Interim Report
For the 6 Months ended June 30, 2004

August 3, 2004

Genmab A/S
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Dear Shareholder,

During the first half of 2004, Genmab reported a net loss of DKK 194.2 million (approximately USD 31.8 million) compared to a net loss of DKK 89.2 million (approximately USD 14.6 million) for the same period in 2003. At June 30, 2004, Genmab had cash and marketable securities of DKK 929.2 million (approximately USD 152.0 million).

Genmab's research and development costs accounted for 84.7% of operating costs and were DKK 177.9 million (approximately USD 29.1 million) in the first half of 2004 compared to DKK 144.1 million (approximately USD 23.6 million) in the first half of 2003. General and administrative expenses increased from DKK 30.4 million (approximately USD 5.0 million) to DKK 32.0 million (approximately USD 5.2 million) in the first half of 2004 compared to the corresponding period of 2003.

The net loss per share for the first half of 2004 was DKK 8.31 (approximately USD 1.36) compared to DKK 3.93 (approximately USD 0.64) in the same period of 2003.

Highlights

Genmab continued the positive development from the first quarter, which included Roche's selection of two Genmab antibodies as clinical candidates, US Food and Drug Administration (FDA) fast track designation of HuMax-CD4, and Amgen's presentation of positive interim Phase II data from the rheumatoid arthritis study with AMG 714 (formerly known as HuMax-IL15). The highlights of the second quarter of 2004 included the following business and scientific achievements:

- Genmab launched an international private placement, which was successfully completed in July 2004, raising approx. DKK 447 million after expenses. The transaction was completed in July and does not affect first half year results.

- Genmab announced positive Phase II data in HuMax-CD4 cutaneous T-cell lymphoma (CTCL) studies - 55% of higher dose patients treated for the primary indication, mycosis fungoides, achieved at least a partial response.

- HuMax-CD4 was designated an orphan drug for the treatment of CTCL by the European Agency for the Evaluation of Medicinal Products.

- The US FDA allowed Genmab's Investigational New Drug application for a HuMax-CD20 Phase I/II study to treat patients with relapsed or refractory Chronic Lymphocytic Leukemia.

- Genmab acquired a license for Ganymed Pharmaceuticals AG's cancer target GT43. The target is expressed on a wide range of tumors, including melanoma, breast cancer, lung cancer, and hepatocellular carcinoma.

Product Pipeline

During the first half of 2004, we continued to build a broad portfolio of products in various stages of development. The current pipeline includes two Phase II products, one of which is being developed under an agreement with our partner Amgen, four products in Phase I/II, and two products being prepared for clinical trials.

The following is an update on the status of each program.

HuMax-CD4
HuMax-CD4 is in development for T-cell lymphoma. Genmab has completed two concurrent Phase II clinical studies to treat T-cell lymphoma, one in early stage patients and the other for patients with advanced disease. The

objective of the studies was to determine the safety and efficacy of HuMax-CD4 in the treatment of cutaneous T-cell lymphoma (CTCL). In March 2004, the US Food and Drug Administration (FDA) designated HuMax-CD4 a Fast Track Product. This designation covers patients with CTCL who have failed current available therapy.

Positive Phase II data was presented at the Society for Investigative Dermatology Conference on April 29, 2004. The data showed that over 55% of higher dose patients in the primary indication achieved at least a partial response in HuMax-CD4 Phase II CTCL studies. The higher dose levels in the Phase II study were 560 and 980 mg weekly for up to 17 weeks. These patients were all treated for mycosis fungoides (MF), which comprises 75% of CTCLs. This patient population is expected to be the group treated in a pivotal study that is expected to begin in the second half of 2004.

AMG 714
AMG 714, formerly known as HuMax-IL15, is being developed under an agreement with Amgen to treat inflammatory and autoimmune diseases. AMG 714 is currently being evaluated by Amgen in Phase II clinical studies for rheumatoid arthritis. Amgen has taken responsibility for further development of AMG 714. In March 2004, Amgen released positive interim data from the ongoing Phase II study in rheumatoid arthritis. The interim analysis covered 110 patients and showed a significant difference between treated patients and those in the placebo group. The Phase II study is still ongoing and Amgen has announced that it is adding patients. Amgen has announced that it expects to complete this Phase II clinical evaluation in 2004.

HuMax-CD20
HuMax-CD20 is a fully human high affinity antibody that is in Phase I/II clinical development for non-Hodgkins lymphoma. HuMax-CD20 targets the CD20 molecule in the cell membrane of pre- and mature B-cells. HuMax-CD20 is currently being tested in an open label Phase I/II clinical trial in patients with relapsed or refractory follicular lymphoma. The primary objective will be to assess the safety and efficacy of HuMax-CD20.

In June 2004, the US FDA accepted our Investigational New Drug application to start an open-label dose escalation Phase I/II study with HuMax-CD20 to treat patients with relapsed or refractory cronic lymphocytic leukemia (CLL). We expect to initiate the study during the summer of 2004.

HuMax-Inflam
HuMax-Inflam is a human antibody in development to treat an autoimmune disease. HuMax-Inflam is being developed in collaboration with Medarex and is currently in Phase I/II clinical trials.

HuMax-EGFr
HuMax-EGFr is a human antibody that targets the Epidermal Growth Factor Receptor, a molecule found in abundance on the surface of many cancer cells. HuMax-EGFr is currently in Phase I/II clinical trial for head and neck cancer with the main objectives of assessing the safety of the treatment and the efficacy of HuMax-EGFr.

Pre-Clinical Programs
Included in Genmab's antibody programs in pre-clinical development is HuMax-TAC, for potential use in the treatment of organ transplant rejection, and HuMax-HepC, to treat Hepatitis C virus reinfection after liver transplantation.

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 a specified rate. 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 rate 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 June 30, 2004, which was USD 1.00 = DKK 6.1148.

Operating Loss
The company's operating loss for the first half of 2004 is DKK 210.0 million compared to DKK 109.4 million in the first half of 2003, which included the recognition of DKK 65.0 million of revenue related to our Amgen contract.

Research and development costs increased by DKK 33.9 million, or 24%, to DKK 177.9 million in the first half of 2004 compared to the corresponding period of 2003. This increase is primarily due to the increase in manufacturing costs related to the progression of the company's current and planned clinical trials.

General and administrative expenses increased by DKK 1.6 million, or 5%, to DKK 32.0 million in the first half of 2004 compared to the first half of 2003.

Financial Income
During the first half of 2004, Genmab recognized net financial income of DKK 15.8 million compared to DKK 20.2 million for the same period of 2003. The decrease is mainly due to the lower fair market valuation of our investment portfolio, caused by increasing interest rates over the period.

Net Loss
Net loss for the first half of 2004 is DKK 194.2 million compared to DKK 89.2 million in the first half of 2003. The increase is primarily attributable to the revenue recognized in the first half of 2003, which reduced the net loss by DKK 65.0 million, and increasing manufacturing costs in 2004 as a result of the progress in the company's clinical trials. Further, as noted above, net financial income is lower in the first half of 2004 compared to 2003.

Cash Flow
As of June 30, 2004, the balance sheet reflects cash, cash equivalents and short-term marketable securities of DKK 929.2 million compared to DKK 1.036 billion as of December 31, 2003. This represents a net decrease of DKK 106.8 million.

The cash flow for the first half of 2004 is mainly driven by the operating activities. The cash usage from operating activities was DKK 152.5 million.

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

The cash flow from financing activities is affected by the exercise of 850,598 warrants during the first half of 2004, which resulted in total proceeds to the company of DKK 47.1 million.

Balance Sheet
As of June 30, 2004, total assets were DKK 1.055 billion compared to DKK 1.180 billion at the end of 2003.

Shareholders equity, as of June 30, 2004, equalled DKK 939.4 million compared to DKK 1.086 billion at the end of 2003. On June 30, 2004, the company's equity ratio was 89% compared to 92% at the end of 2003.

Outlook
In the Annual Report for 2003, Genmab announced its expectations for 2004. At that time an operating loss of DKK 380 to 420 million was projected leading to an expected net loss of DKK 365 to 405 million. The company's December 31, 2004 cash balance was projected to be in the range of DKK 671 to 711 million.

With the proceeds from the private placement, Genmab expects to increase some product development activities during 2004 and, consequently, is updating its financial guidance. We now expect the full year operating loss to be in the range of DKK 450 to 490 million, an increase of DKK 70 million from the previously reported forecast. Net loss for the year is expected to be in the range of DKK 425 to 465 million, an increase of DKK 60 million. As a result of the proceeds from the private placement and the exercise of warrants, the company expects the cash balance on December 31, 2004 to be in the range of DKK 1.095 to 1.135 billion, an increase of DKK 424 million compared to the previously published guidance of DKK 671 to 711 million. This projected 2004 year end cash balance also represents an increase of approximately DKK 59 to 99 million compared to the 2003 year end cash position of DKK 1.036 billion.

The above estimates are subject to possible change primarily due to the timing and variation of clinical activities and related costs. The estimates also assume that no further agreements are entered into during 2004 that could materially affect the results. Additionally, we have assumed no significant fluctuations in foreign currency rates throughout the year.

Subsequent Events

On July 1, 2004, Genmab announced the completion of an international private placement to selected institutional investors. The private placement consisted of 4,873,000 new ordinary shares that were issued by Genmab and 127,000 existing ordinary shares that were offered for sale by certain selling shareholders. In addition, a total of 750,000 new ordinary shares were issued by the exercise of an over-allotment option provided by Genmab to Merrill Lynch, thereby increasing the placement volume from 5,000,000 to 5,750,000 ordinary shares. The shares were subscribed at a price of DKK 85 per share. The subscription price was established by Merrill Lynch International in consultation with the company at market price determined on the basis of a book-building process. The placement was effected without any pre-emption rights for the existing shareholders of Genmab.

The gross proceeds received by Genmab from the international private placement, including the exercise of the over-allotment option amounts to DKK 478 million.

Genmab intends to use the net proceeds of the private placement to further fund our current and future clinical programs and for general corporate purposes, including research and development expenses and other working capital requirements. The selling shareholders' net proceeds are intended to cover their costs associated with the exercise of expiring warrants.

Key Figures

	2nd quarter of 2004	2nd quarter of 2003	6 months ended June 30, 2004	6 months ended June 30, 2003	Full year 2003	2nd quarter of 2004	2nd quarter of 2003	6 months ended June 30, 2004	6 months ended June 30, 2003	Full year 2003
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	USD'000	USD'000	USD'000	USD'000	USD'000
Income Statement										
Revenues	-	65.021	-	65.021	68.326	-	10.633	-	10.633	11.174
Research and development costs	(93.904)	(66.990)	(177.933)	(144.064)	(345.983)	(15.357)	(10.955)	(29.099)	(23.560)	(56.581)
General and administrative expenses	(17.039)	(13.078)	(32.018)	(30.375)	(64.552)	(2.786)	(2.139)	(5.236)	(4.967)	(10.557)
Operating loss	(110.943)	(15.047)	(209.951)	(109.418)	(342.209)	(18.143)	(2.461)	(34.335)	(17.894)	(55.964)
Net financial income	296	11.343	15.765	20.227	15.029	48	1.855	2.578	3.308	2.458
Net loss	(110.647)	(3.704)	(194.186)	(89.191)	(327.114)	(18.095)	(606)	(31.757)	(14.586)	(53.495)
Balance Sheet										
Cash and marketable securities	929.171	1.149.807	929.171	1.149.807	1.035.776	151.954	188.036	151.954	188.036	169.388
Total assets	1.054.917	1.423.413	1.054.917	1.423.413	1.180.108	172.519	232.782	172.519	232.782	192.992
Shareholders' equity	939.436	1.309.859	939.436	1.309.859	1.086.434	153.633	214.211	153.633	214.211	177.673
Share capital	23.831	22.717	23.831	22.717	22.981	3.897	3.715	3.897	3.715	3.758
Investments in tangible fixed assets	7.286	9.135	15.122	18.535	21.722	1.192	1.494	2.473	3.031	3.552
Cash Flow Statement										
Cash flow from operating activities	(84.757)	(59.975)	(152.486)	(201.137)	(302.364)	(13.861)	(9.808)	(24.937)	(32.894)	(49.448)
Cash flow from investing activities	77.162	126.273	98.315	258.394	361.905	12.619	20.650	16.078	42.257	59.185
Cash flow from financing activities	30.551	(1.130)	44.093	(1.978)	(3.571)	4.996	(185)	7.211	(323)	(584)
Cash and cash equivalents	298.838	308.225	298.838	308.225	308.916	48.871	50.406	48.871	50.406	50.519
Financial Ratios (in DKK / USD)										
Basic and diluted net loss per share	(4,70)	(0,16)	(8,31)	(3,93)	(14,30)	(0,77)	(0,03)	(1,36)	(0,64)	(2,34)
Period-end share market price	91,05	42,94	91,05	42,94	50,66	14,89	7,02	14,89	7,02	8,28
Share market price / equity value	2,31	0,74	2,31	0,74	1,07	2,31	0,74	2,31	0,74	1,07
Shareholders' equity per share	39,42	57,66	39,42	57,66	47,28	6,45	9,43	6,45	9,43	7,73
Average number of employees	205	200	202	198	199	205	200	202	198	199
Number of employees at the end of the period	208	201	208	201	201	208	201	208	201	201

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.

Income Statement for the Second Quarter of 2004

	Note	2nd quarter of 2004 DKK'000	2nd quarter of 2003 DKK'000	2nd quarter of 2004 USD'000	2nd quarter of 2003 USD'000
Revenues		-	65.021	-	10.633
Research and development costs	2	(93.904)	(66.990)	(15.357)	(10.955)
General and administrative expenses	2	(17.039)	(13.078)	(2.786)	(2.139)
Operating loss		**(110.943)**	**(15.047)**	**(18.143)**	**(2.461)**
Financial income		10.401	26.807	1.701	4.384
Financial expenses		(10.105)	(15.464)	(1.653)	(2.529)
Loss before tax		**(110.647)**	**(3.704)**	**(18.095)**	**(606)**
Corporate tax		-	-	-	-
Net loss		**(110.647)**	**(3.704)**	**(18.095)**	**(606)**
Basic and diluted net loss per share (in DKK / USD)		(4,70)	(0,16)	(0,77)	(0,03)
Weighted average number of ordinary shares outstanding during the period - basic and diluted		23.566.491	22.716.620	23.566.491	22.716.620

Income Statement for the 6 Months ended June 30, 2004

	Note	6 months ended June 30, 2004 DKK'000	6 months ended June 30, 2003 DKK'000	6 months ended June 30, 2004 USD'000	6 months ended June 30, 2003 USD'000
Revenues		-	65.021	-	10.633
Research and development costs	2	(177.933)	(144.064)	(29.099)	(23.560)
General and administrative expenses	2	(32.018)	(30.375)	(5.236)	(4.967)
Operating loss		**(209.951)**	**(109.418)**	**(34.335)**	**(17.894)**
Financial income		36.652	49.328	5.994	8.067
Financial expenses		(20.887)	(29.101)	(3.416)	(4.759)
Loss before tax		**(194.186)**	**(89.191)**	**(31.757)**	**(14.586)**
Corporate tax		-	-	-	-
Net loss		**(194.186)**	**(89.191)**	**(31.757)**	**(14.586)**
Basic and diluted net loss per share (in DKK / USD)		(8,31)	(3,93)	(1,36)	(0,64)
Weighted average number of ordinary shares outstanding during the period - basic and diluted		23.354.792	22.716.620	23.354.792	22.716.620

Balance Sheet – Assets

	Note	June 30, 2004	December 31, 2003	June 30, 2003	June 30, 2004	December 31, 2003	June 30, 2003
		DKK'000	DKK'000	DKK'000	USD'000	USD'000	USD'000
Licenses and rights	2	21.187	33.773	49.352	3.465	5.523	8.071
Total intangible fixed assets		**21.187**	**33.773**	**49.352**	**3.465**	**5.523**	**8.071**
Leasehold improvements	2	17.908	18.086	22.345	2.929	2.958	3.654
Equipment, furniture and fixtures	2	45.235	50.068	60.673	7.398	8.188	9.922
Fixed assets under construction	2	6.710	5.006	1.521	1.097	819	249
Total tangible fixed assets		**69.853**	**73.160**	**84.539**	**11.424**	**11.965**	**13.825**
Other securities and equity interests	3	5.726	5.726	10.251	936	936	1.676
Total financial fixed assets		**5.726**	**5.726**	**10.251**	**936**	**936**	**1.676**
Total non-current assets		**96.766**	**112.659**	**144.142**	**15.825**	**18.424**	**23.572**
Antibody clinical trial material		**-**	**-**	**26.808**	**-**	**-**	**4.385**
Other receivables		21.651	29.466	100.755	3.541	4.819	16.478
Prepayments		7.329	2.207	1.901	1.199	361	311
Total receivables		**28.980**	**31.673**	**102.656**	**4.740**	**5.180**	**16.789**
Marketable securities	4	**630.333**	**726.860**	**841.582**	**103.083**	**118.869**	**137.630**
Cash and cash equivalents		**298.838**	**308.916**	**308.225**	**48.871**	**50.519**	**50.406**
Total current assets		**958.151**	**1.067.449**	**1.279.271**	**156.694**	**174.568**	**209.210**
Total assets		**1.054.917**	**1.180.108**	**1.423.413**	**172.519**	**192.992**	**232.782**

Balance Sheet – Shareholders' Equity and Liabilities

	Note	June 30, 2004	December 31, 2003	June 30, 2003	June 30, 2004	December 31, 2003	June 30, 2003
		DKK'000	DKK'000	DKK'000	USD'000	USD'000	USD'000
Share capital		23.831	22.981	22.717	3.897	3.758	3.715
Share premium		2.134.245	2.088.080	2.074.324	349.029	341.480	339.230
Revaluation surplus		4.939	4.766	4.288	808	780	701
Accumulated deficit		(1.223.579)	(1.029.393)	(791.470)	(200.101)	(168.345)	(129.435)
Shareholders' equity		**939.436**	**1.086.434**	**1.309.859**	**153.633**	**177.673**	**214.211**
Payable technology rights		-	-	12.203	-	-	1.996
Lease liability		19.222	18.568	14.684	3.144	3.037	2.401
Total non-current liabilities		**19.222**	**18.568**	**26.887**	**3.144**	**3.037**	**4.397**
Current portion of payable technology rights		12.129	11.495	12.894	1.984	1.880	2.109
Current portion of lease liability		6.663	5.569	4.248	1.090	911	695
Accounts payable		35.898	24.033	33.578	5.871	3.930	5.491
Other liabilities		41.569	34.009	35.947	6.797	5.561	5.879
Total current liabilities		**96.259**	**75.106**	**86.667**	**15.742**	**12.282**	**14.174**
Total liabilities		**115.481**	**93.674**	**113.554**	**18.886**	**15.319**	**18.571**
Total shareholders' equity and liabilities		**1.054.917**	**1.180.108**	**1.423.413**	**172.519**	**192.992**	**232.782**

Statement of Cash Flow

	6 months ended June 30, 2004	6 months ended June 30, 2003	6 months ended June 30, 2004	6 months ended June 30, 2003
	DKK'000	DKK'000	USD'000	USD'000
Loss before financial items	**(209.951)**	**(109.418)**	**(34.335)**	**(17.894)**
Adjustments for non-cash transactions:				
Depreciation and amortization	30.968	29.200	5.065	4.775
Net gain on sale of equipment	-	(713)	-	(117)
Changes in current assets and liabilities:				
Antibody clinical trial material	-	7.799	-	1.275
Other receivables	3.661	(54.722)	599	(8.949)
Prepayments	(5.124)	107	(838)	17
Accounts payable and other liabilities	14.644	(74.559)	2.394	(12.193)
Cash flow from operating activities before financial items	**(165.802)**	**(202.306)**	**(27.115)**	**(33.086)**
Net financial receivables	13.316	1.169	2.178	192
Corporate taxes paid	-	-	-	-
Cash flow from operating activities	**(152.486)**	**(201.137)**	**(24.937)**	**(32.894)**
Purchase of tangible fixed assets	(5.717)	(17.162)	(935)	(2.807)
Sale of tangible fixed assets	247	1.047	40	171
Sale of equity interests	-	1.743	-	285
Marketable securities bought	(373.236)	(1.329.397)	(61.038)	(217.406)
Marketable securities sold	477.021	1.602.163	78.011	262.014
Cash flow from investing activities	**98.315**	**258.394**	**16.078**	**42.257**
Warrants exercised	47.095	-	7.702	-
Costs related to issuance of shares	(80)	-	(13)	-
Paid installments on lease liabilities	(2.922)	(1.978)	(478)	(323)
Cash flow from financing activities	**44.093**	**(1.978)**	**7.211**	**(323)**
Increase / (decrease) in cash and cash equivalents	**(10.078)**	**55.279**	**(1.648)**	**9.040**
Cash and cash equivalents at the beginning of the period	308.916	252.946	50.519	41.366
Cash and cash equivalents at the end of the period	**298.838**	**308.225**	**48.871**	**50.406**

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
December 31, 2002	**22.716.620**	**22.717**	**2.074.324**	**4.407**	**0**	**(702.279)**	**1.399.169**	**228.816**
Adjustment of foreign currency fluctuations on subsidiaries				(119)			(119)	(19)
Loss for the period						(89.191)	(89.191)	(14.586)
June 30, 2003	**22.716.620**	**22.717**	**2.074.324**	**4.288**	**0**	**(791.470)**	**1.309.859**	**214.211**
Capital increase	246.914	247	12.716				12.963	2.120
Expenses related to capital increases			256				256	42
Exercise of warrants	17.000	17	784				801	131
Adjustment of foreign currency fluctuations on subsidiaries				478			478	78
Loss for the period						(237.923)	(237.923)	(38.909)
December 31, 2003	**22.980.534**	**22.981**	**2.088.080**	**4.766**	**0**	**(1.029.393)**	**1.086.434**	**177.673**
Exercise of warrants	850.598	850	46.245				47.095	7.702
Expenses related to capital increases			(80)				(80)	(13)
Adjustment of foreign currency fluctuations on subsidiaries				173			173	28
Loss for the period						(194.186)	(194.186)	(31.757)
June 30, 2004	**23.831.132**	**23.831**	**2.134.245**	**4.939**	**0**	**(1.223.579)**	**939.436**	**153.633**

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 a specified rate. 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 rate indicated or at any other rate.

The following is a summary of the company's most significant accounting policies:

Consolidated Financial Statements
The consolidated financial statements include Genmab A/S (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. (collectively referred to as the Genmab Group).

Revenues
Revenues comprise milestone payments and other income from research and development agreements. Revenue is recognized when it is probable that future economic benefits will flow to the company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods or services included in the transaction have been transferred to the buyer.

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.

Notes to the Financial Statements

1. Accounting Policies (continued)

Antibody Clinical Trial Material
Antibody clinical trial material includes antibodies purchased from third parties which have use in multiple 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.

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" since we do not actively trade these securities 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.

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
The Interim Report includes a reconciliation of the reported net result under IFRS to the corresponding net result under US GAAP.

Notes to the Financial Statements

2. Intangible and Tangible Fixed Assets

	Licenses and rights	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction	Licenses and rights	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction
	DKK'000	DKK'000	DKK'000	DKK'000	USD'000	USD'000	USD'000	USD'000
Cost per January 1, 2004	152.484	30.195	84.222	47.176	24.937	4.938	13.773	7.715
Exchange rate adjustment	-	308	86	(7)	-	51	15	(2)
Additions for the period	-	1.511	9.808	3.803	-	247	1.604	622
Transfers between the classes	-	1.755	337	(2.092)	-	287	55	(342)
Disposals for the period	-	(120)	(316)	-	-	(20)	(52)	-
Cost per June 30, 2004	**152.484**	**33.649**	**94.137**	**48.880**	**24.937**	**5.503**	**15.395**	**7.993**
Accumulated depreciation per January 1, 2004	(118.711)	(12.109)	(34.154)	-	(19.414)	(1.980)	(5.585)	-
Exchange rate adjustment	-	(119)	(69)	-	-	(19)	(11)	-
Depreciation for the period	(12.586)	(3.513)	(14.869)	-	(2.058)	(575)	(2.432)	-
Accumulated depreciation on disposals for the period	-	-	190	-	-	-	31	-
Accumulated depreciation per June 30, 2004	**(131.297)**	**(15.741)**	**(48.902)**	**0**	**(21.472)**	**(2.574)**	**(7.997)**	**0**
Accumulated impairment loss per January 1, 2004	-	-	-	(42.170)	-	-	-	(6.896)
Exchange rate adjustment	-	-	-	-	-	-	-	-
Impairment loss for the period	-	-	-	-	-	-	-	-
Accumulated impairment loss per June 30, 2004	**0**	**0**	**0**	**(42.170)**	**0**	**0**	**0**	**(6.896)**
Net book value per June 30, 2004	**21.187**	**17.908**	**45.235**	**6.710**	**3.465**	**2.929**	**7.398**	**1.097**
Net book value of assets under finance leases included above	-	-	18.686	6.710	-	-	3.056	1.097
Depreciation and amortization are included in:								
Research and development costs	12.586	1.674	13.619	-	2.058	274	2.228	-
General and administrative expenses	-	1.839	1.250	-	-	301	204	-
	12.586	**3.513**	**14.869**	**0**	**2.058**	**575**	**2.432**	**0**

Notes to the Financial Statements

3. Other Securities and Equity Interests

	June 30, 2004 DKK'000	December 31, 2003 DKK'000 (full year)	June 30, 2003 DKK'000	June 30, 2004 USD'000	December 31, 2003 USD'000 (full year)	June 30, 2003 USD'000
Cost at the beginning of the period	10.251	31.755	31.755	1.676	5.193	5.193
Additions for the period	-	-	-	-	-	-
Disposals for the period	-	(21.504)	(21.504)	-	(3.517)	(3.517)
Cost at the end of the period	**10.251**	**10.251**	**10.251**	**1.676**	**1.676**	**1.676**
Adjustment to fair value at the beginning of the period	(4.525)	(20.085)	(20.085)	(740)	(3.285)	(3.285)
Adjustment to fair value for the period	-	15.560	20.085	-	2.545	3.285
Adjustment to fair value at the end of the period	**(4.525)**	**(4.525)**	**0**	**(740)**	**(740)**	**0**
Net book value at the end of the period	**5.726**	**5.726**	**10.251**	**936**	**936**	**1.676**

4. Marketable Securities

All marketable securities are classified as available-for-sale and are reported at fair value. The company's portfolio of marketable securities has an average duration of less than two years and no securities have more than four years remaining to maturity. The company has classified all investments as short-term since it has the intent and ability to sell and redeem them within a year.

Notes to the Financial Statements

4. Marketable Securities (continued)

	June 30, 2004	December 31, 2003	June 30, 2003	June 30, 2004	December 31, 2003	June 30, 2003
	DKK'000	DKK'000 (full year)	DKK'000	USD'000	USD'000 (full year)	USD'000
Cost at the beginning of the period	744.584	1.116.313	1.116.313	121.768	182.559	182.559
Additions for the period	373.236	1.676.845	1.329.397	61.038	274.227	217.406
Disposals for the period	(477.030)	(2.048.574)	(1.601.146)	(78.012)	(335.018)	(261.847)
Cost at the end of the period	**640.790**	**744.584**	**844.564**	**104.794**	**121.768**	**138.118**
Adjustment to fair value at the beginning of the period	(17.724)	(524)	(524)	(2.899)	(86)	(86)
Adjustment to fair value for the period	7.267	(17.200)	(2.458)	1.188	(2.813)	(402)
Adjustment to fair value at the end of the period	**(10.457)**	**(17.724)**	**(2.982)**	**(1.711)**	**(2.899)**	**(488)**
Net book value at the end of the period	**630.333**	**726.860**	**841.582**	**103.083**	**118.869**	**137.630**

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, members of the board of directors, members of the management and 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 warrant scheme, warrants are granted by the board of directors at an exercise price equal to the share price on the grant date. 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 the conclusion of employment or affiliation, the holder is obligated to offer to sell a specified percentage of shares issued back to the company. The sell back clause

Notes to the Financial Statements

5. Warrants (continued)

is not applicable in the event of termination by the company without cause or termination as a result of the company's breach of the employment or affiliation contract. The sell back clause defines the percentage of shares that the holder is required to offer to sell back to the company in accordance with 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 warrants being exercised.

Warrant Activity

In February 1999, January, June and August 2000, April 2003, and in April 2004, the company's board of directors was authorized to grant a total of 6,021,263 warrants.

In the second quarter of 2004, 68,750 warrants were granted to employees of the company and its subsidiaries. During the first six months of 2004, a total of 850,598 warrants have been exercised, resulting in proceeds to the company of DKK 47,095 thousand. 31,151 warrants have expired without being exercised. Accordingly, as of June 30, 2004, a total of 3,642,451 warrants with a weighted average exercise price of DKK 116.01 were outstanding compared to a total of 4,382,600 warrants with a weighted average exercise price of DKK 105.13 as of June 30, 2003.

No compensation expense was recorded during the first half year of 2004 nor during the first half year of 2003.

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:

	Number of ordinary shares owned	Number of warrants held
Board of directors		
Lisa N. Drakeman	413.040	350.000
Ernst H. Schweizer	234.340	14.500
Irwin Lerner	-	60.000
Michael B. Widmer	-	50.000
Karsten Havkrog Pedersen	-	25.000
Anders Gersel Pedersen	-	25.000
	647.380	**524.500**
Management		
Lisa N. Drakeman, see above	-	-
Jan van de Winkel	157.500	152.500
Claus Juan Møller-San Pedro	382.415	25.000
	539.915	**177.500**
Total	**1.187.295**	**702.000**

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
Statement of Financial Accounting Standards (SFAS) No. 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 June 30, 2004 and 2003, 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 for the Second Quarter of 2004

	2nd quarter of 2004 DKK'000	2nd quarter of 2003 DKK'000	2nd quarter of 2004 USD'000	2nd quarter of 2003 USD'000
Net loss according to IFRS	**(110.647)**	**(3.704)**	**(18.095)**	**(606)**
Revaluation of marketable securities concerning measurement to market value	2.420	(2.467)	396	(403)
Reversed unrealized exchange rate (gain) / loss on marketable securities	(2.564)	3.594	(419)	588
Net loss according to US GAAP	**(110.791)**	**(2.577)**	**(18.118)**	**(421)**
Weighted average number of ordinary shares outstanding during the period - basic and diluted	23.566.491	22.716.620	23.566.491	22.716.620
Basic and diluted net loss per share according to US GAAP (in DKK / USD)	(4,70)	(0,11)	(0,77)	(0,02)
Net loss according to US GAAP	**(110.791)**	**(2.577)**	**(18.118)**	**(421)**
Other Comprehensive income:				
Unrealized gain / (loss) from marketable securities	(2.420)	2.467	(396)	403
Adjustment of foreign currency fluctuations in subsidiaries	63	(120)	10	(19)
Unrealized exchange rate gain / (loss) on marketable securities	2.564	(3.594)	419	(588)
Comprehensive income	**(110.584)**	**(3.824)**	**(18.085)**	**(625)**

Notes to the Financial Statements

7. Reconciliation from IFRS to US GAAP for the 6 Months ended June 30, 2004

	6 months ended June 30, 2004	6 months ended June 30, 2003	6 months ended June 30, 2004	6 months ended June 30, 2003
	DKK'000	DKK'000	USD'000	USD'000
Net loss according to IFRS	**(194.186)**	**(89.191)**	**(31.757)**	**(14.586)**
Revaluation of marketable securities concerning measurement to market value	(1.372)	(2.122)	(224)	(347)
Reversed unrealized exchange rate (gain) / loss on marketable securities	(4.933)	6.527	(807)	1.067
Net loss according to US GAAP	**(200.491)**	**(84.786)**	**(32.788)**	**(13.866)**
Weighted average number of ordinary shares outstanding during the period - basic and diluted	23.354.792	22.716.620	23.354.792	22.716.620
Basic and diluted net loss per share according to US GAAP (in DKK / USD)	(8,58)	(3,73)	(1,40)	(0,61)
Net loss according to US GAAP	**(200.491)**	**(84.786)**	**(32.788)**	**(13.866)**
Other Comprehensive income:				
Unrealized gain / (loss) from marketable securities	1.372	2.122	224	347
Adjustment of foreign currency fluctuations in subsidiaries	173	(119)	28	(19)
Unrealized exchange rate gain / (loss) on marketable securities	4.933	(6.527)	807	(1.067)
Comprehensive income	**(194.013)**	**(89.310)**	**(31.729)**	**(14.605)**