

The Board of Directors proposes that the Annual General Meeting approves the Board's resolution on a preferential rights issue.

The Board of Directors of Genovis has decided on a new share issue with preferential rights for existing shareholders subject to AGM approval on May 12, 2016. For each share in Genovis held on the record date of May 19, 2016 shareholders will receive one subscription right. Two (2) subscription rights entitle the holder to subscribe for one (1) share. The subscription price per share will be one Swedish krona and twenty-five öre (SEK 1.25). At full subscription of the rights issue, the Company's share capital will increase by SEK 4,607,846.75 through the issuance of 18,431,387 shares. Following completion of the rights issue, share capital will amount to a maximum of SEK 13,823,540.50 and the number of shares to a maximum of 55,294,162. Genovis will raise approximately SEK 23 million before issue expenses, which are expected to be SEK 1.3 million, including SEK 825,000 in guaranteed compensation to the underwriters. The issue will have a dilutive effect of 33 percent on the holdings of those who do not subscribe to the rights issue for their full stake.

The following terms shall apply to the issuance:

1. Genovis shareholders will have preferential right to subscribe for the new shares, where two (2) existing shares entitle the holder to subscription for one (1) newly issued share.
2. The record date for determining which shareholders shall be entitled to subscribe for new shares on a preferential basis will be May 19, 2016.
3. Cash shall be paid for each subscribed share in the amount of one Swedish krona and twenty-five öre (SEK 1.25). Shareholders are reminded that the Board has the option to allow payment by set-off under the provisions set out in chapter 13 section 41 of the Swedish Companies Act.
4. The subscription period for the new shares runs from May 23, 2016 through June 8, 2016. Subscription with preferential rights shall be made through simultaneous cash payment. Subscription for shares without preferential rights shall be made on a separate subscription list during the same period. Payment for shares subscribed for without preferential rights shall be paid in cash no later than the third banking day after the notice of allotment has been sent to the subscriber.
5. In the event that not all shares are subscribed for with preferential rights, the Board of Directors will decide on the allotment of shares, under the maximum amount of the issue, to those who subscribed without preferential rights. The Board will allot the shares firstly to those who have subscribed for shares on the basis of subscription rights, pro rata in relation to their subscription on the basis of subscription rights, secondly to those who have declared their interest to subscribe for shares without subscription rights, pro rata in relation to their declared interest and last to guarantors in proportion to their guarantee undertakings.

6. The Board shall have the right to extend the subscription period with a maximum of 14 days.

7. The new shares carry the right to dividends commencing on the first record date for dividends immediately after the new shares are registered in the Euroclear Sweden AB share register.

9. Chief Executive Officer is authorized to make such minor adjustments to the issuance resolution as are required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The Board's proposal for a motion on the authorization to issue new shares

The Board proposes that the Meeting authorize the Board, on one or more occasions until the next annual meeting, with or without preferential rights for shareholders, to issue new shares, convertible bonds or warrants. New shares may be paid for in cash and/or in kind or set-off or on other terms. This decision would mean that the share capital is increased up to a maximum total of SEK 3,500,000 through the issuance of a maximum total of 14,000,000 new shares at full subscription. Upon full exercise of this authorization, share capital will amount to a maximum of SEK 17,323,540.50 with a maximum of 69,294,162 shares, which corresponds to approximately 20 percent dilution.

The reason for the possible deviation from shareholders' preferential rights is to broaden the ownership group, acquire, or facilitate the raising of working capital, increase the liquidity of shares, carry out acquisitions, or procure or permit the raising of capital for acquisitions. When deciding on issuances without preferential rights for shareholders, the subscription price shall be market-based at the time of the issue resolution.

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.