718k) at the end of the period.

Employees

On March 31, 2018, the Group had seventeen employees, an increase of one person compared with the same time the previous year, when the Group had sixteen employees. All employees were in the Parent Company at both points in time.

Share capital and share performance

Share capital at year-end was SEK 15,073,540.50 and the total number of shares was 60,294,162 with a par value of SEK 0.25. Genovis' shares are traded on Nasdaq First North Stockholm under the ticker symbol GENO. First North is an alternative market, operated by the various exchanges within Nasdaq OMX. Companies on First North are subject to the rules of First North and not the legal requirements for admission to trading on a regulated market. Erik Penser Bank is the Certified Advisor for Genovis; T: +46 (0)8-463 83 00.

Parent Company

Net sales and operating profit/loss in the Parent Company are attributable to the primary and only business area: product sales and/or outlicensing of research-based innovations. According to Genovis, the Company does not meet the definition of geographical areas under IAS 14 and therefore no secondary segment information is provided.

Revenue

Revenue for the period, including change in inventory of finished goods, amounted to SEK 5,773k (3,702k) of which SEK 5,029k (3,846k) was attributable to external sales.

Costs

The Parent Company's total operating costs for the period amounted to SEK 7,356k (6,583k).

Performance

Net loss for the period was SEK 1,584k (loss: 2,881k).

Investments

Net capital expenditure totaled SEK 596k (890k).

Cash flow and financial position

The Parent Company's cash flow for the period was SEK -3,194k (-1,600k). Cash flow from financing activities totaled SEK -1k (0k).

The Parent Company does not have any interest-bearing liabilities.

Taxes

The Parent Company has a deferred tax asset amounting to SEK 1,718k (1,718k) at the end of the period, corresponding to a loss carryforward of SEK 7,809k. The loss-carryforward is expected to be utilized in the foreseeable future. The Company's total tax loss amounts to SEK 169 (119) million.

Subsidiary Genovis Inc.

The subsidiary Genovis Inc. handles all sales in the North American market.

Related party transactions

Genovis' board member and principal owner Mikael Lönn, who holds a 20.72 percent stake in Genovis, owns 12.24 percent of the shares in Redeye AB, for which Mikael Lönn is also a board member. Genovis purchased analysis services from Redeye AB for a total of SEK 105k during the first quarter of 2018.

Outlook

Although the Life Science field is relatively independent of business cycles, periods of uncertainty can influence our customers' appetite to invest in new technology. With all development projects proceeding according to plan, Genovis is positioned to make additional advances with respect to both new products and sales. Taken together, volume growth is expected to be positive in 2018.

Risk Factors

Genovis' general view of the financial risks that could affect operations has not changed since the description published in the most recent annual report. Genovis' business risks include the difficulties in retaining skilled personnel and the risk that anticipated revenue might not materialize since the Company is active in a market in which competing companies have substantially larger financial resources at their disposal. For a detailed overview of the Company's financial risks please refer to page 54 in Genovis' 2016 annual report.

Financial calendar 2018

Annual General Meeting		May 17
Half-Yearly Report	January 1 – June 30	August 28
Interim Report	January 1 – September 30	November 27

Interim reports may be ordered from the Company or downloaded at the Genovis website:
www.genovis.com.

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Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the relevant provisions of the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act, Interim Reports. The accounting policies applied for the Group and the Parent Company are consistent with the accounting policies used in the preparation of the most recent annual report.

IFRS 15 – Revenue recognition

IFRS 15 governs the recognition of revenue. The principles on which IFRS 15 is based will provide users of financial statements with more useful information about the company's revenue. Under this increased disclosure requirement, information must be provided on the revenue's nature, timing and

uncertainty in connection with revenue recognition, as well as cash flows arising from customers with contracts. According to IFRS 15 revenue should be recognized when the customer assumes control of the sold goods or service and is able to use or benefit from the goods or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts as well as the related SIC and IFRIC interpretations. IFRS 15 enters into force on January 1, 2018. Implementation of IFRS 15 will not materially affect how the Group reports revenue and consequently, there is no need for a transition method.

IFRS 16 Financial Instruments

Genovis has chosen to apply IFRS 16 commencing on January 1, 2018. IFRS 16 replaces the IFRS standards that currently regulate accounting for leasing – specifically IAS 17, IFRIC 4, SIC-15 and SIC-27. The challenge of IFRS 16 is that a much greater variety of contracts are now covered by these judgements and estimates, including leases that are capitalized as assets and liabilities in the balance sheet, with the effect that the cost in the income statement is allocated to depreciation of operating income and interest expense in net financial items. The Company is applying the simplified approach for the transition.

The standard requires assets and liabilities arising from all leases, with some exceptions, to be recognized on the balance sheet. This model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In the income statement, depreciation is reported separately from interest expense attributable to the lease liability. Implementation of IFRS 16 has affected the Group's balance sheet in that total noncurrent assets increased by SEK 9,320, liabilities to credit institutions are higher by SEK 9,254k (current liabilities by SEK 1,878k and noncurrent liabilities by SEK 7,376k). In the income statement, a transfer was made from raw materials and consumables (SEK 118k) and other external expenses (567k) to depreciation and amortization (SEK 633k) and financial expenses (SEK 52k). As a result, EBITDA has increased from a loss of SEK 701, to a loss of SEK 16k. The Group will apply IFRS 16 retroactively as well as the simplification rule regarding short-term leases. Consequently, this will not require any restatement of 2017.

Consolidated statement of comprehensive income

(SEK 000s)	2018 Jan.- March	2017 Jan.- March	2017 full-year
Net sales	6,246	4,794	22,867
Change in inventory, finished goods	686	(144)	1,317
Other operating income	57	0	23
Raw materials and consumables	(624)	(522)	(2,366)
Gross profit/loss	6,365	4,128	21,841
Staff costs	(3,449)	(3,148)	(13,230)
Other external expenses	(2,932)	(3,384)	(14,630)
Other operating expenses	0	(130)	(207)
Operating profit/loss before depreciation and amortization (EBITDA)	(16)	(2,534)	(6,226)
Depreciation, amortization and impairment of plant, property, and equipment and intangible assets	(1,352)	(329)	(1,609)
Operating profit/loss (EBIT)	(1,368)	(2,863)	(7,834)
Net financial items	(52)	(1)	(91)
Profit/loss after financial items	(1,420)	(2,864)	(7,926)
Taxes	(50)	(6)	(22)
Profit/loss after tax for the period	(1,470)	(2,870)	(7,948)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of foreign subsidiary	74	(2)	(164)
Comprehensive income for the period	(1,396)	(2,872)	(8,112)
-attributable to shareholders in Genovis AB	(1,396)	(2,872)	(8,112)

Earnings per share (SEK)*	2018 Jan.- March	2017 Jan.- March	2017 full-year
Based on weighted average of the number of outstanding shares (basic and diluted)*.	(0.02)	(0.05)	(0.14)
Number of outstanding shares			
Weighted average for the period	60,294,162	55,294,162	58,692,491
Number of shares at beginning of period	60,294,162	55,294,162	55,294,162
Number of shares at end of period	60,294,162	55,294,162	60,294,162
Share price at end of period, SEK	3.86	2.60	3.24

Condensed consolidated balance sheet

(SEK 000s)

	2018	2017	2017
	March 31	March 31	Dec. 31
Assets			
<i>Noncurrent assets</i>			
Intangible assets	3,497	3,726	4,042
Property, plant and equipment	10,585	1,356	3,022
Financial assets	1,718	1,718	1,718
Current assets	13,101	10,591	12,606
Cash and cash equivalents	1,672	1,805	4,918
Total assets	30,573	19,196	26,306
Equity and liabilities			
Equity	16,792	12,673	18,188
Noncurrent liabilities	7,377	0	2,067
Current liabilities	6,404	6,523	6,051
Total equity and liabilities	30,573	19,196	26,306

Consolidated statement of changes in equity

(SEK 000s)

	2018	2017	2017
	Jan.-March	Jan.-March	Jan.-Dec.
Amount at start of period	18,188	15,545	15,545
Rights issue	0	0	10,755
Exchange rate difference	74	(2)	(164)
Net loss for the period	(1,470)	(2,870)	(7,948)
Amount at end of period	16,792	12,673	18,188
Attributable to shareholders in Genovis AB	16,792	12,673	18,188

Key financial figures

	2018	2017	2017
	March 31	March 31	Dec. 31
Equity/assets ratio (%)	55	66	69
Equity per share at end of period* (SEK)	0.28	0.23	0.31

* Based on weighted average of the number of outstanding shares (basic and diluted).

Summary Consolidated Cash Flow Statement

(SEK 000s)	2018 Jan.- March	2017 Jan.- March	2017 full- year
Cash flow from operations	(742)	(2,863)	(7,938)
Adjustment for items not affecting cash flow	719	329	1,281
Change in working capital	(1,948)	951	(1,698)
Net financial items	(53)	(3)	0
Cash flow from operating activities	(2,024)	(1,586)	(8,355)
Investing activities	(596)	(890)	(1,763)
Cash flow after investing activities	(2,620)	(2,476)	(10,118)
Financing activities	(626)	0	0
Rights issue	0	0	10,755
Cash flow for the period	(3,246)	(2,476)	637
Cash and cash equivalents at start of period	4,918	4,281	4,281
Cash and cash equivalents at end of the period	1,672	1,805	4,918

Parent Company

Summary Income Statement

(SEK 000s)	2018	2017	2017
	Jan.-March	Jan.-March	full-year
Operating income incl. change in inventory, finished goods	5,773	3,702	19,499
Operating costs	(7,356)	(6,583)	(27,739)
Operating profit/loss	(1,583)	(2,881)	(8,240)
Net financial items	(1)	0	0
Profit/loss before tax	(1,584)	(2,881)	(8,240)
Deferred tax on net loss for the period	0	0	0
Net loss for the period	(1,584)	(2,881)	(8,240)

Summary Balance Sheet

(SEK 000s)	2018	2017	2017
	March 31	March 31	Dec. 31
Assets			
Noncurrent assets	6,579	6,797	6,702
Current assets	13,096	11,099	12,243
Cash and cash equivalents	838	453	4,032
Total assets	20,513	18,349	22,977

Equity and liabilities (SEK 000s)	2018	2017	2017
Equity	March 31	March 31	Dec. 31
Restricted equity	15,074	13,824	15,074
Unrestricted equity	1,034	(1,528)	2,618
Liabilities			
Current liabilities	4,405	6,053	5,285
Total equity and liabilities	20,513	18,349	22,977

Statement of changes in equity (SEK 000s)	2018	2017	2017
	Jan.-March	Jan.-March	full-year
Amount at start of period	17,692	15,177	15,177
Rights issue	0	0	10,755
Net loss for the period	(1,584)	(2,881)	(8,240)
Amount at end of period	16,108	12,296	17,692
Attributable to shareholders in Genovis AB	16,108	12,296	17,692

Summary Statement of Cash Flows (SEK 000s)	2018 Jan.-March	2017 Jan.-March	2017 full-year
Cash flow from operations	(1,583)	(2,881)	(8,240)
Adjustment for items not affecting cash flow	719	312	1,281
Change in working capital	(1,733)	1,858	(53)
Net financial items	(1)	0	0
Cash flow from operating activities	(2,598)	(711)	(7,012)
Investing activities	(596)	(889)	(1,764)
Cash flow after investing activities	(3,194)	(1,600)	(8,776)
Financing activities	0	0	10,755
Cash flow for the period	(3,194)	(1,600)	1,979
Cash and cash equivalents at start of period	4,032	2,053	2,053
Cash and cash equivalents at close of period	838	453	4,032

Statement

The Board of Directors and the Chief Executive Officer certify that this interim report provides a true and fair overview of the development of the Parent Company's and the Group's business activities, financial position and results of operations as well as the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Lund May 15, 2018

Genovis AB (publ.)

On behalf of the Board of Directors Fredrik Olsson
President & CEO

This report has not been subject to special review by the Company's auditors.

For more information, please contact:
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This Year-end Report is a translation of the Swedish original. In the event of any discrepancy between this translation and the Swedish original, the Swedish version shall prevail.

This information is information that Genovis AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above, on May 15, 2018.