



Interim Report
1st Quarter 2003

7 May 2003

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Dear Shareholder,

During the first quarter of 2003, Genmab reported a net loss of DKK 85.5 million (approximately USD 12.5 million) compared to a net loss of DKK 99.4 million (approximately USD 14.6 million) for the similar period in 2002. At the end of the period, Genmab had cash and marketable securities of DKK 1.214 billion (approximately USD 178.1 million).

Research and development costs were DKK 77.1 million (approximately USD 11.3 million) in the first quarter of 2003 compared to DKK 82.3 million (approximately USD 12.1 million) in the first quarter of 2002. General and administrative expenses decreased from DKK 24.2 million (approximately USD 3.6 million) to DKK 17.3 million (approximately USD 2.5 million) in the first quarter of 2003 compared to the corresponding period of 2002.

During the quarter, Genmab achieved its expected progress within both pre-clinical and clinical activities and maintains the full year expectations for the operations.

The net loss per share for the first quarter of 2003 was DKK 3.76 (approximately USD 0.55) compared to DKK 4.55 (approximately USD 0.67) in the same period of 2002.

Highlights

Genmab had a number of business and scientific achievements during the first quarter of 2003, including the following:

- First milestone in the collaboration with Roche, as a human antibody generated by Genmab has effectively reached proof of concept in an animal disease model.

- Announced FDA approval for the start of two Phase II open label studies using HuMax-CD4 to treat cutaneous T-cell lymphoma (CTCL).
- Announced that the FDA approved the IND to investigate HuMax-IL15 to treat rheumatoid arthritis (RA) – and therefore add US sites to the on-going HuMax-IL15 Phase II study.
- Announced new pre-clinical data on HuMax-CD20 and HuMax-EGFr, indicating that both antibodies appeared to have positive effects in the treatment of cancer in laboratory tests.

Financial Review

The company's financial statements are published in Danish Kroner (DKK). Solely for the convenience of the reader, this Interim Report contains a conversion of certain DKK amounts into US Dollars (USD) at specified rates. These converted amounts should not be construed as representations that the DKK amounts actually represent such USD amounts or could be converted into USD at the rates indicated or at any other rate.

Unless otherwise indicated, conversion herein of financial information into USD has been made using the Danish Central Bank's spot rate on 31 March 2003, which was USD 1.00 = DKK 6.8163.

Operating Loss

The company's operating loss for the first quarter of 2003 is DKK 94.4 million.

The research and development costs of DKK 77.1 million in the first quarter of 2003 are 6% lower than the costs incurred in the corresponding period of 2002. This decrease reflects increased cost control efforts as well as the fact that Genmab is no longer incurring costs associated

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with manufacturing for the HuMax-CD4 RA Phase III study as we did in the first quarter of 2002.

The general and administrative expenses of DKK 17.3 million in the first quarter of 2003 are 29% lower than the first quarter of 2002. The decrease is mainly caused by cost control efforts combined with no longer incurring large expenses included in the first quarter of 2002 in connection with the company's expansion and business development efforts.

Financial Income

As a result of the continued weakening of the USD against the DKK, the company recognized exchange rate losses during the quarter, primarily related to our USD cash and marketable securities. However, our USD cash and marketable securities are a natural hedge for our projected USD cash expenses. During the first quarter of 2003, net exchange rate losses of DKK 5.7 million were recognized. However, due to the strong cash position, the interest income on cash and marketable securities has resulted in net financial income of DKK 8.9 million for the first quarter of 2003. This compares to DKK 7.4 million in the corresponding period of 2002.

Net Loss

Net loss for the first quarter of 2003 is DKK 85.5 million compared to DKK 99.4 million in the first quarter of 2002.

Cash Flow

As of 31 March 2003, the balance sheet reflects cash, cash equivalents and short-term marketable securities of DKK 1.214 billion compared to DKK 1.369 billion as of 31 December 2002. This represents a net decrease of DKK 155 million.

The cash flow for the period is mainly driven by the operating activities. The cash usage from operating activities, which includes the payment of year-end liabilities, was DKK 141.2 million. Included in cash flow from operations is the cash

outflow of DKK 19.1 million related to accrued interest receivables for purchased marketable securities during the quarter.

The investing activities are mainly comprised of the buying and selling of marketable securities and capital expenditures.

For the first quarter of 2003, the total burn rate, defined as cash flow from operating activities after financial items together with the investment activities excluding buying and selling of marketable securities classified as available for sale, was DKK 152.1 million.

Balance Sheet

As of 31 March 2003, total assets were DKK 1.433 billion compared to DKK 1.583 billion at the end of 2002.

Shareholders equity, as of 31 March 2003, equalled DKK 1.314 billion compared to DKK 1.399 billion at the end of 2002. On 31 March 2003, the company's equity ratio was 91.6% compared to 88.4% at the end of 2002.

Outlook

In the Annual Report for 2002, Genmab announced the expectations for 2003. At that time, subject to possible variation in costs derived from clinical activities and related expenses, an operating loss of DKK 435 to 455 million was projected, assuming that no further agreements are entered into during 2003 that could materially affect the results. Further, under the same conditions, the net loss for 2003 was expected to be in the range of DKK 390 to 430 million. The cash used in operations and investment activities was expected to reduce the company's cash, cash equivalents and short-term marketable securities by a range of approximately DKK 340 to 360 million in 2003. The realized results and the cash burn for the first quarter of 2003 are in line with management's expectations, and do not indicate any changes to the reported forecasts.

Subsequent Events

On 15 April 2003, the company announced that its Chief Financial Officer, Mr. Michael Wolff Jensen, has resigned from his position at Genmab in order to take up a position as Chief Financial Officer in a start-up Danish biotech company, which is not a competitor to Genmab. Mr. Michael Wolff Jensen will leave his position at Genmab on 1 August 2003.

Genmab has initiated a procedure to find a replacement CFO, and has put in place a structure for the interim period until a new CFO is announced.

On 24 April 2003, at the company's Annual General Meeting, the board of directors was authorized to issue warrants to subscribe the

company's shares up to a nominal value of DKK 500 thousand divided into shares of DKK 1 to new members of the company's board of directors, the company's employees and consultants as well as employees and consultants of the company's subsidiaries. As proposed by the board and authorized by the shareholders, members of the board of directors and registered managers to whom warrants previously have been issued are not eligible to receive warrant grants from this new warrant program.

At the company's Annual General Meeting, the Chairman of the board of directors, Dr. Jesper Zeuthen, resigned as a member of the board as previously announced. After the meeting the board convened and elected Dr. Michael Widmer as the new Chairman.

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Key Figures

	1st quarter of 2003 DKK'000	1st quarter of 2002 DKK'000	1st quarter of 2003 USD'000	1st quarter of 2002 USD'000
Income Statement				
Research and development costs	(77,074)	(82,329)	(11,307)	(12,078)
General and administrative expenses	(17,297)	(24,229)	(2,538)	(3,555)
Operating loss	(94,371)	(106,558)	(13,845)	(15,633)
Net financial income	8,884	7,427	1,303	1,089
Net loss	(85,487)	(99,428)	(12,542)	(14,587)
Balance Sheet				
Cash and marketable securities	1,213,864	1,490,932	178,082	218,730
Total assets	1,433,416	1,723,300	210,292	252,820
Shareholders' equity	1,313,683	1,622,495	192,727	238,032
Share capital	22,717	21,837	3,333	3,204
Investments in tangible fixed assets	9,400	19,223	1,380	2,820
Cash Flow Statement				
Cash flow from operating activities	(141,162)	(77,449)	(20,710)	(11,363)
Cash flow from investing activities	132,121	257,588	19,383	37,790
Cash flow from financing activities	(848)	1,355	(124)	199
Cash and cash equivalents	243,057	347,355	35,658	50,959
Financial Ratios (in DKK / USD)				
Basic and diluted net loss per share	(3.76)	(4.55)	(0.55)	(0.67)
Period-end share market price	29.99	183.49	4.40	26.92
Share market price / equity value	0.52	2.47	0.52	2.47
Shareholders' equity per share	57.83	74.30	8.48	10.90
Average number of employees	195	123	195	123
Number of employees at the end of the period	201	135	201	135

Additional information:

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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 previously issued Annual Report and Offering Circular.

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Income Statement

	Note	1st quarter of 2003 DKK'000	1st quarter of 2002 DKK'000	1st quarter of 2003 USD'000	1st quarter of 2002 USD'000
Research and development costs	2	(77,074)	(82,329)	(11,307)	(12,078)
General and administrative expenses	2	(17,297)	(24,229)	(2,538)	(3,555)
Operating loss		(94,371)	(106,558)	(13,845)	(15,633)
Financial income		22,521	24,008	3,304	3,522
Financial expenses		(13,637)	(16,581)	(2,001)	(2,433)
Loss before tax		(85,487)	(99,131)	(12,542)	(14,544)
Corporate tax		-	(297)	-	(43)
Net loss		(85,487)	(99,428)	(12,542)	(14,587)
Basic and diluted net loss per share (in DKK / USD)		(3.76)	(4.55)	(0.55)	(0.67)
Weighted average number of ordinary shares outstanding during the period - basic and diluted		22,716,620	21,828,898	22,716,620	21,828,898

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Balance Sheet – Assets

	Note	31 March 2003 DKK'000	31 December 2002 DKK'000	31 March 2002 DKK'000	31 March 2003 USD'000	31 December 2002 USD'000	31 March 2002 USD'000
Licenses and rights	2	56,976	64,600	87,473	8,359	9,477	12,833
Total intangible fixed assets		56,976	64,600	87,473	8,359	9,477	12,833
Leasehold improvements	2	24,678	27,012	15,504	3,619	3,963	2,275
Equipment, furniture and fixtures	2	63,839	41,033	37,070	9,366	6,020	5,438
Fixed assets under construction	2	1,476	20,199	25,248	217	2,963	3,704
Total tangible fixed assets		89,993	88,244	77,822	13,202	12,946	11,417
Other securities and equity interests	3	12,193	11,670	12,857	1,789	1,712	1,886
Total financial fixed assets		12,193	11,670	12,857	1,789	1,712	1,886
Total non-current assets		159,162	164,514	178,152	23,350	24,135	26,136
Antibody clinical trial material		27,184	34,607	-	3,988	5,077	-
Other receivables		30,365	13,272	51,647	4,455	1,947	7,577
Prepayments		2,841	2,008	2,569	417	295	377
Total receivables		33,206	15,280	54,216	4,872	2,242	7,954
Marketable securities	4	970,807	1,115,789	1,143,577	142,424	163,694	167,771
Cash and cash equivalents		243,057	252,946	347,355	35,658	37,109	50,959
Total current assets		1,274,254	1,418,622	1,545,148	186,942	208,122	226,684
Total assets		1,433,416	1,583,136	1,723,300	210,292	232,257	252,820

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Balance Sheet – Shareholders' Equity and Liabilities

	Note	31 March 2003 DKK'000	31 December 2002 DKK'000	31 March 2002 DKK'000	31 March 2003 USD'000	31 December 2002 USD'000	31 March 2002 USD'000
Share capital		22,717	22,717	21,837	3,333	3,333	3,204
Share premium		2,074,324	2,074,324	1,956,700	304,318	304,318	287,062
Revaluation surplus		4,408	4,407	11	647	647	2
Unearned compensation		-	-	(33,675)	-	-	(4,941)
Accumulated deficit		(787,766)	(702,279)	(322,378)	(115,571)	(103,029)	(47,295)
Shareholders' equity		1,313,683	1,399,169	1,622,495	192,727	205,269	238,032
Payable technology rights		12,631	12,942	30,194	1,853	1,899	4,430
Lease liability		10,205	10,625	-	1,497	1,558	-
Total non-current liabilities		22,836	23,567	30,194	3,350	3,457	4,430
Current portion of payable technology rights		13,321	13,650	17,045	1,954	2,003	2,501
Current portion of lease liability		2,995	3,150	-	439	462	-
Accounts payable		42,900	94,640	16,390	6,294	13,884	2,405
Other liabilities		37,681	48,960	37,176	5,528	7,182	5,452
Total current liabilities		96,897	160,400	70,611	14,215	23,531	10,358
Total liabilities		119,733	183,967	100,805	17,565	26,988	14,788
Total shareholders' equity and liabilities		1,433,416	1,583,136	1,723,300	210,292	232,257	252,820
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Statement of Cash Flow

	1st quarter of 2003	1st quarter of 2002	1st quarter of 2003	1st quarter of 2002
	DKK'000	DKK'000	USD'000	USD'000
Loss before financial items	(94,371)	(106,558)	(13,845)	(15,633)
Adjustments for non-cash transactions:				
Depreciation and amortization	14,314	10,263	2,099	1,506
Net gain on sale of equipment	(199)	-	(29)	-
Expensed value of warrants	-	8,630	-	1,266
Changes in current assets and liabilities:				
Antibody clinical trial material	7,423	-	1,089	-
Other receivables	(17,093)	(6,625)	(2,508)	(972)
Prepayments	(833)	3,269	(122)	480
Accounts payable and other liabilities	(63,019)	1,102	(9,245)	162
Cash flow from operating activities before financial items	(153,778)	(89,919)	(22,561)	(13,191)
Net financial receivables	12,616	12,767	1,851	1,871
Corporate taxes paid	-	(297)	-	(43)
Cash flow from operating activities	(141,162)	(77,449)	(20,710)	(11,363)
Purchase of tangible fixed assets	(11,376)	(18,636)	(1,669)	(2,734)
Sale of tangible fixed assets	446	-	66	-
Tangible fixed assets under construction	-	(11,071)	-	(1,624)
Marketable securities bought	(1,045,393)	(1,275,420)	(153,367)	(187,113)
Marketable securities sold	1,188,444	1,562,715	174,353	229,261
Cash flow from investing activities	132,121	257,588	19,383	37,790
Shares issued for cash	-	1,355	-	199
Paid installments on lease liability	(848)	-	(124)	-
Cash flow from financing activities	(848)	1,355	(124)	199
Increase / (decrease) in cash and cash equivalents	(9,889)	181,494	(1,451)	26,626
Cash and cash equivalents at the beginning of the period	252,946	165,861	37,109	24,333
Cash and cash equivalents at the end of the period	243,057	347,355	35,658	50,959

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Statement of Shareholders' Equity

	Number of shares	Share capital	Share premium	Revaluation surplus	Unearned compensation	Accumulated deficit	Shareholders' equity	Shareholders' equity
		DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	USD'000
31 December 2001	21,812,020	21,812	1,926,127	2,098	(13,062)	(225,045)	1,711,930	251,152
Exercise of warrants	24,500	25	1,330				1,355	199
Reversal of unrealized gains and imputed interest on marketable securities				(2,095)		2,095	-	-
Adjustment of value of warrants granted			29,243		(29,243)		-	-
Expense recognized for warrants granted					8,630		8,630	1,267
Adjustment of foreign currency fluctuations on subsidiaries				8			8	1
Loss for the period						(99,428)	(99,428)	(14,587)
31 March 2002	21,836,520	21,837	1,956,700	11	(33,675)	(322,378)	1,622,495	238,032
Capital increase	880,100	880	157,537				158,417	23,241
Expenses related to capital increase			(2,923)				(2,923)	(430)
Adjustment of value of warrants granted			(36,990)		36,990		-	-
Expense recognized for warrants granted					(3,315)		(3,315)	(487)
Adjustment of foreign currency fluctuations on subsidiaries				4,396			4,396	646
Loss for the period						(379,901)	(379,901)	(55,733)
31 December 2002	22,716,620	22,717	2,074,324	4,407	0	(702,279)	1,399,169	205,269
Adjustment of foreign currency fluctuations on subsidiaries				1			1	-
Loss for the period						(85,487)	(85,487)	(12,542)
31 March 2003	22,716,620	22,717	2,074,324	4,408	0	(787,766)	1,313,683	192,727

Notes to the Financial Statements

1. Accounting Policies

The Interim Report has been prepared in accordance with the Copenhagen Stock Exchange's financial reporting requirements for listed companies. The Interim Report is in compliance with International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting," which defines the minimum content of an interim financial report and identifies the accounting recognition and measurement principles that should be applied in an interim financial report.

The accounting policies used for the Interim Report are consistent with the accounting policies used in the company's latest Annual Report, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, the provisions of the Danish Financial Statements Act for listed companies in accounting class D, the Danish Accounting Standards, and the Copenhagen Stock Exchange's financial reporting requirements for listed companies.

The Interim Report has been prepared in Danish Kroner (DKK), which is the functional currency of the company and the group.

Solely for the convenience of the reader, the Interim Report contains a conversion of certain DKK amounts into US Dollars (USD) at specified rates. This conversion has been made at the exchange rate in effect at the balance sheet date. These converted amounts should not be construed as representations that the DKK amounts actually represent such USD amounts or could be converted into USD at the rates indicated or at any other rate.

The most significant items of the company's accounting policies are:

Consolidated Financial Statements

The consolidated financial statements include the parent company and subsidiaries in which the parent company directly or indirectly exercises a controlling interest through shareholding or otherwise. Accordingly, the consolidated financial statements include Genmab A/S, Genmab B.V., Genmab, Inc., and Genmab Ltd. (the Genmab Group).

Stock-Based Compensation

The company has granted warrants to employees, the board of directors, and non-employee consultants under various warrant programs. The company accounts for the compensation by use of the intrinsic value method for employees and the board of directors and the fair value method for non-employee consultants. For fixed warrant programs for employees and the board of directors, the compensation is expensed on a systematic basis over the vesting period. The estimated fair value of warrants granted to non-employee consultants is expensed when the services have been received.

Antibody Clinical Trial Material

Antibody clinical trial material includes antibodies purchased from third parties for use in various projects. These antibodies are initially recognized in the balance sheet at cost and are expensed in the income statement when consumed in the clinical trials. On a regular basis, the carrying value of the assets is reviewed to ensure that no impairment has occurred and that the quantities do not exceed the planned consumption in the development activities.

Notes to the Financial Statements

1. Accounting Policies (continued)

Marketable Securities

Marketable securities consist of investments in securities with a maturity greater than three months at the time of purchase. The company invests its cash in deposits with major financial institutions in money market funds, corporate bonds and short-term notes issued by the Danish or US government. The securities can be readily purchased and sold using established markets. When sold, the cost of marketable securities is determined using the "first-in first-out" principle.

The company's portfolio of investments has been classified as "Available-for-sale" as no active trading is taking place except for the replacement of investments at maturity or to balance the portfolio.

Marketable securities are measured at fair value and realized and unrealized gains and losses (including unrealized foreign exchange rate gains and losses) are recognized in the income statement as financial items.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash, bank deposits and marketable securities with a maturity of three months or less on the date of acquisition. Cash and cash equivalents are measured at fair value. Balances in foreign currencies are translated to DKK at the exchange rate in effect at the balance sheet date.

Segment Reporting

The group is managed and operated as one business unit. The entire group is managed by a single management team reporting to the Chief Executive Officer. No separate lines of business or separate business entities have been identified with respect to any of the product candidates or geographical markets. Accordingly, the company's management has concluded that it is not relevant to disclose segment information on business segments or geographical markets.

Reconciliation from IFRS to US GAAP

Solely for the convenience of the reader, the Interim Report includes a reconciliation of the reported result under IFRS to the result under US GAAP.

Notes to the Financial Statements

2. Intangible and Tangible Fixed Assets

	Licenses and rights DKK'000	Leasehold improvements DKK'000	Equipment, furniture and fixtures DKK'000	Fixed assets under construction DKK'000	Licenses and rights USD'000	Leasehold improvements USD'000	Equipment, furniture and fixtures USD'000	Fixed assets under construction USD'000
Cost per 1 January 2003	152,484	32,778	51,652	62,369	22,370	4,809	7,578	9,150
Exchange rate adjustment	-	(526)	(302)	6	-	(79)	(44)	1
Additions for the period	-	39	7,885	1,476	-	6	1,157	217
Transfers between the groups	-	-	20,205	(20,205)	-	-	2,964	(2,964)
Disposals for the period	-	(48)	(656)	-	-	(7)	(96)	-
Cost per 31 March 2003	152,484	32,243	78,784	43,646	22,370	4,729	11,559	6,404
Accumulated depreciation per 1 January 2003	(87,884)	(5,766)	(10,619)	-	(12,893)	(846)	(1,558)	-
Exchange rate adjustment	-	85	71	-	-	12	10	-
Depreciation for the period	(7,624)	(1,884)	(4,806)	-	(1,118)	(276)	(705)	-
Accumulated depreciation on disposals for the period	-	-	409	-	-	-	60	-
Accumulated depreciation per 31 March 2003	(95,508)	(7,565)	(14,945)	0	(14,011)	(1,110)	(2,193)	0
Accumulated impairment loss per 1 January 2003	-	-	-	(42,170)	-	-	-	(6,187)
Exchange rate adjustment	-	-	-	-	-	-	-	-
Impairment loss for the period	-	-	-	-	-	-	-	-
Accumulated impairment loss per 31 March 2003	0	0	0	(42,170)	0	0	0	(6,187)
Net book value per 31 March 2003	56,976	24,678	63,839	1,476	8,359	3,619	9,366	217
Net book value of assets under finance leases included above	-	-	12,953	-	-	-	1,900	-
Depreciation and amortization are included in:								
Research and development costs	7,624	876	3,987	-	1,118	129	585	-
General and administrative expenses	-	1,008	819	-	-	147	120	-
	7,624	1,884	4,806	0	1,118	276	705	0

Notes to the Financial Statements

3. Other Securities and Equity Interests

	31 March 2003 <u>DKK'000</u>	31 December 2002 DKK'000 (full year)	31 March 2002 <u>DKK'000</u>	31 March 2003 <u>USD'000</u>	31 December 2002 USD'000 (full year)	31 March 2002 <u>USD'000</u>
Cost at the beginning of the period	31,755	29,916	29,916	4,659	4,389	4,389
Additions for the period	<u>-</u>	<u>1,839</u>	<u>-</u>	<u>-</u>	<u>270</u>	<u>-</u>
Cost at the end of the period	<u>31,755</u>	<u>31,755</u>	<u>29,916</u>	<u>4,659</u>	<u>4,659</u>	<u>4,389</u>
Adjustment to fair value at the beginning of the period	(20,085)	(14,227)	(14,227)	(2,947)	(2,088)	(2,088)
Adjustment to fair value for the period	<u>523</u>	<u>(5,858)</u>	<u>(2,832)</u>	<u>77</u>	<u>(859)</u>	<u>(415)</u>
Adjustment to fair value at the end of the period	<u>(19,562)</u>	<u>(20,085)</u>	<u>(17,059)</u>	<u>(2,870)</u>	<u>(2,947)</u>	<u>(2,503)</u>
Net book value at the end of the period	<u>12,193</u>	<u>11,670</u>	<u>12,857</u>	<u>1,789</u>	<u>1,712</u>	<u>1,886</u>

4. Marketable Securities

All marketable securities are deemed by management to be available-for-sale and are reported at fair value. The company's portfolio of marketable securities has an average effective duration of less than 12 months and no securities

have an effective duration of more than three years. The company has classified all investments as short-term since it has the intent and ability to sell to redeem them within the year.

Notes to the Financial Statements

4. Marketable Securities (continued)

	31 March 2003 <u>DKK'000</u>	31 December 2002 <u>DKK'000</u> (full year)	31 March 2002 <u>DKK'000</u>	31 March 2003 <u>USD'000</u>	31 December 2002 <u>USD'000</u> (full year)	31 March 2002 <u>USD'000</u>
Cost at the beginning of the period	1,116,313	1,432,719	1,432,719	163,771	210,190	210,190
Additions for the period	1,045,393	5,037,176	1,275,420	153,367	738,990	187,113
Disposals for the period	<u>(1,188,036)</u>	<u>(5,353,582)</u>	<u>(1,559,781)</u>	<u>(174,293)</u>	<u>(785,409)</u>	<u>(228,831)</u>
Cost at the end of the period	<u>973,670</u>	<u>1,116,313</u>	<u>1,148,358</u>	<u>142,844</u>	<u>163,771</u>	<u>168,472</u>
Adjustment to fair value at the beginning of the period	(524)	655	655	(77)	96	96
Adjustment to fair value for the period	<u>(2,339)</u>	<u>(1,179)</u>	<u>(5,436)</u>	<u>(343)</u>	<u>(173)</u>	<u>(797)</u>
Adjustment to fair value at the end of the period	<u>(2,863)</u>	<u>(524)</u>	<u>(4,781)</u>	<u>(420)</u>	<u>(77)</u>	<u>(701)</u>
Net book value at the end of the period	<u>970,807</u>	<u>1,115,789</u>	<u>1,143,577</u>	<u>142,424</u>	<u>163,694</u>	<u>167,771</u>

5. Warrants

Warrant Scheme

Genmab A/S has a warrant scheme which has the primary objective of giving those who help build the company an opportunity to share in the value of the business that they are helping to create. The warrant scheme is meant to provide an incentive for all company employees, including those in the subsidiaries, members of the board of directors and members of the management as well as external consultants.

Warrants are granted by the board of directors in accordance with authorizations given to the board by the company's shareholders.

Under the terms of the existing warrant scheme, warrants are granted by the board of directors at their meetings at an exercise price equal to the share price on the date of the meeting. According to the company's Articles of Association, the

exercise price cannot be established at a price lower than the market price on the grant date.

Warrants granted under the existing warrant scheme cannot be exercised immediately. The terms of the scheme state that one-half of warrants granted can be exercised one year after the grant date with the other half exercisable two years after the grant date. The exercise period lasts for three years from the date when a warrant first becomes exercisable. If the warrants are not exercised within these periods, they lapse.

The exercise of warrants is not conditional upon continued employment or affiliation with Genmab. However, if the warrant holder exercises warrants, then upon cessation of employment or affiliation, except in the event of termination by the company without cause or cessation from the

Notes to the Financial Statements

5. Warrants (continued)

company's breach of the employment or affiliation contract, the holder is obligated to offer to sell a specified percentage of shares issued back to the company according to the following schedule:

- 75% of shares if termination occurs in the second year after grant.
- 50% of shares if termination occurs in the third year after grant.
- 25% of shares if termination occurs in the fourth year after grant.

The repurchase price to be paid for the shares by the company in these instances is the warrant holder's original exercise price. Accordingly, the warrant holder will not be able to profit on shares sold back to the company.

The warrant scheme contains anti-dilution provisions if changes occur in the company's share capital prior to the exercise.

Warrant Activity

In February 1999 and in January, June and August 2000, the company's board of directors was authorized to grant a total of 4,271,263 warrants.

No warrants have been granted in the first quarter of 2003 and no warrants have been exercised during this period. Accordingly, as of 31 March 2003, a total of 4,236,575 warrants with a weighted average exercise price of DKK 107.48 were outstanding compared to a total of 3,241,650 warrants with a weighted average exercise price of DKK 112.30 as of 31 March 2002.

No compensation expense was recorded during the first quarter of 2003. During the comparable period of 2002, DKK 8.6 million was recorded as compensation expense.

Notes to the Financial Statements

6. Internal Shareholders

The following table sets forth certain information regarding the beneficial ownership of the issued share capital and the outstanding warrants by the

members of the board of directors and the management:

	<u>Number of ordinary shares owned</u>	<u>Number of warrants held</u>
Board of directors		
Lisa N. Drakeman	301,440	505,000
Jesper Zeuthen	62,255	85,000
Ernst Schweizer	176,840	72,000
Irwin Lerner	-	60,000
Michael Widmer	-	50,000
Karsten Havkrog Pedersen	-	25,000
	<u>540,535</u>	<u>797,000</u>
Management		
Lisa N. Drakeman, see above	-	-
Jan van de Winkel	42,000	280,000
Claus Juan Møller-San Pedro	128,375	330,000
Michael Wolff Jensen	5,500	190,000
	<u>175,875</u>	<u>800,000</u>
Total	<u>716,410</u>	<u>1,597,000</u>

Notes to the Financial Statements

7. Reconciliation from IFRS to US GAAP

The financial statements of the company are prepared in accordance with IFRS, which differ in certain aspects from US GAAP.

Comprehensive income

SFAS 130, "Reporting Comprehensive Income," establishes US GAAP for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income, which is a component of shareholders' equity, includes all unrealized gains and losses (including exchange rate gains and losses) on debt and equity securities classified as "Available-for-sale." Such securities would be classified as marketable securities in the financial statements under US GAAP and such unrealized gains and losses would be included in a separate statement in order to determine comprehensive income.

In accordance with IFRS, the company classifies such securities as marketable securities. Unrealized gains and losses (including exchange rate adjustments) are included in the income statement as financial items and in shareholders' equity as part of the accumulated deficit.

There are no quantifiable differences in shareholders' equity resulting from the accounting treatment applied by the company under IFRS compared to US GAAP.

Application of US GAAP would have affected net loss for the periods ended 31 March 2003 and 2002 to the extent described below. Application of US GAAP would not have affected shareholders' equity as of any date for which financial information is presented herein.

Notes to the Financial Statements

7. Reconciliation from IFRS to US GAAP (continued)

	1st quarter of 2003 <u>DKK'000</u>	1st quarter of 2002 <u>DKK'000</u>	1st quarter of 2003 <u>USD'000</u>	1st quarter of 2002 <u>USD'000</u>
Net loss according to IFRS	(85,487)	(99,428)	(12,542)	(14,587)
Revaluation of marketable securities concerning measurement to market value	345	6,123	51	898
Reversed unrealized exchange rate (gain) / loss on marketable securities	<u>2,933</u>	<u>(247)</u>	<u>430</u>	<u>(36)</u>
Net loss according to US GAAP	<u>(82,209)</u>	<u>(93,552)</u>	<u>(12,061)</u>	<u>(13,725)</u>
Weighted average number of ordinary shares outstanding during the period - basic and diluted	<u>22,716,620</u>	<u>21,828,898</u>	<u>22,716,620</u>	<u>21,828,898</u>
Basic and diluted net loss per share according to US GAAP (in DKK / USD)	<u>(3.62)</u>	<u>(4.29)</u>	<u>(0.53)</u>	<u>(0.63)</u>
Net loss according to US GAAP	(82,209)	(93,552)	(12,061)	(13,725)
Other Comprehensive income:				
Unrealized loss from marketable securities	(345)	(6,123)	(51)	(898)
Adjustment of foreign currency fluctuations in subsidiaries	1	8	0	1
Unrealized exchange rate gain / (loss) on marketable securities	<u>(2,933)</u>	<u>247</u>	<u>(430)</u>	<u>36</u>
Comprehensive income	<u>(85,486)</u>	<u>(99,420)</u>	<u>(12,542)</u>	<u>(14,586)</u>