



First quarter in brief

- **Net sales** rose by about 91 percent to SEK 11,931 (6,246) thousand.
- **Operating profit/loss before depreciation and amortization (EBITDA)** totaled SEK 2,695 (loss: 16) thousand.
- **Operating profit/loss** improved by SEK 3,310 thousand to SEK 1,942 (loss: 1,368) thousand.
- **Comprehensive income for the quarter** improved by SEK 2,987 thousand and totaled 1,591 (loss: 1,396) thousand.
- **Comprehensive income per share**, basic and diluted, improved by SEK 0.05 to SEK 0.03 (-0.02).
- **Cash flow from operating activities** was SEK 2,709 (loss: 2,024) thousand.

Financial summary (SEK 000s)	2019	2018	2018
	Jan. - March	Jan. - March	full-year
Net sales	11,931	6,246	34,568
Gross profit/loss	11,140	6,365	33,816
Operating profit/loss	1,942	(1,368)	(960)
Comprehensive income for the quarter	1,591	(1,396)	(1,560)
Comprehensive income per share*	0.03	(0.02)	(0.03)
Cash flow from operating activities	2,709	(2,024)	(1,250)
Cash and cash equivalents, March 31	11,025	1,672	9,581

* Comprehensive income per share is calculated by dividing comprehensive income by the weighted average number of shares during the year. There is no dilution effect.

Significant events after the end of the quarter

Genovis signed a collaboration agreement with Thermo Fisher Scientific for the development of new methods for automatic sample handling and analysis of biopharmaceuticals based on chromatographic and mass spectrometric analytical methods (LC-MS). The purpose of the collaboration is to develop advanced work flows from start to finish for complex biological drug molecules in order to meet the growing need for effective, fast and simplified quality analyses.

Comments from Fredrik Olsson, Chief Executive Officer



We began 2019 with strong sales growth. Net sales surged in the first quarter by about 91 percent compared with the corresponding period in 2018. Currency effects had a favorable impact on growth for the quarter and corrected for this, organic growth is clearly robust at 73%. Our sales over a rolling 12-month period now passed SEK 40 million. Operating earnings continued to improve significantly compared with the same period the previous year and it is particularly satisfying that we have now achieved an operating profit for three consecutive quarters.

Growth during the first quarter was generated broadly across the product portfolio which, along with one large order of about SEK 2 million during the period, contributed to the accelerated growth.

The area of application for this order is outside our current main market in quality analysis of biopharmaceuticals and relates to an evaluation study at a global biopharmaceutical company using one of our existing enzyme products.

During the quarter, we continued to work on product development with an extra emphasis on automated analysis strategies for the biopharma industry. Our efforts culminated in our first collaboration agreement with Thermo Fisher Scientific, which was announced at the beginning of the second quarter. With its substantial marketing capacity and hardware expertise, partnering with Thermo Fisher will enable us to develop new products and work flows to meet the growing demand for simpler, more efficient quality analysis of biopharmaceuticals. We will also look for opportunities to collaborate with selected key customers who have clear ambitions to automate their analytical workflows. Our aspiration is to further refine and adapt products for automated quality analysis, both from our current product portfolio and using newly developed enzyme solutions, in close cooperation with world-leading biopharma customers.

The period has also been characterized by intensive efforts to find new partners for sales in prioritized geographic markets in Asia. I can conclude that this effort has been successful and that we will likely soon be able to handle sales in additional markets.

We continued to invest in our production capacity during the period. This spring we will further intensify these efforts when we move to a modern production facility in newly renovated premises. Over the next few quarters, we will continue to invest in our production facility to meet an expected increase in demand for our current product portfolio, as well as to strengthen our capacity for future product launches. These investments are laying the foundation for scaling up and broadening our operation in the long term to meet market needs and to enable agile production at Genovis in the future.

In summary, 2019 is off to a great start throughout our operations and I look forward to continued growth and improvement in our business going forward. It is particularly gratifying that for the first time, we have now been operating at a profit over a twelve-month period. With our current initiatives based on reinvestment of our surplus in the business, I look forward to our continued growth journey at Genovis along with my colleagues, with a focus on building value for customers, employees and shareholders.

Genovis Group in brief

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



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. More and more of Genovis' customers are using the products farther along in the value chain for biological drug development and have growing confidence in Genovis as a provider of high-quality, innovative products for the biopharma industry. Genovis will continue to launch innovative products that are adopted by the market more quickly as the brand grows stronger and in pace with the continued expansion and broadening of our customer base.



Performance

The Group's financial performance in summary

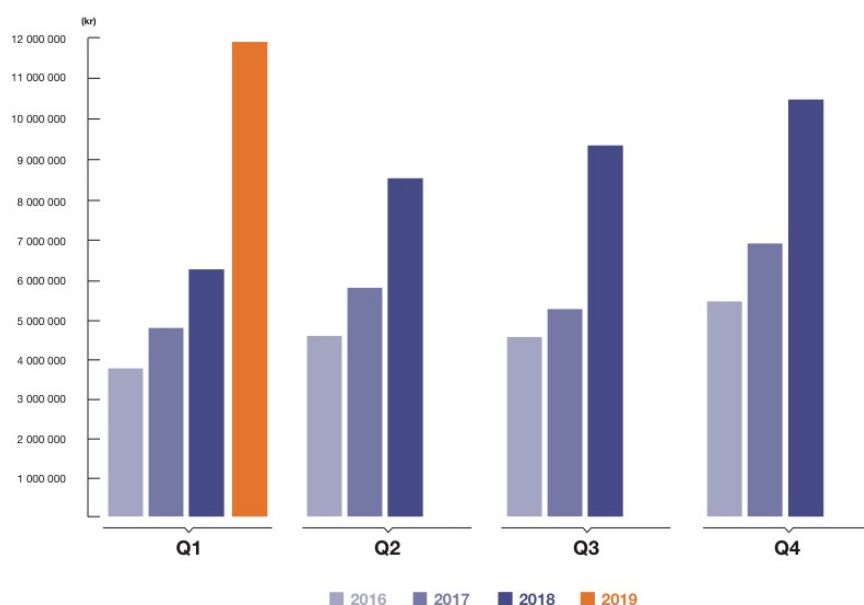
(SEK 000s)	2019 Jan. - March	2018 Jan. - March	2018 full-year
Net sales	11,931	6,246	34,568
Change in inventory, finished goods	7	686	2,529
Other operating income*	289	57	81
Raw materials and consumables	(1,087)	(624)	(3,362)
Gross profit/loss	11,140	6,365	33,816
Comprehensive income for the quarter	1,591	(1,396)	(1,560)

* Other operating income is attributable to exchange rate gains.

Net sales

Consolidated net sales rose to SEK 11,931 (6,246) thousand, an increase in sales of about 91 percent. Adjusted for currency effects, net sales for the quarter amounts to SEK 10,781 thousand, corresponding to an increase in sales of about 73 percent. Net sales include an order from a global biopharmaceutical company for about SEK 2 million for an initial evaluation study using an application that is not currently included in Genovis' main market.

Sales by quarter 2016-2019

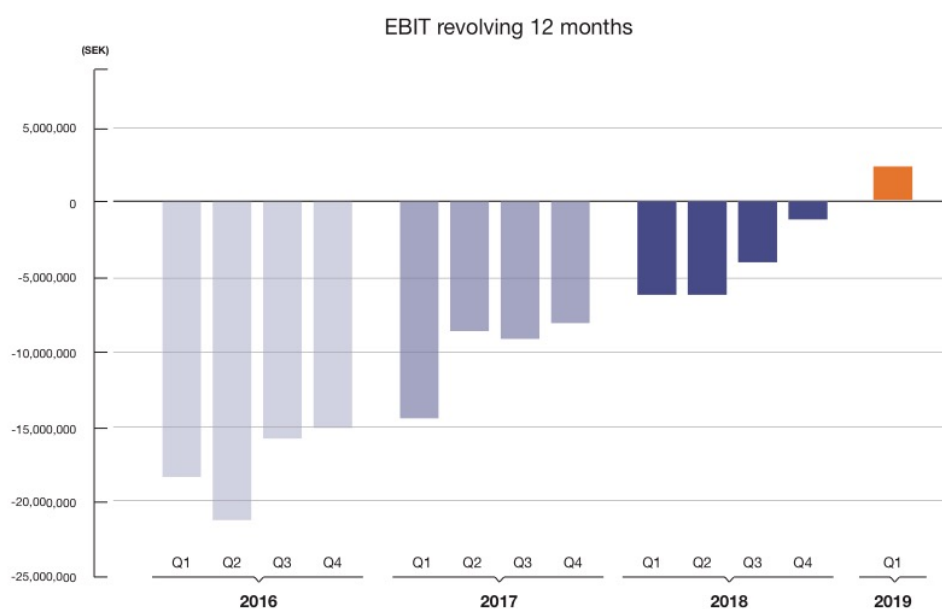


Operating profit/loss before depreciation and amortization (EBITDA)

For the quarter, operating profit/loss before depreciation and amortization improved by SEK 2,711 thousand and totaled SEK 2,695 (loss: 16) thousand. The final settlement of Genovis' claim which was submitted to the insurance company for costs relating to the arbitration proceedings against Promega has not yet been closed. The remaining booked receivable amounts to about SEK 3.4 million.

Operating profit/loss (EBIT)

EBIT for the quarter was SEK 1,942 (loss: 1,368) thousand, representing an improvement of SEK 3,310 thousand.



Comprehensive income

Comprehensive income for the quarter was SEK 1,591 (loss: 1,396) thousand, representing an improvement of SEK 2,987 thousand. Earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK 0.03 (-0.02).

Costs

Consolidated expenses for the quarter amounted to SEK 10,285 (8,357) thousand. Expenses are allocated as follows: raw materials and consumables, which increased by SEK 463 thousand to SEK 1,087 (624) thousand, personnel costs, which increased by SEK 1,333 thousand to SEK 4,782 (3,449) thousand, and other external expenses, which increased by SEK 731 thousand to SEK 3,663 (2,932)

thousand. Personnel costs increased in part as a result of newly hired employees. Depreciation and amortization during the quarter totaled SEK 753 (1,352) thousand.

Investments

Consolidated capital expenditure for the quarter totaled SEK 725 (596) thousand, of which SEK 592 (566) thousand is attributable to property, plant, and equipment, primarily laboratory equipment and computers, and SEK 133 (30) thousand is attributable to investments in intangible assets.

Cash flow and financial position

Total shareholders' equity for the Group was SEK 27,662 (16,792) thousand after taking the result for the quarter into account. Equity per share based on the weighted average of the number of outstanding shares (basic and diluted) at the end of the quarter was SEK 0.44 (0.28). The Group's equity ratio at the end of the quarter was 70 (55) percent.

Consolidated cash and cash equivalents at the end of the quarter amounted to SEK 11,025 (1,672) 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.

Consolidated cash flow for the quarter was SEK 1,444 (-3,246) thousand. Cash flow from financing activities totaled SEK -540 (-626) thousand. 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>	2,940
Current interest-bearing liabilities	
<i>Maturity within 1 year</i>	1,691

Taxes

The Group has a deferred tax asset that arises from the Parent Company, amounting to SEK 1,718 (1,718) thousand at the end of the period. It is the Board's assessment that future taxable surpluses will be available against which the unutilized tax losses can be utilized.

Employees

On March 31, 2019, the Group had 20 employees, an increase of three people compared with the same point in time last year, when the Group had 17 employees.

The Parent Company has 19 employees and Genovis Inc. has one employee. In 2018 all employees were in the Parent Company.

Share capital and share performance

Share capital at the end of the quarter was SEK 15,775,000 and the total number of shares was 63,100,000 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 Nasdaq's European emerging market intended for small, growing businesses, with a less extensive rulebook than the main market. Erik Penser Bank is the Certified Advisor for Genovis; certifiedadviser@penser.se, tel: +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 quarter, including change in inventory finished goods, was SEK 9,043 (5,773) thousand, including SEK 8,747 (5,029) thousand attributable to revenue from external sales and SEK 289 thousand attributable to other revenue. Other revenue relates to foreign exchange gains.

Costs

The Parent Company's total operating costs for the quarter amounted to SEK 8,100 (7,356) thousand.

Performance

Profit for the quarter was SEK 943 (loss: 1,584) thousand.

Investments

Net capital expenditure was SEK 725 (596) thousand, including SEK 592 (566) thousand attributable to property, plant, and equipment (mainly laboratory equipment and computers), and SEK 133 (30) thousand relating to investments in intangible assets.

Cash flow and financial position

The Parent Company's cash flow for the period was SEK 575 (-3,194) thousand. Cash flow from financing activities totaled SEK 0 (0) thousand.

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

Taxes

The Parent Company has a deferred tax asset that amounted to SEK 1,718 (1,718) thousand at the end of the quarter, corresponding to a loss carryforward of SEK 8,028 thousand. It is the Board's assessment that future taxable surpluses will be available against which the unutilized tax losses can be utilized. The Company's total tax loss amounts to SEK 171 (169) 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 19,80 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 105 thousand during the first quarter of 2019.

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 2019.

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 57 in Genovis' 2018 Annual Report.

Financial calendar 2019

Half-Yearly Report	January 1 – June 30	August 28
Interim Report	January 1 – September 30	November 21
Year-end Report	January 1 – December 31	February 26, 2020
Interim Report	January 1 – March 31, 2020	May 7, 2020

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

Genovis AB, Box 790, SE-220 07 Lund, Sweden T: +46 (0)46-10 12 30, fax: +46 (0)46-12 80 20

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 16 Leases

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 standard requires assets and liabilities arising from all leases, with some exceptions, to be recognized in 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.

Consolidated Statement of Comprehensive Income

(SEK 000s)	2019 Jan.- March	2018 Jan.- March	2018 full-year
Net sales	11,931	6,246	34,568
Change in inventory, finished goods	7	686	2,529
Other operating income	289	57	81
Raw materials and consumables	(1,087)	(624)	(3,362)
Gross profit/loss	11,140	6,365	33,816
Personnel costs	(4,782)	(3,449)	(16,148)
Other external expenses	(3,663)	(2,932)	(13,577)
Operating profit/loss before depreciation and amortization (EBITDA)	2,695	(16)	4,091
Depreciation, amortization and impairment of plant, property, and equipment and intangible assets	(753)	(1,352)	(5,051)
Operating profit/loss (EBIT)	1,942	(1,368)	(960)
Net financial items	(110)	(52)	(640)
Profit/loss after financial items	1,832	(1,420)	(1,600)
Taxes	(268)	(50)	(110)
After-tax profit for the quarter	1,564	(1,470)	(1,710)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of foreign subsidiary	27	74	150
Comprehensive income for the quarter	1,591	(1,396)	(1,560)
-attributable to shareholders in Genovis AB	1,591	(1,396)	(1,560)

Earnings per share (SEK)	2019 Jan.- March	2018 Jan.- March	2018 full-year
Based on weighted average of the number of outstanding shares (basic and diluted)	0.03	(0.02)	(0.03)
Number of outstanding shares			
Weighted average for the quarter	63,100,000	60,294,162	61,935,460
Number of shares at the beginning of the quarter	63,100,000	60,294,162	60,294,162
Number of shares, March 31	63,100,000	60,294,162	63,100,000
Share price March 31, SEK	14.35	3.86	6.92

Condensed Consolidated Balance Sheet

(SEK 000s)	2019	2018	2018
Assets	March 31	March 31	Dec. 31
<i>Noncurrent assets</i>			
Intangible assets	2,654	3,497	2,611
Property, plant and equipment	6,279	10,585	6,349
Financial assets	1,718	1,718	1,718
Current assets	17,909	13,101	17,567
Cash and cash equivalents	11,025	1,672	9,581
Total assets	39,585	30,573	37,826

Equity and liabilities

Equity	27,662	16,792	26,071
Noncurrent liabilities	2,940	7,377	2,940
Current liabilities	8,983	6,404	8,815
Total equity and liabilities	39,585	30,573	37,826

Consolidated Statement of Changes in Equity

(SEK 000s)	2019	2018	2018
	Jan.-March	Jan.-March	Jan.-Dec.
Amount at the beginning of the quarter	26,071	18,188	18,187
Rights issue	0	0	9,444
Exchange rate difference	27	74	150
Profit/loss for the quarter	1,564	(1,470)	(1,710)
Amount at the end of the quarter	27,662	16,792	26,071
Attributable to shareholders in Genovis AB	27,662	16,792	26,071

Key financial figures	2019	2018	2018
	March 31	March 31	Dec. 31
Equity/assets ratio (%)	70	55	69
Equity per share, March 31 (SEK)*	0.44	0.28	0.42

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

Summary Consolidated Cash Flow Statement

(SEK 000s)	2019 Jan.- March	2018 Jan.- March	2018 full- year
Cash flow from operations	1,943	(742)	(960)
Adjustment for items not affecting cash flow	752	719	5,051
Change in working capital	124	(1,948)	(4,701)
Net financial items	(110)	(53)	(640)
Cash flow from operating activities	2,709	(2,024)	(1,250)
Investing activities	(725)	(596)	(1,829)
Cash flow after investing activities	1,984	(2,620)	(3,079)
Financing activities	(540)	(626)	(1,703)
Rights issue	0	0	9,445
Cash flow for the quarter	1,444	(3,246)	4,663
Cash and cash equivalents at the beginning of the quarter	9,581	4,918	4,918
Cash and cash equivalents, March 31	11,025	1,672	9,581

Parent Company

Summary Income Statement

(SEK 000s)	2019 Jan.-March	2018 Jan.-March	2018 full-year
Operating income incl. change in inventory, finished goods	9,043	5,773	29,863
Operating expenses	(8,100)	(7,356)	(31,563)
Operating profit/loss	943	(1,583)	(1,700)
Net financial items	0	(1)	0
Profit/loss for the quarter	943	(1,584)	(1,700)

Summary Balance Sheet

(SEK 000s)	2019 March 31	2018 March 31	2018 Dec. 31
Assets			
Noncurrent assets	6,252	6,579	5,719
Current assets	16,497	13,096	16,662
Cash and cash equivalents	9,172	838	8,597
Total assets	31,921	20,513	30,978

Equity and liabilities (SEK 000s)

(SEK 000s)	2019 March 31	2018 March 31	2018 Dec. 31
Equity			
Restricted equity	15,775	15,074	15,775
Unrestricted equity	10,604	1,034	9,661
Liabilities			
Current liabilities	5,542	4,405	5,542
Total equity and liabilities	31,921	20,513	30,978

Statement of Changes in Equity

(SEK 000s)	2019 Jan.-March	2018 Jan.-March	2018 full-year
Amount at the beginning of the quarter	25,436	17,692	17,692
Rights issue	0	0	9,444
Profit/loss for the quarter	943	(1,584)	(1,700)
Amount at the end of the quarter	26,379	16,108	25,436
Attributable to shareholders in Genovis AB	26,379	16,108	25,436

Summary Statement of Cash Flows (SEK 000s)	2019 Jan.-March	2018 Jan.-March	2018 full-year
Cash flow from operations	943	(1,583)	(1,700)
Adjustment for items not affecting cash flow	193	719	2,812
Changes in working capital	164	(1,733)	(4,163)
Net financial items	0	(1)	0
Cash flow from operating activities	1,300	(2,598)	(3,051)
Investing activities	(725)	(596)	(1,829)
Cash flow after investing activities	575	(3,194)	(4,880)
Financing activities	0	0	9,445
Cash flow for the quarter	575	(3,194)	4,565
Cash and cash equivalents at the beginning of the quarter	8,597	4,032	4,032
Cash and cash equivalents, March 31	9,172	838	8,597

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 8, 2019

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:

Fredrik Olsson, CEO

T: +46 (0)46-10 12 33

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 8, 2019.

This 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.