



3rd Quarter 2000

Interim Report

(29 November 2000)

Genmab A/S
Bredgade 23A, 3rd floor
DK-1260 Copenhagen K
CVR-nr. 21 02 38 84

Interim Report
January - September 2000
(29 November 2000)



Table of Contents

Highlights of the Year to Date.....	3
Financial Review.....	3
Statements of Operations.....	6
Balance Sheets.....	7
Statements of Shareholders' Equity.....	9
Cash Flow Statement.....	10
Notes to the Financial Statements.....	11
Auditors' Report.....	14

Interim Report for the First 9 Months of Year 2000

Dear Shareholder,

During the first nine months of this year Genmab significantly expanded its access to technology and capital resources. The Company also developed a strategy of using its fully human antibody technology to generate a broad portfolio of genomics based human antibody products. Highlights of the year to date include:

- Gaining the ability to use the HuMAB-Mouse[®] and TC Mouse technologies to create an unlimited number of products for an unlimited period of time.
- Completing a European record setting private placement of USD 40.5 millions.
- Gaining exclusive marketing rights to market the transgenic technologies for European multi-target genomics alliances.
- Gaining access to novel antibody targets from Oxford GlycoSciences Plc and EOS Biotechnology Inc.
- Completing a successful Initial Public Offering on 18 October 2000 raising a total of DKK 1,560 millions.
- Presenting positive phase I/II results of the Company's HuMax-CD4 antibody of the American College of Rheumatology meeting.

Due to increased business, research and development activities, the company's Operating Loss before Financial Income has increased year to date compared to the same period in 1999.

The company also expects an increase in Operating Loss before Financial Income due to increased clinical trial expenses and expansion of the company's pre-clinical portfolio. A dramatic increase in Financial Income for the entire year 2000 is also expected as a result of increased interest income generated by the Initial Public Offering in October 2000. On the condition that no further agreements are entered into this year that could markedly affect our business, we expect an increase in Operating Loss before Financial Income of more than 300% compared to 1999.

Financial Review

Following the end of the third quarter the company completed its Initial Public Offering through a dual listing on the Copenhagen Stock Exchange and the Neuer Markt Stock Exchange where the company raised DKK 1,560m before expenses in connection with the listing. It is to be noted that the proceeds from the offering are not reflected in these financials besides as stated in note 2.

We publish our financial statements in Danish Kroner. Solely for the convenience of the reader, this financial report contains translation of certain Danish Kroner amount into US dollars at specified rates. These translations should not be construed as

Interim Report
January - September 2000
(29 November 2000)



representations that the Danish Kroner amounts actually represent such US dollar amounts or could be converted into US dollars at the rates indicated or at any other rate.

Unless otherwise indicated, translations herein of financial information into US dollars have been made using the Danish Central Bank rate closing spot rate on 30 September 2000, which was US\$ 1.00 = DKK 8.4653. On 28 November 2000 the Danish Central Bank rate closing spot rate was US\$ 1.00 = DKK 8.7529.

Accounting Policies

The financial reporting of Genmab A/S is based on current Danish generally accepted accounting principles. The accounting policies are consistent with those described in the company's offering circular.

Net Profit/Loss

The company's third quarter Net Loss decreased by DKK 3.3m (US\$ 0.4m) to DKK 8.8m (US\$ 1.0m) compared to DKK 12.1m (US\$ 1.4m) in the same period of the previous year.

The decrease in Net Loss by DKK 3.3m (US\$ 0.4m) reflects an increase in financial income by DKK 26.6m (US\$ 3.1m) in the first 9 months of the current year, due to interest income and exchange rate gains on the proceeds from the company's June private placement.

The loss per share for the first 9 months of 2000 was DKK 0.8 (US\$ 0.1) compared to DKK 2.4 (US\$ 0.3) for the same period of the previous year.

Operating Results

The company's third quarter Operating Loss before financial income/expense increased to DKK 36.1m (US\$ 4.3m) compared to DKK

12.8m (US\$ 1.5m) in the same period of the previous year.

The increased rate of expenditure of DKK 23.3m (US\$ 2.8m) reflects the increased R&D expenses of DKK 17.9m (US\$ 2.1m) as well as increased G&A expenses of DKK 5.4m (US\$ 0.7m), due to increased clinical trial expenses and expansion of the Company's pre-clinical portfolio and increased business activities.

The increased rate of expenditure in R&D reflects the additional costs associated with the expansion of our business including expanded pre-clinical and clinical trial activities, greater number of employees and additional supply expenses.

The increased rate of expenditure in G&A reflects the additional costs associated with higher personnel costs incurred in connection with the expansion of our business activities. Total personnel costs amounted to DKK 5.5m (USD 0.7m). On 30 September 2000 the Company employed 30 people compared to 2 on 30 September 1999. Of the 30 employees in 2000, 21 worked in R&D and 9 in G&A. With effect from 1 August 2000, Michael Wolff Jensen was appointed Chief Financial Officer of the company.

Financial Income

The company's third quarter Financial Income increased by DKK 26.6m (US\$ 3.1m) to DKK 27.3m (US\$ 3.2m) compared to the same period of the previous year.

This increase reflects interest earned on higher average cash balances resulting from the proceeds received from our March and June 2000 private placements of our equity, as well as from favorable foreign exchange rate fluctuations.

Interim Report
January - September 2000
(29 November 2000)



Liquidity/Cash Flow

As of 30 September 2000 we had cash, cash equivalents and short-term investments of DKK 394.0m (US\$ 46.5m) compared to DKK 42.1m (US\$ 5.0m) at 30 September 1999.

This increase reflects receipt of the proceeds from the private placements of our equity completed in March and June 2000.

Balance Sheet

As of 30 September 2000 we had total assets of DKK 500.5m (US\$ 59.1m) compared to DKK 87.5m (US\$ 10.3m) at 30 September 1999.

The increase in assets reflects receipt of the proceeds from the private placements completed in March and June 2000. At 30 September 2000 the company's equity ratio was 94.4% compared to 99% at 30 September 1999.

The increase in total current liabilities by DKK 27.3m (US\$ 3.2m) to DKK 28.2m (US\$ 3.3m) mainly reflects that we have acquired an equity interest of 0.2% in Oxford GlycoSciences Plc. for US\$ 2.5m as a result of our access to genomics targets.

Copenhagen, 29 November 2000

Lisa N. Drakeman
Chief Executive Officer

Additional information:
Michael Wolff Jensen, CFO, telephone + 45 70 20 27 28

The forward-looking statements contained in this interim report are subject to risks and uncertainties, so that the actual results may differ materially from those anticipated by the statements. These and certain other important factors affecting the business of Genmab A/S are described in the company's previous annual report and Offering Circular.

Interim Report
January - September 2000
(29 November 2000)



Statements of Operations for the 9-Month Period Ended 30 September 2000
(unaudited)

	9 months ended 30 September 2000 DKK	9 months ended 30 September 1999 DKK	9 months ended 30 September 2000 US\$	9 months ended 30 September 1999 US\$
Research and development costs	(29,594,919)	(11,743,752)	(3,496,027)	(1,387,281)
General and administrative expenses	(6,455,549)	(1,040,441)	(762,589)	(122,907)
Operating loss	(36,050,468)	(12,784,193)	(4,258,616)	(1,510,188)
Financial income	28,010,989	655,987	3,308,918	77,491
Financial expenses	(802,670)	(3,553)	(94,819)	(420)
Profit/(loss) before tax	(8,842,149)	(12,131,759)	(1,044,517)	(1,433,117)
Tax on profit/(loss)	0	0	0	0
Net profit/(loss)	(8,842,149)	(12,131,759)	(1,044,517)	(1,433,117)
Basic and diluted profit/(loss) per share	(0.8)	(2.4)	(0.1)	(0.3)
Weighted average number of ordinary shares outstanding during the period – basic and diluted	11,715,499	5,081,853	11,715,499	5,081,853

Interim Report
January - September 2000
(29 November 2000)



Balance Sheet as of 30 September 2000
(unaudited)

Assets

Note	30 September 2000 DKK	30 September 1999 DKK	30 September 2000 US\$	30 September 1999 US\$
Licenses	76,645,135	44,722,874	9,054,037	5,283,082
Deposits on leasehold	1,824,928	92,500	215,578	10,927
Total intangible assets	78,470,063	44,815,374	9,269,615	5,294,009
Plant and equipment	3,048,334	30,218	360,098	3,569
Other securities and equity interests	21,504,739	-	2,540,340	-
Total financial assets	21,504,739	-	2,540,340	-
Total long-term assets	103,023,136	44,845,592	12,170,053	5,297,578
Other receivables	1,823,857	214,970	215,451	25,394
Prepayments	1,685,159	276,708	199,066	32,687
Other current assets	3,509,016	491,678	414,517	58,081
Cash, cash equivalents and short term investments	393,954,737	42,118,395	46,537,599	4,975,417
Total current assets	397,463,753	42,610,073	46,952,116	5,033,498
Total assets	500,486,889	87,455,665	59,122,169	10,331,076

Balance Sheet as of 30 September 2000
(unaudited)

Liabilities and Shareholders' Equity

	Note	30 September 2000 DKK	30 September 1999 DKK	30 September 2000 US\$	30 September 1999 US\$
Share capital		15,812,020	671,692	1,867,863	79,346
Share premium reserve		483,215,795	98,078,808	57,081,946	11,585,981
Deficit accumulated during development stage		<u>(26,726,721)</u>	<u>(12,135,417)</u>	<u>(3,157,209)</u>	<u>(1,433,549)</u>
Shareholders' equity		<u>472,301,094</u>	<u>86,615,083</u>	<u>55,792,600</u>	<u>10,231,778</u>
Accounts payable		3,400,096	661,217	401,651	78,110
Other liabilities		<u>24,785,699</u>	<u>179,365</u>	<u>2,927,918</u>	<u>21,188</u>
Total current liabilities		<u>28,185,795</u>	<u>840,582</u>	<u>3,329,569</u>	<u>99,298</u>
Total liabilities		<u>28,185,795</u>	<u>840,582</u>	<u>3,329,569</u>	<u>99,298</u>
Total liabilities and shareholders' equity		<u>500,486,889</u>	<u>87,455,665</u>	<u>59,122,169</u>	<u>10,331,076</u>
Significant post balance sheet events	2				
Warrants	3				
Reconciliation from Danish to US GAAP	4				
Commitments and contingencies	5				

Interim Report
January - September 2000
(29 November 2000)



Statement of Shareholders' Equity for the 9-Month Period Ended 30 September 2000
(unaudited)

January through September 2000

	Shares		Share Premium	Deficit accumulated during development stage	Shareholders equity	Shareholders equity
	Number of Shares	Share Capital				
		DKK				
31 December 1999	671,692	671,692	98,078,808	(17,884,572)	80,865,928	9,552,636
Issuance of shares for cash	742,120	742,120	356,658,224		357,400,344	42,219,454
Issuance of shares for licenses	164,250	164,250	45,387,991		45,552,241	5,381,055
Exercise of warrants	3,140	3,140	1,019,558		1,022,698	120,811
Expenses and foreign currency fluctuations related to share issues			(3,697,968)		(3,697,968)	(436,839)
Issuance of bonus shares	14,230,818	14,230,818	(14,230,818)			
Loss for the period				(8,842,149)	(8,842,149)	(1,044,517)
30 September 2000	15,812,020	15,812,020	483,215,795	(26,726,721)	472,301,094	55,792,600

January through September 1999

	Shares		Share Premium	Deficit accumulated during development stage	Shareholders equity	Shareholders equity
	Number of Shares	Share Capital				
		DKK				
31 December 1998	125,000	125,000		(3,658)	121,342	14,333
Issuance of shares for cash	273,346	273,346	49,126,654		49,400,000	5,835,588
Issuance of shares for licenses	273,346	273,346	49,126,654		49,400,000	5,835,588
Expenses and foreign currency fluctuations related to share issues			(174,500)		(174,500)	(20,614)
Loss for the period				(12,131,759)	(12,131,759)	(1,433,117)
30 September 1999	671,692	671,692	98,078,808	(12,135,417)	86,615,083	10,231,778

Interim Report
January - September 2000
(29 November 2000)



Cash Flow Statement for the 9-Month Period Ended 30 September 2000
(unaudited)

	9 months ended 30 September 2000 DKK	9 months ended 30 September 1999 DKK	9 months ended 30 September 2000 US\$	9 months ended 30 September 1999 US\$
Operating loss	(36,050,468)	(12,784,193)	(4,258,616)	(1,510,188)
Adjustment to reconcile operating loss to net cash used in operating activities before net financial items:				
Depreciation and amortization	10,990,688	4,679,036	1,298,321	552,731
Changes in operating assets and liabilities:				
Other receivables	(809,961)	178,067	(95,680)	21,035
Prepayments	(929,696)	(276,708)	(109,824)	(32,687)
Accounts payable	4,486,663	836,578	530,006	98,824
Cash flow from operations before net financial items	(22,312,774)	(7,367,220)	(2,635,793)	(870,285)
Net financial receivables	7,478,093	259,401	883,382	30,643
Cash flow from operations	(14,834,681)	(7,107,819)	(1,752,411)	(839,642)
Deposits	(1,591,028)	(92,500)	(187,947)	(10,927)
Purchase of fixed assets	(2,946,823)	(32,128)	(348,106)	(3,795)
Cash deposited in short-term investments	(50,000,000)	-	(5,906,465)	-
Cash used in investing activities	(54,537,851)	(124,628)	(6,442,518)	(14,722)
Shares issued for cash	354,725,074	49,225,500	41,903,426	5,814,974
Cash flow from financing	354,725,074	49,225,500	41,903,426	5,814,974
Increase in cash and cash equivalents	285,352,542	41,993,053	33,708,497	4,960,610
Cash and cash equivalents at the beginning of the period	39,107,642	125,342	4,619,759	14,807
Unrealized exchange rate gains	19,494,553	-	2,302,878	-
Cash and cash equivalents at the end of the period (See Note 1)	343,954,737	42,118,395	40,631,134	4,975,417
Supplemental schedule of non-cash transactions:				
Shares issued for licenses contributed	45,552,241	49,400,000	5,381,055	5,835,588

Notes to the Financial Statements
(unaudited)

1. Cash, cash equivalents and short-term investments

	As of 30 September 2000 DKK	As of 30 September 1999 DKK	As of 30 September 2000 US\$	As of 30 September 1999 US\$
Short term investments	50,000,000	-	5,906,465	-
Cash and cash equivalents	343,954,737	42,118,395	40,631,134	4,975,417
	393,954,737	42,118,395	46,537,599	4,975,417

Cash and cash equivalents consist of bank deposits, US treasure bills and cash at hand. Cash and cash equivalents include US\$ denominated deposits of DKK 244.4m. A significant part of the future expenses of the Company is expected to be incurred in US\$. None of the US\$ denominated deposits had maturity greater than three months at the date of the deposit.

2. Significant post balance sheet date events

On 18 October 2000, the Company completed its Initial Public Offering and our shares were listed on the Copenhagen Stock Exchange and Neuer Markt Stock Exchange. 6,000,000 new ordinary shares of DKK 1 nominal value were offered, and the total proceeds pre expenses were DKK 1,560m.

3. Warrants

Following the one for nine bonus share issue approved on 25 August 2000, and subsequent adjustment to outstanding warrants, there are now 850,000 warrants issued and outstanding under the February programme and 1,130,500 warrants issued and outstanding under the July programme.

The warrants on each individual grant are exercisable in tranches. Half may be exercised one year following the date of the grant and the balance two years following the date of grant. Thereafter, the exercise period last for an additional three years.

The exercise of the warrants granted to employees, members of the board of directors, the scientific advisory board and consultants, is not conditional on continued employment or relationship of the holder with the company at the time of exercise. Warrants granted under the company's warrant programmes are immediately 100 per cent. vested. However, a grantee of such warrants must, in certain circumstances upon termination of the employment of warrant holders or of the company's relationship with the warrant holder, return to us 25 per cent. of the ordinary shares issued pursuant to an exercise of such warrants for each year (or part thereof) less than four years that such grantee

Notes to the Financial Statements
(unaudited)

maintains his or her employee, director, scientific advisory board member or consultant status, as applicable, with the company.

The warrant plans also contain anti-dilution provisions if changes occur in the Company's share capital prior to the exercise.

Based on estimates of both the price development of Genmab's shares as well as of market developments in general, it is assumed that the warrants will be exercised.

4. Reconciliation from Danish to US GAAP

Deferred income taxes

Under Danish GAAP deferred tax assets are only recognised to the extent that it is probable that such deferred tax asset will crystallise in the future. Under U.S. GAAP deferred taxation is provided for on a full liability basis. However, a valuation allowance is established when it is considered more likely than not that the deferred tax asset will not be realised.

In the case of the Company, the valuation allowance equals the full value of the calculated deferred tax asset and reflects the risk that the deferred tax asset will not be realised over the five-year period that tax losses can be carried forward and offset against future taxable profits. There is therefore no quantifiable difference in earnings or in shareholders equity resulting from the accounting treatment applied by the Company under Danish GAAP as opposed to U.S. GAAP.

Transactions entered into by a principal shareholder on the Company's behalf

Under U.S. GAAP, certain transactions entered into by a principal shareholder on a company's behalf are required to be recognised in the Company's financial statements through the recognition of an asset or an expense and a corresponding credit to shareholders' equity. There is no such requirement under Danish GAAP. Under U.S. GAAP, the Company would have recorded deferred compensation and an offsetting credit to shareholders' equity in connection with the sale by a principal shareholder in January 1999 of 50,000 of the Company's shares to a number of the Company's employees and directors for nominal value. Deferred compensation associated with this transaction should have been amortised as a charge against income over the four-year vesting period beginning in February 1999. As at 30 September 2000, the balance of deferred compensation relating to such transaction subject to amortisation in future periods would have been approximately DKK 3.4m.

Notes to the Financial Statements
(unaudited)

Reconciliation of net loss from Danish to U.S. GAAP

The audited financial statements of the Company are prepared in accordance with Danish GAAP, which differs in certain aspects from U.S. GAAP. Application of U.S. GAAP would have affected net loss for the nine-month periods ended 30 September 2000 and 1999 to the extent described below. Application of U.S. GAAP would not have affected shareholders' equity as of any date for which financial information is presented herein:

	9 months ended 30 September 2000 <u>DKK</u>	9 months ended 30 September 1999 <u>DKK</u>	9 months ended 30 September 2000 <u>US\$</u>	9 months ended 30 September 1999 <u>US\$</u>
Net income according to Danish GAAP	(8,842,149)	(12,131,759)	(1,044,517)	(1,433,117)
Transaction entered into by principal shareholder on Company's behalf	<u>(1,056,994)</u>	<u>(822,106)</u>	<u>(124,862)</u>	<u>(97,115)</u>
Net income according to U.S. GAAP	<u>(9,899,143)</u>	<u>(12,953,865)</u>	<u>(1,169,379)</u>	<u>(1,530,232)</u>
Weighted average number of ordinary shares outstanding during the period - basic and diluted	<u>11,715,499</u>	<u>5,081,853</u>	<u>11,715,499</u>	<u>5,081,853</u>
Basic and diluted loss per share according to U.S. GAAP	<u>(0.8)</u>	<u>(2.5)</u>	<u>(0.1)</u>	<u>(0.3)</u>

5. Commitments and contingencies

Earlier this year the company entered a genomics collaboration with Medarex. According to the terms, the company is obligated to pay US\$ 2m upon each of the first, second, third and fourth anniversaries of the agreement. If the agreement is extended the company is obliged to pay US\$ 2m per year for two years. The Company can chose whether the payments may be in the form of ordinary shares or cash.

Auditors' Report

According to agreement we have performed a review of the interim financial statements of Genmab A/S for the period 1 January - 30 September 2000 as presented by the Board of Directors and the Management. The interim financial statements are for the purpose of the company's quarterly reporting to the Copenhagen Stock Exchange and the Frankfurt Neuer Markt Stock Exchange.

We have performed no audit.

Basis of opinion

We have planned and performed our work in accordance with the Danish standard and guidelines for review of interim financial statements. The review has included enquiries, analyses and assessments of the information in the interim financial statements. The scope of the work is far less than that performed in connection with an audit and thus provides less assurance as to the disclosure of any material errors or omissions in the financial statements than is the case with an audit.

Opinion

During our review we have not ascertained any matters, which show that the interim financial statements do not give a true and fair view of the company's assets and liabilities, financial position and the loss for the period.

Copenhagen, 29 November 2000

PricewaterhouseCoopers

**Grothen & Perregaard Statsautoriseret
Revisionsaktieselskab**

Jens Røder
State Authorised Public Accountant

Klaus Bech
State Authorised Public Accountant