

## October – December in brief

Genovis has continued to expand in Asia and signed another distribution agreement for the Chinese market with Shanghai Titan Scientific Ltd., as well as a distribution agreement with Allianz Bioinnovation for the Indian market. As a result of these agreements Genovis has expanded its presence in one of the world's largest and most exciting markets, Asia. Both the Chinese and Indian markets for the biopharmaceuticals are undergoing strong growth.

- **Net sales** rose by about 26 percent to SEK 6,974k (5,551k).
- **Gross profit** improved by SEK 1,418k and totaled SEK 6,943k (5,525k).
- **Gross margin\*** was 93 (93) percent.
- **Operating result before depreciation** and amortization totaled SEK -574k (-1,973k).
- **Operating result** improved by SEK 1,154k and totaled -1,144k (-2,298k).
- **Comprehensive income for the period** improved by SEK 1,126k to a loss of SEK 1,257k (loss: 2,383k).
- **Comprehensive income per share**, basic and diluted, totaled SEK -0.02 (-0.04).
- **Cash flow from operating activities** was a loss of SEK 1,114, (loss: 2,074k).

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

<b>Financial summary</b>	2017	2016	2017	2016
(SEK 000s)	Oct.-Dec.	Oct.-Dec.	Jan. – Dec.	Jan. – Dec.
Net sales	6,974	5,511	22,867	18,542
Other operating income*	23	316	23	5,798
<b>Gross profit</b>	<b>6,943</b>	<b>5,525</b>	<b>21,841</b>	<b>23,291</b>
Gross margin** (%)	93	93	90	92
<b>Operating profit/loss</b>	<b>(1,144)</b>	<b>(2,298)</b>	<b>(7,835)</b>	<b>(14,769)</b>
<b>Comprehensive income for the period</b>	<b>(1,257)</b>	<b>(2,383)</b>	<b>(8,112)</b>	<b>(15,018)</b>
Comprehensive income per share based on a weighted average of the number of outstanding shares	(0.02)	(0.04)	(0.14)	(0.32)
Cash flow from operating activities	(1,114)	(2,074)	(8,034)	(16,075)
Cash and cash equivalents at close of period	4,918	4,281	4,918	4,281

\*Other revenue in 2016 largely comprises the insurance reimbursement received for the settled patent dispute.

\*\*Excluding other revenue and inventory finished goods.

## January–December in brief

- **Net sales** rose by about 23 percent to SEK 22,867k (18,542k).
- **Gross profit** totaled SEK 21,841k (23,281k).
- **Gross margin\*** was 90 (92) percent.
- **Operating result before depreciation** and amortization totaled SEK -6,226k (-13,475k).
- **Operating result** improved by SEK 6,934k and totaled -7,835k (-14,769k).
- **Comprehensive income for the period** improved by SEK 6,906 to a loss of 8,112k (loss: 15,018k).
- **Comprehensive income per share**, basic and diluted, improved by SEK -0.18 to SEK -0.14 (-0.32).
- **Cash flow from operating activities** was a loss of SEK8,034k, (loss: 16,075k).

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

## Comments from Fredrik Olsson, CEO

### More products and larger geographic presence provide strong position for future growth



I'm pleased to report that 2017 was yet another successful year for Genovis. We ended the year with our strongest quarter ever, in terms of both sales and earnings before depreciation and amortization. We have thereby demonstrated high and stable organic growth for 13 consecutive quarters.

Fourth quarter sales totaled almost SEK 7 million, representing organic growth of about 26 percent compared with the corresponding period the previous year. Our operating result before depreciation and amortization is the best in a single quarter in the history of the company and it is particularly satisfying that we retained a gross margin of over 90 percent despite our sales growth and the addition of new products. This achievement clearly confirms that our business model is scalable and can be used to leverage continued growth.

Net sales for the full year ended at SEK 22.9 million, an increase of 23 percent compared with the previous year. New customers and a higher rate of repurchases, especially during the second half, have provided a clear boost to sales. The result for the full year has also shown a clear improvement.

We continue to maintain a high pace in our marketing campaigns through efforts such as participation in several conferences and customer encounters. We have received further confirmation from our customers that the new glycan analysis products perform better than other established products. As a result of our technical support and our strong customer relationships, sales are also taking off faster than previously. This trend is especially clear for the recently launched products that are initially used in the discovery and preclinical phase. But we have also noted during the year that customers are starting to use our established protein analysis products in early clinical phase.

Significant growth in the product portfolio characterized 2017 and we have positioned ourselves as the leading innovator in enzymes for protein analysis. We note a clear difference in how customers and competitors perceive Genovis, which opens new opportunities for growth, partnerships and continued strong product development.

Our operational objectives for 2017 were to expand the product portfolio with at least three new product launches and to establish a geographic presence in strategically important markets. We can

now check off these goals. We have launched an impressive five new products this year and have strategic partnership agreements in both China and India.

As I look forward to 2018, I continue to see ample opportunity for growth and expansion. There is an underlying growth in the market, which means new opportunities for Genovis. Our customer base has shown strong growth in 2017 and these customer relationships have given clear indications of needs that we will be able to capitalize on moving forward.

Sales at the beginning of 2018 are at a higher level than at the same time in 2017, which means that we still have a positive fundamental outlook for full year 2018. As previously, we also expect seasonal variations in sales to lead to some displacements of revenue between individual quarters, but underlying growth will continue to be strong.

We will need to recruit several highly educated employees to our growing organization, especially to the marketing organizations in the US and Europe. Our aspiration is to continue to maintain a high launch rate with the goal of three new products per year. Another objective is to establish partnerships in a few more Asian markets. Genovis is currently a global business based on solid revenue streams and our successes in 2017 has thereby built a solid platform for 2018 and the future.

I would like to thank our employees, the Board of Directors and our shareholders for their dedication this past year and look forward with confidence to a new exciting year at Genovis.

## Genovis Group in brief

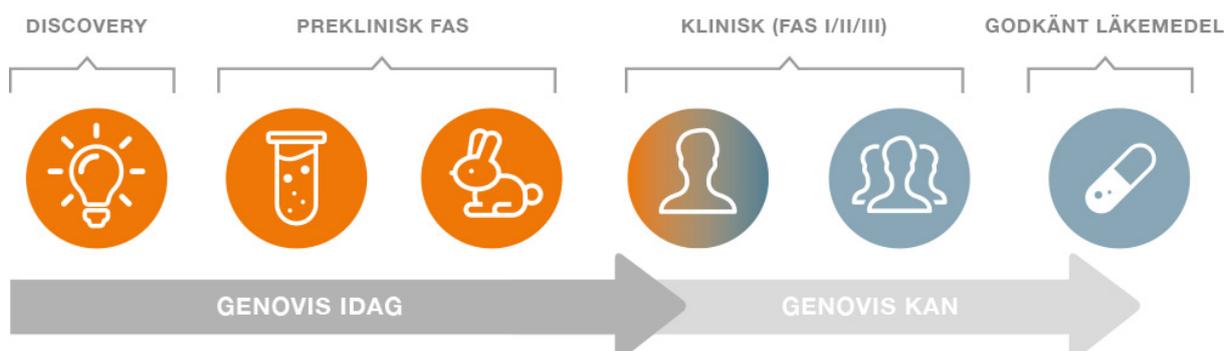
Genovis offers unique tools that contribute to the development of future therapies and has applied its knowledge and imagination to become established as a natural partner for companies in the industry. The Company operates globally and markets “SmartEnzymes,” which are 11 enzymes in different product formats, as well as GlyCLICK™, a product for specific labeling of antibodies. In addition to this product, Genovis also provides customers with knowledge and support, where specialists at Genovis assist customers with interpreting and evaluating research findings to best analyze the quality of biological drugs using Genovis’ enzymes.

Currently, Genovis’ primary customers are pharmaceutical companies and biotech companies, as well as contract research companies and contract manufacturing companies. The majority of these customers develop and produce biopharmaceuticals. The properties of a new drug must be characterized in a variety of ways while it is under development and Genovis’ strategic business development prioritizes several areas of application for customers:

- Processes to develop production protocols for drugs on track for clinical development
- Quality control during commercial production of drugs
- Processes for developing large quantities of antibody fragments
- Screening processes with a large quantity of analyses per project

### The road from research to new drugs

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.



## Results

(SEK 000s)	2017 Oct.-Dec.	2016 Oct.-Dec.	2017 Jan. – Dec.	2016 Jan. – Dec.
Net sales	6,974	5,511	22,867	18,542
Change in inventory, finished goods	436	81	1,317	422
Other operating income*	23	316	23	5,798
Raw materials and consumables	490	383	2,366	1,481
<b>Gross profit</b>	<b>6,943</b>	<b>5,525</b>	<b>21,841</b>	<b>23,281</b>
<i>Gross profit/loss excluding other operating income</i>	<i>6,920</i>	<i>5,209</i>	<i>21,818</i>	<i>17,483</i>
Gross margin** (%)	93	93	90	92

\*Other revenue in 2016 largely comprises the insurance reimbursement received for the settled patent dispute.

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

### Net sales

Consolidated net sales for the full year rose to SEK 22,867k (18,543k), an increase in sales of 23 percent. Net sales for the fourth quarter amounted to SEK 6,974k (5,511k), corresponding to a 27 percent increase in sales. North America and Europe continued to be the Company's largest markets. Establishment in the Asian markets began in 2017 and several distributor agreements are now in place.

### Gross profit

Gross profit for the full year totaled SEK 21,841k (23,281k). In the fourth quarter gross profit improved by SEK 1,418k and totaled SEK 6,943k (5,525k).

### Gross margin

Gross margin excluding other operating income and change in finished goods was 90 percent (92) for the full year and 93 percent (93) for fourth quarter. Production volume varies from quarter to quarter, for which reason Genovis has chosen to recognize gross margin without the item "Change inventory finished goods" and other revenue.

### Operating profit/loss (EBIT)

Operating income after depreciation, amortization and impairment for the full year amounted to a loss of SEK 7,835k (loss: 14,769k), corresponding to an improvement of SEK 6,934k. Operating income for 2016 was impacted by costs relating to the patent dispute which was settled during the year.

Operating income after depreciation and amortization for the fourth quarter was a loss of SEK 1,144k (loss: 2,298k).

## **Comprehensive income**

Comprehensive income for the full year was a loss of SEK 8,112k (loss: 15,018k). Earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK -0.14 (-0.32).

Comprehensive income for the fourth quarter was a loss of SEK 1,257k (loss: 2,383k). Earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK -0.02 (-0.04).

## **Costs**

Consolidated expenses for the full year declined by SEK 7,489 to SEK 32,042k (39,531k). Operating expenses are allocated as follows: raw materials and consumables SEK 2,366k (1,481k), personnel costs SEK 13,230k (10,750k) and other external expenses SEK 14,630k (26,006k). Other external costs for full-year 2016 include attorney fees that relate to the settled patent dispute. Personnel costs increased in 2017 in part because of new hires; Genovis had seventeen employees in 2017, compared with fourteen in 2016. In addition, fees to the entire Board of Directors are recognized as salary in 2017, compared with previous years when many Board members chose to invoice their fees. Expenses for the fourth quarter totaled SEK 8,577k (8,206k). Operating expenses are allocated as follows: raw materials and consumables SEK 490k (383k), personnel costs SEK 3,954k (3,100k) and other external expenses SEK 3,744k (4,398k).

## **Investments**

Consolidated capital expenditure for the full year totaled SEK 1,763k (1,437k), of which SEK 456k (10k) is attributable to property, plant, and equipment, primarily attributable to laboratory equipment, where the largest investment relates to a mass spectrometer that provides Genovis with increased capacity for development, production, marketing and support. Investments in intangible assets total SEK 1,308k (1,427k). For the fourth quarter net capital expenditure amounts to SEK 345k (243k), including 234k (243k) attributable to investments in property, plant, and equipment and 111k (0) attributable to investments in intangible assets.

## **Cash flow and financial position**

Consolidated cash flow for the full year was SEK 637k (2,229k). Cash flow from financing activities totaled SEK 10,755k (19,741k). Consolidated cash flow for fourth quarter was a loss of SEK 1,572k (loss: 2,318k) and cash flow from financing activities totaled SEK 0 (0).

Consolidated cash and cash equivalents at year-end amounted to SEK 4,918k (4,281k). Taking into account the private placement in April 2017, which raised SEK 11,500k for the Company before issue expenses, along with expected revenue, the Board believes that the existing working capital is sufficient to run the Company over the next twelve months.

The Company does not have any interest-bearing liabilities.

Total shareholders' equity for the Group was SEK 18,188k (15,545k) 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 0.31 (0.33) and the Group's equity ratio was 69 (71) percent.

## **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 December 31, 2017, the Group had seventeen employees, compared with the same period the previous year, when the Group had fourteen employees. All employees were in the Parent Company.

## **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**

The Parent Company's revenue for the full year was SEK 19,499k (20,415k), of which SEK 18,182k (14,196k) was attributable to external sales and 0 (5,797k) was attributable to other revenue. Revenue for the fourth quarter SEK 5,963k (4,577k), of which SEK 5,527k (4,165k) was attributable to sales and SEK 0 (331k) relates to other revenue.

Change in inventory of finished goods for the full year was SEK 1,317k (422k) and for the fourth quarter SEK 436k (81k).

### **Costs**

The Parent Company's operating expenses for the full year totaled SEK 27,739k (35,595k) and expenses for the fourth quarter totaled SEK 7,467k (7,065k).

## Results

The net loss for the full year for the Parent Company totaled SEK 8,240k (loss: 15,309k) and the net loss for the fourth quarter was SEK 1,504k (loss: 2,488k).

## Investments

The Parent Company's capital expenditure for the period totaled SEK 1,763k (1,437k), of which SEK 456k (10k) is attributable to property, plant, and equipment, primarily laboratory equipment and SEK 1,307k (1,427k) is attributable to investments in intangible assets. For the fourth quarter net capital expenditure amounts to SEK 136k (243k), including 25k (0) attributable to investments in property, plant, and equipment and 111k (243k) attributable to investments in intangible assets.

## Taxes

The Parent Company has a deferred tax asset amounting to SEK 1,718k (1,718k) at the end of the half year, 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.

## Subsidiaries: Genovis Inc. and GeccoDots

The subsidiary Genovis Inc. handles all sales in the North American market. All activities of the subsidiary GeccoDots ended in September 2015.

## OTHER INFORMATION

### 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 issuance advisory and analysis services from Redeye AB for a total of SEK 1,033 in 2017.

### Events after the end of the period

No other events were reported after the end of the year.

### Nomination Committee

Nomination Committee prior to the 2018 Annual General Meeting:

Mikael Lönn

Gunnar Bergstedt, appointed by Aduno AB

Erik Walldén

Thorbjörn Fridh

Nomination Committee appointed Mikael Lönn to serve as Chairman.

## **Impact of new IFRS standards on Genovis' earnings**

### **IFRS 9 - Financial Instruments**

IFRS 9 enters into force as of January 1, 2018. Implementation of IFRS 9 has no significant impact on the Group.

### **IFRS 15 – Revenue recognition**

IFRS 15 enters into force as of January 1, 2018. Implementation of IFRS 15 will not affect how the Group reports revenue and consequently, there is no need for a conversion factor.

### **IFRS 16 – Leases**

Genovis has chosen to apply IFRS 16 commencing on January 1, 2018. Many of the judgments required under IFRS 16 are required already today under IAS 17 for financial leases. The challenge of IFRS 16 is that a much greater variety of contracts are now covered by these judgements and estimates, including leases. The Company is applying the simplified approach for the transition.

## **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.

## **Annual General Meeting**

The Annual General Meeting will be held at 5 p.m. on May 17, 2018, at Scheelevägen 2 (Medicon Village, Lund).

## **Annual Report**

The 2017 Annual Report is expected to be available on the Genovis website [www.genovis.com](http://www.genovis.com) and at the Genovis office as of April 26, 2018.

## Proposal for dividend

The Board of Directors proposes that no dividend be paid for the 2017 financial year.

## Financial calendar 2018

Interim Report	January 1 – March 31	May 15
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:

Genovis AB, Box 790, SE-220 07 Lund, Sweden T: +46 (0)46-10 12 30, Fax: +46 (0)46-12 80 20, [www.genovis.com](http://www.genovis.com).

## Forward-looking information

This report contains forward-looking information based on the current expectations of Group management at Genovis. Although the management believes that the expectations reflected in such forward-looking information are reasonable, no assurance can be given that such expectations will prove correct. Consequently, actual future results may vary materially from those implied in the forward-looking statements due to such changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

## 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.

## Consolidated statement of comprehensive income

(SEK 000s)	2017	2016	2017	2016
	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
Net sales	6,974	5,511	22,867	18,542
Change in inventory, finished goods	436	81	1,317	422
Other operating income	23	316	23	5,798
Raw materials and consumables	490	383	2,366	1,481
<b>Gross profit</b>	<b>6,943</b>	<b>5,525</b>	<b>21,841</b>	<b>23,281</b>
Staff costs	3,954	3,100	13,230	10,750
Other external costs	3,744	4,398	14,630	26,006
Other operating expenses	181	0	207	0
<b>Operating profit/loss before depreciation and amortization (EBITDA)</b>	<b>(574)</b>	<b>(1,973)</b>	<b>(6,226)</b>	<b>(13,475)</b>
Depreciation, amortization, and impairment of plant, property, and equipment and intangible assets	570	325	1,609	1,294
<b>Operating profit/loss (EBIT)</b>	<b>(1,144)</b>	<b>(2,298)</b>	<b>(7,834)</b>	<b>(14,769)</b>
Net financial items	(64)	0	(91)	(132)
<b>Profit/loss after financial items</b>	<b>(1,208)</b>	<b>(2,298)</b>	<b>(7,926)</b>	<b>(14,901)</b>
Taxes	27	131	22	(129)
<b>Profit/loss after tax</b>	<b>(1,235)</b>	<b>(2,429)</b>	<b>(7,948)</b>	<b>(15,030)</b>
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Translation of foreign subsidiary	(22)	46	(164)	12
<b>Comprehensive income, full year</b>	<b>(1,257)</b>	<b>(2,383)</b>	<b>(8,112)</b>	<b>(15,018)</b>
-attributable to shareholders in Genovis AB	(1,257)	(2,383)	(8,112)	(15,018)

Earnings per share (SEK)*	2017	2016	2017	2016
	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
Based on weighted average of the number of outstanding shares (basic and diluted)*.	(0.02)	(0.04)	(0.14)	(0.32)
<b>Number of outstanding shares</b>				
Weighted average for the period	60,294,162	55,294,162	55,294,162	46,589,486
Number of shares at beginning of period	60,294,162	55,294,162	60,294,162	36,862,775
Number of shares at end of period	60,294,162	55,294,162	60,294,162	55,294,162
Share price at end of period, SEK	3.24	2.55	3.24	2.55

## Condensed consolidated balance sheet

(SEK 000s)

	2017	2016
<b>Assets</b>	Dec. 31	Dec. 31
<i>Noncurrent assets</i>		
Intangible assets	4,042	3,438
Property, plant and equipment	3,022	1,084
Deferred tax asset	1,718	1,718
<b>Current assets</b>	<b>12,606</b>	<b>11,330</b>
Cash and cash equivalents	4,918	4,281
<b>Total assets</b>	<b>26,306</b>	<b>21,851</b>

### Equity and liabilities

Shareholders' equity	18,188	15,545
Noncurrent liabilities	2 067	0
Current liabilities	6,051	6,306
<b>Total equity and liabilities</b>	<b>26,306</b>	<b>21,851</b>

### Changes in consolidated equity

(SEK 000s)

	2017	2016
	Jan.-Dec.	Jan.-Dec.
Amount at start of period	15,545	8,822
Issue of new shares	10,755	21,741
Exchange rate difference	(164)	12
Profit or loss, full year	(7,948)	(15,030)
<b>Amount, end of twelve-month period</b>	<b>18,188</b>	<b>15,545</b>
Attributable to shareholders in Genovis AB	18,188	15,545

### Key financial figures

	2017	2016
	Dec. 31	Dec. 31
Equity/assets ratio (%)	69	71
Equity per share at end of period* (SEK)	0.31	0.33

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

## Summary consolidated statement of cash flows

(SEK 000s)	2017 Oct.-Dec.	2016 Oct.-Dec.	2017 Jan.-Dec.	2016 Jan.-Dec.
<b>Cash flow from operations</b>	<b>(1,246)</b>	<b>(2,298)</b>	<b>(7,938)</b>	<b>(14,770)</b>
Adjustment for items not affecting cash flow	384	370	1,281	1,307
Change in working capital	(600)	(146)	(1,698)	(2,480)
Net financial items	(26)	0	(0)	(132)
<b>Cash flow from operating activities</b>	<b>(1,436)</b>	<b>(2,074)</b>	<b>(8,355)</b>	<b>(16,075)</b>
Investing activities	(136)	(244)	(1,763)	(1,437)
<b>Cash flow after investing activities</b>	<b>(1,572)</b>	<b>(2,318)</b>	<b>(10,118)</b>	<b>(17,512)</b>
Financing activities	0	0	0	2,500
Issue of new shares	0	0	10,755	17,241
<b>Cash flow for the period</b>	<b>(1,572)</b>	<b>(2,318)</b>	<b>637</b>	<b>2,229</b>
Cash and cash equivalents at start of period	6,490	6,599	4,281	2,052
Cash and cash equivalents at close of period	<b>4,918</b>	<b>4,281</b>	<b>4,918</b>	<b>4,281</b>

## Parent Company

### Summary Income Statement

(SEK 000s)	2017 Oct.-Dec.	2016 Oct.-Dec.	2017 Jan.-Dec.	2016 Jan.-Dec.
Operating income incl. change in inventory, finished goods	5,963	4,577	19,499	20,415
Operating expenses	7,467	7,065	27,739	35,595
<b>Operating profit/loss</b>	<b>(1,504)</b>	<b>(2,488)</b>	<b>(8,240)</b>	<b>(15,180)</b>
Net financial items	0	0	0	(129)
<b>Profit/loss before tax</b>	<b>(1,504)</b>	<b>(2,488)</b>	<b>(8,240)</b>	<b>(15,309)</b>
<b>Profit or loss, full year</b>	<b>(1,504)</b>	<b>(2,488)</b>	<b>(8,240)</b>	<b>(15,309)</b>

### Summary Balance Sheet

(SEK 000s)	2017 Dec. 31	2016 Dec. 31
<b>Assets</b>		
Noncurrent assets	6,702	6,219
Current assets	12,243	12,496
Cash and cash equivalents	4,032	2,053
<b>Total assets</b>	<b>22,977</b>	<b>20,768</b>

### Equity and liabilities (SEK 000s)

	2017 Dec. 31	2016 Dec. 31
<b>Shareholders' equity</b>		
Restricted equity	15,074	13,824
Unrestricted equity	2,618	1,353
<b>Liabilities</b>		
Current liabilities	5,285	5,591
<b>Total equity and liabilities</b>	<b>22,977</b>	<b>20,768</b>

### Statement of changes in equity

(SEK 000s)	2017 Jan.-Dec.	2016 Jan.-Dec.
Amount at start of period	15,177	8,745
Issue of new shares	10,755	21,741
Profit or loss, full year	(8,240)	(15,309)
<b>Amount at end of period</b>	<b>17,692</b>	<b>15,177</b>
Attributable to shareholders in Genovis AB	17,692	15,177

Summary Statement of Cash Flows (SEK 000s)	2017 Oct.-Dec.	2016 Oct.-Dec.	2017 Jan.-Dec.	2016 Jan.-Dec.
<b>Cash flow from operations</b>	<b>(1,504)</b>	<b>(2,488)</b>	<b>(8,240)</b>	<b>(15,180)</b>
Adjustment for items not affecting cash flow	294	307	1,281	1,225
Change in working capital	1,160	1,307	(53)	(3,361)
Net financial items	0	0	0	(129)
<b>Cash flow from operating activities</b>	<b>(50)</b>	<b>(874)</b>	<b>(7,012)</b>	<b>(17,445)</b>
Investing activities	(136)	(243)	(1,764)	(1,437)
<b>Cash flow after investing activities</b>	<b>(186)</b>	<b>(1,117)</b>	<b>(8,776)</b>	<b>(18,882)</b>
Financing activities	0	0	10,755	19,741
<b>Cash flow for the period</b>	<b>(186)</b>	<b>(1,117)</b>	<b>1,979</b>	<b>859</b>
Cash and cash equivalents at start of period	4,218	3,170	2,053	1,194
<b>Cash and cash equivalents at close of period</b>	<b>4,032</b>	<b>2,053</b>	<b>4,032</b>	<b>2,053</b>

## 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.

This report has not been reviewed by the Company's auditors.

Lund February 28, 2018

Genovis AB (publ.)

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

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 agency of the contact person set out above, on February 28, 2018.*

*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.*