



Press Release February 20, 2020

Genovis intends to acquire QED Bioscience and conduct a rights issue of SEK 50 million

Genovis has signed a Letter of Intent for the acquisition of all shares in the privately held company QED Bioscience Inc. (QED), based in San Diego, California. The acquisition is expected to be completed during the first quarter of 2020 and is subject to the customary terms and conditions for possession. Genovis intends to make a cash payment for the acquisition and estimates that the purchase price including transaction costs will amount to approximately SEK 20 million. Genovis' Board of Directors has simultaneously approved a rights issue for Core Ny teknik, Coeli SICAV II – Absolute European Equity, Islet 2 AB, Andra AP fonden and Aktia Asset Management Ltd. which will raise about SEK 50 million for the company.

Genovis has worked with QED since 2015 and the acquisition is a natural step that is in line with the company's strategy to expand the product portfolio within new application and product divisions. The acquisition will provide Genovis with a well-established supplier of high-quality antibodies and a dedicated team with extensive experience of development of antibodies for the research and diagnostics market, as well as a customer base for Genovis' GlyCLICK® antibody labeling technology. Genovis intends to retain key QED personnel to ensure expertise and continuity within the operation. The acquisition will provide Genovis with a physical base with laboratory premises in one of the most attractive areas for research and development of biological drugs in the US.

"I am extremely pleased about the opportunities that will become available with the acquisition of QED. In our most important market we will now have new business opportunities, laboratories and a high-quality organization that we know well. We look forward to welcoming the team at QED to Genovis, and at the same time I would like to warmly thank both new and existing owners for their support and confidence in our continued growth ambitions," says Fredrik Olsson, CEO of Genovis

QED has over 2,000 antibodies in its product portfolio and there are several clear synergies, especially for the GlyCLICK antibody labeling technology. Genovis will immediately gain a product portfolio of antibodies and a customer base that can generate additional business value in combination with Genovis' GlyCLICK antibody labeling technology. Precise and accurate labeling of antibodies is increasingly in demand in the research market and in the long run, the company believes that as a result of the acquisition it will be well-positioned to capture a larger share of the market in antibody labeling and associated contract research.

"QED is very excited about our future with Genovis. In the years that we have worked with the Genovis team, we've been impressed by the innovative and novel products they have developed and the thoughtful manner in which they have grown their customer base. We look forward to contributing to their continued success and to new opportunities for QED", says Dr. Eileen Skaletsky, CEO and founder of QED Bioscience.

In addition to the acquisition Genovis also intends to use the issue proceeds to proactively secure future expansion opportunities through investments in infrastructure and premises to avoid restrictions on growth in the long term. Investments will also be made to secure the required production capacity to be prepared in the short and medium term for potential new orders in the field of bioprocessing.



RIGHTS ISSUE

In accordance with the authorization granted by the Annual General Meeting on May 23, 2019, the Board of Directors of Genovis has resolved to carry out a rights issue of 2 365 714 shares. The subscription price has been set at SEK 21, which is the equivalent of 5 percent under the volume-weighted average price during the last 10 trading days prior to the day of subscription. Through the rights issue, the company will raise proceeds of about SEK 50 million before transaction costs, which are estimated at SEK 75 thousand. Issue expenses consist solely of registration costs. After the rights issue the total number of shares and votes in the company will be 65 465 714 and share capital will amount to 16 366 428,5. The rights issue entails a dilutive effect of 3,7 percent based on the total number of shares in the company following the rights issue. The reason for deviation from the shareholders' preferential rights is to facilitate raising capital, in terms of both time and cost-efficiency, to carry out corporate acquisitions and to develop the business through investments in production capacity and infrastructure.

MORE ABOUT QED

QED Bioscience was founded in 1994 in San Diego, California, and is an established supplier of antibodies for its academic and industrial clients in the research and diagnostics market. The company has two offerings – antibodies in the form of reagents that customers use in analytical and diagnostic applications, and a service that develops customer-specific antibodies to order. Currently the company has over 2,000 antibodies in its product portfolio, the majority of which are developed in-house. Its sales channels are global and are run both through direct sales and through distributors. In 2019 antibodies accounted for about 65 percent of sales and other revenue comes primarily from the company's contract research service, development of customer-specific antibodies.

Indicative key financial information 2019

SEK million	QED	Genovis	Total
Net sales	17	60,5	77,5
Operating profit/loss (EBIT)	2,4	10	12,4

The financial information above is only to be regarded as illustrative and does not include synergy gains, integration costs, transaction costs or depreciation of surplus values resulting from the acquisition analysis. The financial information presented above has not been reviewed or audited by Genovis' auditors and does not constitute pro forma financial information.

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ABOUT GENOVIS

Genovis' business concept is to apply its knowledge and imagination to design and provide innovative tools for the development of the drugs of the future. Today Genovis sells several enzyme products known as SmartEnzymes™ all over the world in innovative product formats that facilitate development and quality control of biological drugs. The Group consists of Genovis AB and the wholly owned subsidiary Genovis Inc. (US). Genovis shares are listed on NASDAQ First North Stockholm and Erik Penser Bank is the Company's Certified Adviser, certifiedadviser@penser.se, tel: +46 (0)8-463 83 00.

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 February 20, 2020.

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.