Genmab Announces Financial Results for the First Quarter of 2023

May 10, 2023

May 10, 2023 Copenhagen, Denmark;
Interim Report for the First Quarter Ended March 31, 2023

Highlights

- **Genmab revenue increased 35% compared to the first quarter of 2022, to DKK 2,854 million**

"In the first quarter of the year we continued to lay the groundwork for the potential approval of epcoritamab in relapsed/refractory diffuse large B-cell lymphoma (DLBCL). Looking beyond this indication, together with our partner AbbVie Inc. (AbbVie), we are committed to a robust clinical development program, evaluating epcoritamab in a variety of patient populations and treatment settings including in frontline DLBCL," said Jan van de Winkel, Ph.D., Chief Executive Officer of Genmab.

Financial Performance First Quarter of 2023

- Net sales of DARZALEX® by Janssen Biotech, Inc. (Janssen) were USD 2,264 million in the first three months of 2023 compared to USD 1,856 million in the first three months of 2022, an increase of USD 408 million, or 22%.
- Royalty revenue was DKK 2,428 million in the first three months of 2023 compared to DKK 1,836 million in the first three months of 2022, an increase of DKK 592 million, or 32%. The increase in royalties was driven by higher net sales of DARZALEX and Kesimpta® and a higher average exchange rate between the USD and DKK.
- Revenue was DKK 2,854 million for the first three months of 2023 compared to DKK 2,119 million for the first three months of 2022. The increase of DKK 735 million, or 35%, was primarily driven by higher DARZALEX and Kesimpta royalties achieved under our collaborations with Janssen and Novartis Pharma AG (Novartis), respectively, and higher reimbursement revenue driven by increased activities under our collaboration with BioNTech SE (BioNTech).
- Operating expenses were DKK 2,417 million in the first three months of 2023 compared to DKK 1,605 million in the first three months of 2022. The increase of DKK 812 million, or 51%, was driven by the expansion of our product pipeline, epcoritamab launch readiness, the continued development of Genmab's broader organizational capabilities, and related team members to support these activities.
- Operating profit was DKK 437 million in the first three months of 2023 compared to DKK 514 million in the first three months of 2022.
- Net financial items resulted in expenses of DKK 151 million for the first three months of 2023 compared to income of DKK 98 million in the first three months of 2022. The decrease of DKK 249 million was primarily driven by net foreign exchange rate losses due to the USD weakening against the DKK.

Subsequent Event

- April: An arbitral tribunal issued an award in the second arbitration arising under Genmab's license agreement with Janssen for daratumumab. The arbitral tribunal dismissed Genmab's claims on the basis that these claims should have been brought in the first arbitration. One of the three arbitrators dissented. Genmab's dismissed claims were a claim for milestone payments with respect to the subcutaneous formulation of daratumumab ("SC daratumumab," marketed as DARZALEX *FASPRO*® in the United States) and a claim for a new 13-year royalty term, on a country-by-country basis, from the date of the first commercial sale of SC daratumumab in each such country. Genmab has filed a request for review of the award before a single "appeal arbitrator."

Outlook
Genmab is maintaining its 2023 financial guidance published on February 22, 2023.

Conference Call
Genmab will hold a conference call in English to discuss the results for the first quarter of 2023 today, Wednesday, May 10, at 6:00 pm CEST, 5:00 pm BST or 12:00 pm EDT. To join the call please use the below registration link. Registered participants will receive an email with a link to access dial-in information as well as a unique personal PIN: https://register.vevent.com/register/BIae325ca4615b4846af524afb9d9b0af5. A live and archived webcast of the call and relevant slides will be available at www.genmab.com/investors.

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The Interim Report contains forward looking statements. The words "believe," "expect," "anticipate," "intend" and "plan" and similar expressions identify forward looking statements. Actual results or performance may differ materially from any future results or performance expressed or implied by such statements. The important factors that could cause our actual results or performance to differ materially include, among others, risks associated with pre-clinical and clinical development of products, uncertainties related to the outcome and conduct of clinical trials including unforeseen safety issues, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products or technologies obsolete, and other factors. For a further discussion of these risks, please refer to the risk management sections in Genmab's most recent financial reports, which are available on www.genmab.com and the risk factors included in Genmab's most recent Annual Report on Form 20-F and other filings with the U.S. Securities and Exchange Commission (SEC), which are available at www.sec.gov. Genmab does not undertake any obligation to update or revise forward looking statements in the Interim Report nor to confirm such statements to reflect subsequent events or circumstances after the date made or in relation to actual results, unless required by law.

Download the full Interim Report for the First Quarter of 2023 on attachment or at www.genmab.com/investors.

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