Genmab Announces Financial Results for the First Quarter of 2022

May 11, 2022

May 11, 2022 Copenhagen, Denmark;
Interim Report for the First Quarter Ended March 31, 2022

Highlights

- **DARZALEX® net sales as reported by Johnson & Johnson increased 36% compared to the first three months of 2021 to USD 1,856 million, resulting in royalty revenue of DKK 1,501 million**
- **Genmab updates its 2022 financial guidance**

"During the first quarter of 2022, there were continued advancements in our pipeline, including the first patient dosed with DuoBody®-CD3xB7H4 (GEN1047), the presentation of data from the tisotumab vedotin innovaTV 207 study, and the U.S. Food and Drug Administration (U.S. FDA) granting orphan-drug designation to epcoritamab for the treatment of follicular lymphoma (FL). Together these events help to progress us further in our evolution into a fully integrated biotech innovation powerhouse," said Jan van de Winkel, Ph.D., Chief Executive Officer of Genmab.

Financial Performance First Quarter of 2022

- Net sales of DARZALEX by Janssen were USD 1,856 million in the first three months of 2022 compared to USD 1,365 million in the first three months of 2021, an increase of USD 491 million, or 36%.
- Royalty revenue was DKK 1,836 million in the first three months of 2022 compared to DKK 1,017 million in the first three months of 2021, an increase of DKK 819 million, or 81%. The increase was driven by higher net sales of DARZALEX, TEPEZZA® and Kesimpta® resulting in higher royalties.
- Revenue was DKK 2,119 million for the first three months of 2022 compared to DKK 1,581 million for the first three months of 2021. The increase of DKK 538 million, or 34%, was primarily driven by higher DARZALEX, TEPEZZA and Kesimpta royalties achieved under our collaborations with Janssen, Roche and Novartis, respectively, partly offset by milestones achieved under our collaborations with AbbVie and Janssen in the first three months of 2021.
- Operating expenses were DKK 1,605 million in the first three months of 2022 compared to DKK 1,049 million in the first three months of 2021. The increase of DKK 556 million, or 53%, was driven by the continued advancement of multiple pipeline projects, the increase in new employees to support Tivdak® post launch and expansion of our product pipeline, as well as the continued development of commercialization capabilities and Genmab's broader organizational infrastructure.
- Operating profit was DKK 514 million in the first three months of 2022 compared to DKK 532 million in the first three months of 2021.

Subsequent Events

- April: Genmab and AbbVie Inc. (AbbVie) announced topline results for epcoritamab from the first cohort of the EPCORE™ NHL-1 phase 1/2 clinical trial evaluating epcoritamab. The study cohort includes 157 patients with relapsed / refractory large B-cell lymphoma who received at least two prior lines of systemic therapy, including 38.9% who received prior treatment with chimeric antigen receptor T-cell therapy. The topline results from this cohort demonstrated an overall response rate of 63.1% as confirmed by an independent review committee, which exceeded the protocol prespecified threshold for efficacy. The observed median duration of response was 12 months. The most common treatment-emergent adverse event was cytokine release syndrome with 49.7%, including 2.5% grade 3. Based on the topline results, the companies will engage global regulatory authorities to determine next steps.
- April: The arbitral tribunal issued an award in the binding arbitration of two matters arising under Genmab's license agreement with Janssen relating to daratumumab. Genmab did not seek a review of the award, and the award is now final. The arbitral tribunal decided both issues in favor of Janssen. The first issue concerned the question as to whether Janssen's obligation to pay royalties on sales of licensed product extends, in each applicable country, until the expiration or invalidation of the last-to-expire relevant Genmab-owned patent or the last-to-expire relevant Janssen-owned patent covering the product, as further defined and described in the license agreement. As to that issue, the tribunal determined by majority opinion that Janssen's obligation to pay royalties to Genmab on sales of licensed product, in each applicable country, extends through the expiration or invalidation of the last-to-expire relevant Genmab-owned patent covering the product or use thereof, but not the relevant Janssen-owned patent. The relevant Genmab-owned issued U.S., European and Japanese patents will expire in the late 2020s and early 2030s. The second issue concerned the question as to

whether Genmab is required to share in Janssen's royalty payments to Halozyme Therapeutics, Inc. (Halozyme) for the Halozyme enzyme technology used in the subcutaneous (SC) formulation of daratumumab (marketed as DARZALEX FASPRO® in the U.S.). The royalties Janssen pays to Halozyme represent a mid-single digit percentage rate of SC daratumumab sales. As to that issue, the tribunal ruled by majority opinion that Janssen is permitted to continue reducing its royalty payments to Genmab as an offset against a share of Janssen's royalty payments made to Halozyme.

Outlook
Genmab is updating the lower end of its 2022 financial guidance published on February 16, 2022, driven by increased royalty revenue related to net sales of DARZALEX.

(DKK million)	Revised Guidance	Previous Guidance
Revenue	11,000 - 12,000	10,800 - 12,000
Operating expenses	(7,200) - (7,800)	(7,200) - (7,800)
Operating profit	3,200 - 4,800	3,000 - 4,800

Conference Call
Genmab will hold a conference call in English to discuss the results for the first quarter of 2022 today, Wednesday, May 11, at 6:00 pm CEST, 5:00 pm BST or 12:00 pm EDT. To join the call dial
+1 631 913 1422 (U.S. participants) or +44 3333000804 (international participants) and provide conference code 48414786. A live and archived webcast of the call and relevant slides will be available at www.genmab.com/investors.

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Download the full Interim Report for the First Quarter of 2022 on attachment or at www.genmab.com/investors.

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