

SIX-MONTH REPORT JANUARY –JUNE 2013

April–June

- Net sales rose by 92% to SEK 2,200k (1,148k).
- Loss after financial items was SEK 3,903k (loss: 4,430k).
- Comprehensive income was a loss of SEK 3,852k (loss: 4,392k).
- Comprehensive income per share basic and diluted totaled SEK -0.27 (-0.53).
- Cash flow from operating activities during the period was SEK -3,251k (-4,474k).
- Cash and cash equivalents at the end of the period amounted to SEK 10,851k (14,772k).
- The rights issue in April raised about SEK 13.8 million before issue expenses for Genovis.
- Genovis and the wholly owned subsidiary GeccoDots are moving to new premises in Medicon Village, Lund, in September.

January - June

- Net sales rose by 96% to SEK 4,106k (2,092k).
- Loss after financial items was SEK 7,860k (loss: 8,438k).
- Comprehensive income was a loss of SEK 7,799k (loss: 8,363k).
- Comprehensive income per share basic and diluted totaled SEK -0.60 (-1.10).
- Cash flow from operating activities during the period was SEK -7,680k (-7,356k).

Financial overview

January-June

| | 2013 | 2012 | Change |
|--|----------|----------|--------|
| Net sales | 4,106 | 2,092 | 96% |
| Other operating income | 678 | 426 | 59% |
| Expenses for the period | (12,643) | (10,951) | 15% |
| Operating profit/loss | (7,859) | (8,433) | 7% |
| Comprehensive income for the period | (7,799) | (8,363) | 7% |
| Comprehensive income per share based on a weighted average of the number of outstanding shares | (0.60) | (1.10) | 45% |
| Cash flow from operating activities | (7,680) | (7,346) | -5% |
| Cash and cash equivalents at end of period | 10,851 | 14,772 | -27% |

Events after the end of the period

Genovis signed an agreement with Respiratorius to test and evaluate RESP-3000 as a new biomarker for early diagnosis of cardiovascular disease using a “PET” camera. Genovis is coordinating the work, but GeccoDots AB, Genovis’ wholly owned subsidiary, will conduct the final evaluation. The evaluation is expected to be completed in late 2013 or early 2014. The agreement includes the option for Genovis to acquire technology and patents relating to RESP-3000 in preclinical applications and Genovis intends to initiate negotiations for an acquisition if the tests show favorable results.

Comments from CEO Sarah Fredriksson

We continued to prioritize meetings with clients during the spring. This strategy produces results and during the second quarter sales jumped 92%, number of orders rose by 36% and the average order value was up 42% compared with last year. An analysis of individual orders shows that the increase in number of orders is mainly attributable to new customers, while established customers account for the increase in volume per order. The number of publications and presentations at conferences featuring our products continue to grow. The FDA, Pfizer, and Bruker were among the participants at the American Society for Mass Spectrometry’s annual meeting in early June who featured methods and results based on the use of FabRICATOR. Marketing activities will hopefully yield long-term results, even if in the short-term they require an investment in staff, webinars, workshops, and an increased number of conferences and meetings.

The results for the second quarter and the first six months of the year improved somewhat compared with 2012. It is encouraging to see that our persistent long-term efforts are effective, although we have a ways to go before the protein engineering portfolio generates a positive result. To achieve this objective we will develop our business to include commercial production at the customer. Sales today are generated by products that the customer uses to screen new candidates, in production development and in preclinical development.

Our primary goal for 2013 is to continue to achieve robust sales growth. In September and October we will therefore launch two products in the protein engineering portfolio. Earlier product launches in the protein engineering portfolio have been well-received by existing customers and sales of smaller test volumes usually take off quickly. During the autumn our subsidiary GeccoDots will also introduce itself to the market and the first product will be launched in September.

Lund in August

Sarah Fredriksson

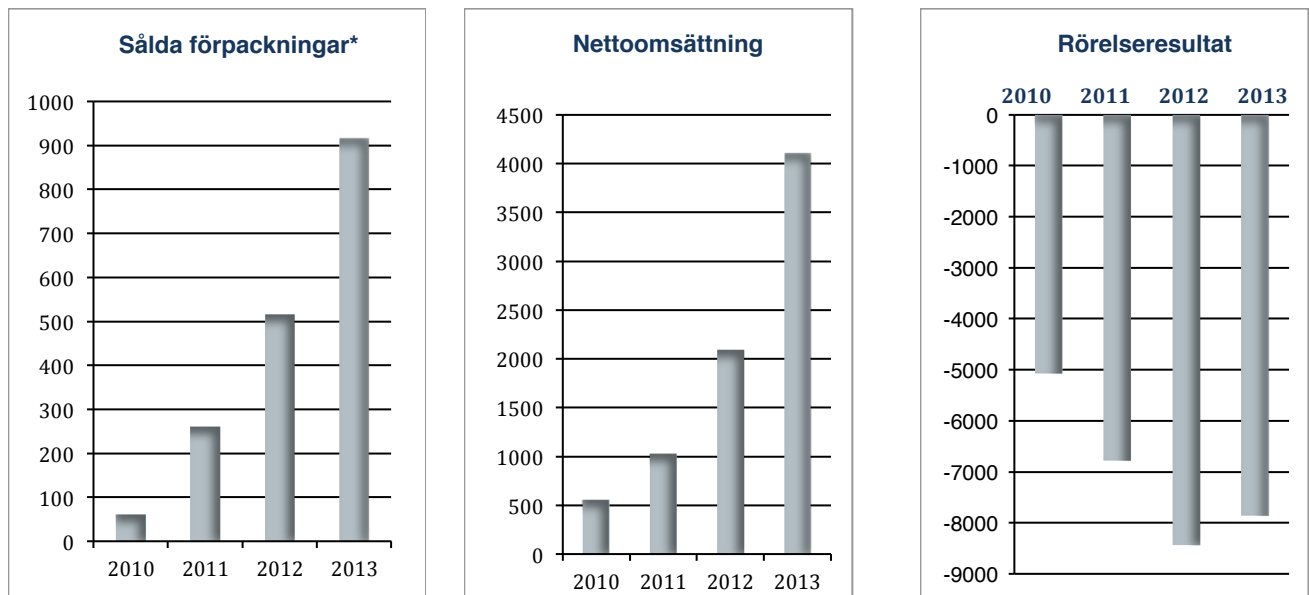
Products

Genovis has developed several product concepts in which the active components are either FabRICATOR® or IgGZERO™. FabRICATOR® is a unique enzyme that cleaves antibodies into two parts: a Fab fragment and an Fc fragment, with extremely high precision. IgGZERO is a protein that can specifically cleave sugar molecules that are found naturally on antibodies. The products can be ordered from a standard range or as custom-made products. Customers use the products to screen new drug substances and for quality control in development and production of new antibody-based drugs.

Sales

Genovis has been working intensively since the launch of the first products to reach out to the entire target group. The first step will focus on customers who use the products in research and development, but the strategically most important opportunity for a pronounced increase in sales is for Genovis’ customers to integrate FabRICATOR and the other enzymes in clinical development and finally in production of pharmaceuticals.

Sales growth and operating profit/loss January-June, (SEKk)



*Each package can contain up to ten individual products.

Net sales

Net sales for the six-month period rose to SEK 4,106k (2,092k), an increase of 96% compared with the same period in 2012. Net sales for the second quarter rose to SEK 2,200k (1,148k), an increase of 92% compared with the same period in 2012. Net sales include sales of nanoparticles of SEK 20k, which were invoiced before the nano portfolio was transferred to the subsidiary. Sales of products from the protein engineering portfolio during the six-month period totaled SEK 4,086k. Other revenue rose to SEK 678k (426k). Other operating income mainly consists of research support.

Revenue by geographic area, based on the country where the customer is located (SEK thousand)

| | Jan.-June | | Jan.-Dec. |
|-----------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2012 |
| Nordic region | 239 | 246 | 406 |
| Europe | 1,086 | 610 | 1,682 |
| USA | 2,682 | 1,200 | 3,566 |
| Other countries | 99 | 36 | 426 |
| Total | 4,106 | 2,092 | 6,080 |

Operating loss

Operating loss for the six-month period was SEK 7,859k (loss: 8,433k); the second quarter accounted for SEK 3,902k (loss: 4,428k). Loss after financial items for the six-month period was SEK 1k (loss: 5k); the second quarter accounted for SEK 1k (loss: 2k). Net loss for the six-month period improved to SEK 7,799k (loss: 8,363k); the second quarter accounted for an improvement to a net loss of SEK 3,852k (loss: 4,392k).

Expenses

Comprehensive income was a loss of SEK 12,643k (loss: 10,951k). Operating expenses are distributed among raw materials and consumables SEK 955k (907k), external expenses which increased by SEK 569k to 4,941k (4,372k) and are attributable to increased marketing and selling expenses as well as payroll expenses, which increased by SEK 1,075k to SEK 6,028k (4,953k). Payroll expenses rose because of the reorganization during the second quarter and the increased resources dedicated to sales. Expenses for the second quarter were SEK 6,669k (5,808k) and are allocated as follows: raw materials and consumables SEK 501k (389k), external expenses SEK 2,534k (2,438k) and payroll expenses SEK 3,182 (2,629). Genovis had fifteen employees, compared with thirteen during the corresponding period in 2012.

Consolidated investments and cash flow

Consolidated capital expenditure during the six-month period totaled SEK 1,361k (863k) of which SEK 799k (226k) is attributable to property, plant, and equipment, primarily laboratory equipment and computers, and SEK 562k (637k) is attributable to investments in intangible fixed assets. Consolidated capital expenditure during the second quarter totaled SEK 766k (405k) of which SEK 405k (176k) is attributable to property, plant, and equipment, and SEK 361k (229k) is attributable to investments in intangible fixed assets.

Cash flow for the period Jan.-June was SEK 4,167k (7,209k). Cash flow from financing activities totaled SEK 13,208k (15,417k) and is mainly attributable to the rights issues in 2013 and 2012.

Financial position

Consolidated cash and cash equivalents at the end of the period amounted to SEK 10,851k (14,772k). The Board of Directors believes it is possible to raise the capital required in addition to the expected revenues in order to run the company for the next twelve-month period.

Interest-bearing liabilities totaled SEK 0k (0k).

Total shareholders' equity for the Group was SEK 19,042k after taking the net loss for the period into account.

Earnings per share, based on a weighted average of the number of outstanding shares, totaled SEK -0.60 (-1.10). The Group's equity ratio at the end of the period was 80 percent (85 percent) and equity per share was SEK 1.46 (3.31), based on fully diluted shares at the end of the period.

Taxes

The Group has a deferred tax asset that arises from the parent company, amounting to SEK 3,436k (3,436k) at the end of the period.

Employees

On June 30, 2013, the Group had fifteen employees, compared with the same period the previous year, when the Group had thirteen employees. For both periods all employees were in the parent company. One employee holds an 80%-position as an industry-based doctoral student.

Share capital and Share Performance

Share capital at end of period amounted to SEK 6,312,302.80. The total number of shares was 15,780,757 with a par value of SEK 0.40. Genovis shares are traded on NASDAQ OMX First North under the short name GENO. NASDAQ OMX 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. The Company's Certified Adviser is Thenberg & Kinde Fondkommission AB, tel: +46 (0)31-745 50 00.

Parent company

Net sales and operating profit/loss in the parent company are attributable to the primary and only business area: 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 for the six-month period was SEK 6,711k (2,518k), of which SEK 4,106k (2,092k) was attributable to sales. Revenue for the second quarter was SEK 3,871k (1,138k), of which SEK 2,200k (1,148k) was attributable to sales. Other revenue during the six-month period totaled SEK 2,605k (426k) of which SEK 1,676k (0k) is attributable to personnel hired by the subsidiary; the remainder is attributable to research support from Vinnova (the Swedish Agency for Innovation Systems) and the Swedish Research Council. Other revenue during the second quarter totaled SEK 1,671k (232k), of which SEK 854k (0k) is attributable to personnel hired by the subsidiary.

Operating expenses for the period totaled SEK 12,131k (10,342k), mainly attributable to payroll expenses, marketing and development projects. Expenses for the third quarter were SEK 6,387k (4,830k).

Operating loss for the period was SEK 5,420k (loss: 7,284k) and loss after net financial items was SEK 7,621k (loss: 8,138k). Net loss for the period was SEK 7,621k (loss: 8,138k). Operating loss for the second quarter was SEK 2,561k (loss: 3,692k) and loss after net financial items was SEK 3,617k (loss: 3,854k). Net loss for the period was SEK 3,617k (loss: 3,854k).

An impairment charge of SEK 2,200k (310k) had a negative impact on the parent company's income statement. After the nano portfolio was transferred to the subsidiary, temporary personnel were hired in from Genovis to run the operation and the increase mainly covers payroll costs in the subsidiary. Net capital expenditure totaled SEK 910k (863k). Liquidity at the end of the period was SEK 10,805k (14,767k).

The parent company has a deferred tax asset that amounted to SEK 3,436k (3,028k) at the end of the period, equivalent to a loss carryforward of about SEK 15.6m, which is expected to be utilized in the foreseeable future. The Company's total tax loss amounts to SEK 103 million.

Subsidiary GeccoDots AB

GeccoDots focuses on using nanotechnology to produce new contrast agents and market them for medical imaging. The technique behind the developed products was formulated under the management of Genovis and the subsidiary has taken over responsibility for development and commercialization of the project. The projects in the Company are mainly in-house, but are also run with external funding and through collaborations with research groups, including at Lund University. GeccoDots develops and produces nanostructures that provide good contrast in magnetic resonance imaging, ultrasound, optical imaging and PET/SPECT and the first activities prior to a launch of products intended for preclinical applications within medical imaging have been initiated.

The subsidiary has current assets amounting to SEK 480k, liabilities of SEK 2,352k and shareholders' equity of SEK 146k. The subsidiary's revenues during the period amounted to SEK 446k, of which SEK 426k is attributable to research support. Expenses totaled SEK 2,606k (324k). Expenses are mainly attributable to expenses for temporary employees since the subsidiary currently does not have any employees. The subsidiary hires in temporary personnel from Genovis as the need arises.

Related-party transactions

Principal owners Mikael Lönn, who holds a 22.99 percent stake in Genovis, and LMK Ventures AB, which holds a 13.15 percent stake, have provided written subscription undertakings and underwritings totaling 70 percent of the issue volume in the rights issue carried out between April 4 and April 18, 2013. The undertakings are the equivalent of 2,761,633 shares at an amount of SEK 9,665,715.50. The guarantee fee of SEK 256,141 was paid and divided equally between the underwriters.

Outlook

Genovis is a research and development company and therefore corporate management has chosen not to issue any forecast. 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. The overarching goal for 2013 is a continued focus on the commercial development of the Company's products the objective of a positive cash flow for the protein portfolio at the end of the year.

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 competing companies have substantially larger financial resources at their disposal. For a detailed overview of the Company's financial risks please refer to page 51 in Genovis' 2012 annual report.

Accounting policies

This year-end 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 interim 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 thousands) | April-June | | January-June | | Jan.-Dec. |
|---|----------------|----------------|----------------|----------------|-----------------|
| | 2013 | 2012 | 2013 | 2012 | 2012 |
| Net sales | 2,200 | 1,148 | 4,106 | 2,092 | 6,080 |
| Other operating income | 567 | 232 | 678 | 426 | 1,014 |
| Raw materials and consumables | (501) | (389) | (955) | (907) | (2,425) |
| Other external expenses | (2,534) | (2,438) | (4,941) | (4,372) | (9,382) |
| Gross profit/loss | (268) | (1,447) | (1,112) | (2,761) | (4,713) |
| Personnel costs | (3,182) | (2,629) | (6,028) | (4,953) | (10,223) |
| Other operating expenses | (4) | (8) | (52) | (32) | (39) |
| Operating loss before depreciation, amortization and impairment | (3,454) | (4,084) | (7,192) | (7,746) | (14,975) |
| Depreciation, amortization and impairment of plant, property, and equipment and intangible assets | (448) | (344) | (667) | (687) | (5,206) |
| Operating loss | (3,902) | (4,428) | (7,859) | (8,433) | (20,181) |
| Net financial items | (1) | (2) | (1) | (5) | 20 |
| Loss after financial items | (3,903) | (4,430) | (7,860) | (8,438) | (20,161) |
| Taxes | 51 | 38 | 61 | 75 | 246 |
| Loss after tax | (3,852) | (4,392) | (7,799) | (8,363) | (19,915) |
| Attributable to shareholders in Genovis AB | (3,852) | (4,392) | (7,799) | (8,363) | (19,915) |

Earnings per share (SEK)*

| | | | | | |
|--|------------|------------|------------|------------|------------|
| - based on weighted average of the number of outstanding shares (basic and diluted). | (0.27) | (0.53) | (0.60) | (1.10) | (2.04) |
| Number of outstanding shares | | | | | |
| Weighted average for the period | 14,317,523 | 8,271,792 | 13,076,545 | 7,579,752 | 9,778,112 |
| Number of shares at beginning of period | 11,835,568 | 6,923,712 | 11,835,568 | 6,923,712 | 6,923,712 |
| Number of shares at end of period | 15,780,757 | 11,835,568 | 15,780,757 | 11,835,568 | 11,835,568 |
| Share price at end of period, SEK | 4.10 | 3.79 | 4.10 | 3.79 | 3.50 |

* Reverse split 1:10, with cut-off date April 10, 2012, has been taken into account in all periods covered by the report

Summary Consolidated Balance Sheet

June 30

(SEK thousands)

2013

2012

| Assets | | |
|-------------------------------|---------------|---------------|
| <i>Non-current assets</i> | | |
| Intangible assets | 3,796 | 7,357 |
| Property, plant and equipment | 1,614 | 1,417 |
| Financial assets | 3,436 | 3,203 |
| Current assets | 4,155 | 2,901 |
| Cash and cash equivalents | 10,851 | 14,772 |
| Total assets | 23,852 | 29,650 |

| | | |
|-------------------------------------|---------------|---------------|
| Equity and liabilities | | |
| Shareholders' equity | 19,042 | 25,185 |
| Non-current liabilities | 0 | 5 |
| Current liabilities | 4,810 | 4,460 |
| Total equity and liabilities | 23,852 | 29,650 |

Consolidated statement of changes in equity

(SEK thousands)

| | | |
|--|---------------|---------------|
| Amount at start of period | 13,633 | 18,010 |
| Rights issue | 13,208 | 15,538 |
| Profit/Loss for the period | (7,799) | (8,363) |
| Amount at end of period | 19,042 | 25,185 |
| Attributable to shareholders in Genovis AB | 19,042 | 25,185 |

Key financial ratios

| | | |
|--|------|------|
| Equity/assets ratio | 80% | 85% |
| Equity per share at the end of the period - basic and diluted* | 1.46 | 3.31 |

* Reverse split 1:10, with cut-off date April 10, 2012, has been taken into account in all periods covered by the report

Summary Consolidated cash and cash equivalents

| (SEK thousands) | April-June | | Jan.-June | | Jan.- Dec. |
|--|----------------|----------------|----------------|----------------|-----------------|
| | 2013 | 2012 | 2013 | 2012 | 2012 |
| Cash flow from operations | (3,903) | (4,428) | (7,860) | (8,433) | (20,181) |
| Adjustment for items not affecting cash flow | 448 | 344 | 668 | 687 | 5,206 |
| Change in working capital | 205 | (388) | 487 | 405 | 107 |
| Net financial items | (1) | (2) | (1) | (5) | 20 |
| Cash flow from operating activities | (3,251) | (4,474) | (7,680) | (7,346) | (14,848) |
| Investing activities | (766) | (405) | (1,361) | (863) | (1,324) |
| Cash flow after investing activities | (4,017) | (4,879) | (9,041) | (8,208) | (16,172) |
| Financing activities | 0 | (60) | 0 | (120) | (245) |
| Rights issue | 13,325 | 15,753 | 13,208 | 15,537 | 15,538 |
| Cash flow for the period | 9,308 | 10,814 | 4,167 | 7,209 | (879) |
| Cash and cash equivalents at beginning of period | 1,543 | 3,958 | 6,684 | 7,563 | 7,563 |
| Cash and cash equivalents at end of period | 10,851 | 14,772 | 10,851 | 14,772 | 6,684 |

Parent company

Summary Income Statement

| (SEK thousands) | April-June | | Jan.-June | | Jan.-Dec. |
|---|----------------|----------------|----------------|----------------|-----------------|
| | 2013 | 2012 | 2013 | 2012 | 2012 |
| Operating income | 3,871 | 1,138 | 6,711 | 2,518 | 7,095 |
| Operating expenses | (6,387) | (4,830) | (12,131) | (10,342) | (23,215) |
| Operating loss | (2,516) | (3,692) | (5,420) | (7,824) | (16,120) |
| Net financial items | (1,101) | (162) | (2,201) | (314) | (4,099) |
| Loss before taxes | (3,617) | (3,854) | (7,621) | (8,138) | (20,219) |
| Deferred tax on net loss for the period | 0 | 0 | 0 | 0 | 408 |
| Net loss for the period | (3,617) | (3,854) | (7,621) | (8,138) | (19,811) |

Summary Balance Sheet

| (SEK thousands) | June 30 | | Dec 31 |
|---------------------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2012 |
| Assets | | | |
| Non-current assets | 8,608 | 11,967 | 7,969 |
| Current assets | 3,721 | 2,861 | 3,316 |
| Cash and cash equivalents | 10,805 | 14,767 | 6,655 |
| Total assets | 23,134 | 29,595 | 17,940 |

Equity and liabilities (SEK thousands)

| | | | |
|-------------------------------------|---------------|---------------|---------------|
| Equity | | | |
| Restricted equity | 18,330 | 16,752 | 16,752 |
| Non-restricted equity | 666 | 8,330 | (3,343) |
| Liabilities | | | |
| Non-current liabilities | 0 | 5 | 0 |
| Current liabilities | 4,138 | 4,508 | 4,531 |
| Total equity and liabilities | 23,134 | 29,595 | 17,940 |

Statement of changes in equity

(SEK thousands)

| | | | |
|--|---------------|---------------|---------------|
| Amount at start of period | 13,409 | 17,683 | 17,683 |
| Rights issue | 13,208 | 15,537 | 15,537 |
| Profit/Loss for the period | (7,621) | (8,138) | (19,811) |
| Amount at end of period | 18,996 | 25,082 | 13,409 |
| Attributable to shareholders in Genovis AB | 18,996 | 25,082 | 13,409 |

Summary statement of cash flows

(SEK thousands)

| | April-June | | Jan.-June | | |
|--|----------------|----------------|----------------|----------------|-----------------|
| | 2013 | 2012 | 2013 | 2012 | 2012 |
| Cash flow from operations | (2,517) | (4,132) | (5,420) | (7,824) | (16,121) |
| Adjustment for items not affecting cash flow | 194 | 200 | 360 | 400 | 1,759 |
| Change in working capital | (212) | (279) | (638) | 607 | 443 |
| Net financial items | (1) | (2) | (1) | (4) | 21 |
| Cash flow from operating activities | (2,536) | (4,213) | (5,699) | (6,821) | (13,898) |
| Investing activities | (1,525) | (405) | (3,359) | (863) | (1,774) |
| Cash flow after investing activities | (4,061) | (4,618) | (9,058) | (7,684) | (15,672) |
| Financing activities | 13,325 | 15,693 | 13,208 | 15,417 | 15,293 |
| Cash flow for the period | 9,264 | 11,075 | 4,150 | 7,733 | (379) |
| Cash and cash equivalents at beginning of period | 1,541 | 3,692 | 6,655 | 7,034 | 7,034 |
| Cash and cash equivalents at end of period | 10,805 | 14,767 | 10,805 | 14,767 | 6,655 |

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

Lund August 28, 2013

Genovis AB (publ.)

On behalf of the Board of Directors Sarah Fredriksson, CEO and President

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Future reporting dates

Interim report November 28, 2013

Year-end report February 27, 2014

This interim report may be ordered from the Company or downloaded at the Genovis web site: www.genovis.com.

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