Genmab

2005 Annual Report

» **Global** biotechnology company – locations in Europe and the US

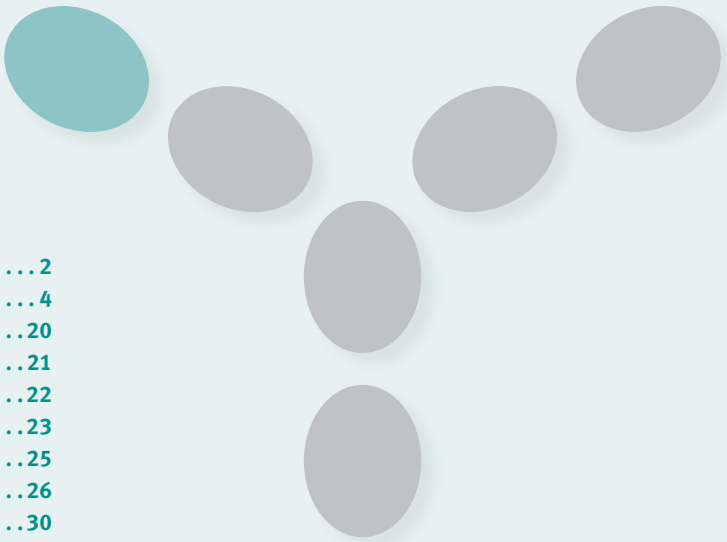
» Helix **Award** winner for Best International Biotechnology Company

» A broad product **portfolio**

» Six antibodies in clinical development; three designated **Fast Track** status

» More than ten product **candidates** in pre-clinical development

» Multiple **strategic partnerships** with biotechnology and pharmaceutical companies, including Serono, Amgen and Roche



Contents

Clinical Trials

Conducted in Eight Countries in 2005

United Kingdom
France
The Netherlands
Germany
Denmark
Sweden
Poland
United States

Genmab Locations

Genmab A/S	Copenhagen, Denmark
Genmab B.V.	Utrecht, The Netherlands
Genmab, Inc.	Princeton, United States

Product Pipeline

Product	Pre-Clinical	Phase I/II	Phase II	Phase III	Highlights 2005
HuMax-CD4™	Cutaneous T-Cell Lymphoma				• Demonstrated long lasting responses in Phase II CTCL study. • Initiated pivotal study in CTCL under Special Protocol Assessment agreement from FDA. • Acquired European and Asian rights. • Licensed to Serono. • Encouraging preliminary response data from Phase II non-cutaneous T-cell lymphoma study.
	Non-Cutaneous T-Cell Lymphoma				
HuMax®-CD20	Rheumatoid Arthritis				• Presented laboratory data demonstrating efficacy in killing tumor cells with very low CD20 expression levels. • Induced clinical response in NHL Phase I/II study at all dose levels. • Initiated Phase II clinical trial in RA. • Presented positive efficacy and rate of response data in Phase I/II trial with relapsed CLL patients.
	Non-Hodgkin's Lymphoma				
	Chronic Lymphocytic Leukemia				
AMG 714	Rheumatoid Arthritis				
HuMax-EGFr	Head and Neck Cancer				• Presented encouraging efficacy data from Phase I/II study in refractory head and neck cancer.
HuMax-Inflam	Autoimmune Diseases				
Roche 1					• Roche filed IND application for Genmab-generated antibody.
HuMax-HepC	Hepatitis C Reinfection				• Received US patent.
HuMax-CD38	Multiple Myeloma				• Announced program for treatment of multiple myeloma. • Effective in killing multiple myeloma cells in pre-clinical studies.
HuMax-TAC	Organ Transplant Rejection				• Licensed to Serono.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholder,

The past year began with Genmab receiving the annual James D. Watson Helix Award as the best international biotechnology company. The Helix Award honors biotechnology companies that display leadership in three areas: scientific innovation, company growth and corporate citizenship and is presented by the Biotechnology Industry Association. We were honored by this industry recognition of our significant accomplishments in 2004.

2005 continued as another outstanding year for Genmab with our clinical programs moving forward, substantial expansion of our product portfolio and a new significant corporate partnership. We announced positive results from all three of our cancer products in clinical trials. HuMax-CD4 entered Phase III of clinical development. We continued expanding and deepening our product pipeline with our sixth antibody entering the clinic through our collaboration with Roche and the announcement of a new pre-clinical program. We signed an important licensing agreement with Serono to advance HuMax-CD4 toward the commercial market. Moving into 2006, we have plans to initiate three more pivotal clinical studies and move one of our pre-clinical programs into clinical development.

A Growing Product Portfolio

We had very exciting news in our pre-clinical pipeline this year.

We announced our HuMax-CD38 program for the treatment of multiple myeloma. Multiple myeloma results in approximately 11,000 deaths each year in the US alone. No cure is available at present, and the mean survival time is only about 3 years from the time of diagnosis. Our HuMax-CD38 antibody was selected from a large panel of antibodies based on its ability to bind and to kill multiple myeloma tumor cells. During 2005, we presented pre-clinical data from laboratory and animal models demonstrating HuMax-CD38's ability to prevent the growth of CD38 positive cancer cells.

We also further expanded our pre-clinical pipeline with the addition of 16 new cancer targets, including gastrointestinal cancers such as colon cancer. We acquired the rights to these targets through the insolvency proceedings of Europroteome AG. Our scientists have already begun generating human antibodies to a unique target highly expressed on colon carcinomas.

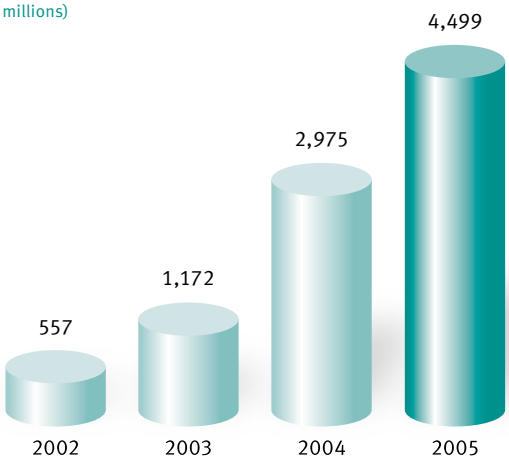
Clinical Programs Moving Forward

As part of our commitment to developing urgently needed therapeutic products to serve patients with serious medical needs, Genmab is conducting clinical trials in several cancer indications. All three of our cancer products currently in clinical trials have been granted Fast Track designations by the United States Food and Drug Administration (FDA).

Our most advanced product, HuMax-CD4 has entered Phase III clinical trials following a Special Protocol Assessment agreement with the FDA. This product also has Fast Track status and US and European Orphan Drug designations. This pivotal study is including patients with mycosis fungoides who are refractory to or intolerant of two current standard therapies. Mycosis fungoides is the most common form of cutaneous T-cell lymphoma (CTCL), a life threatening and disfiguring chronic disease. Currently available treatment options are poorly effective and can cause substantial side effects.

HuMax-CD20 is also in Fast Track clinical development to meet an urgent medical need for better cancer treatment. This antibody is being studied to treat chronic lymphocytic leukemia (CLL), a form of non-Hodgkin's lymphoma (NHL) and the most common leukemia in adults in the US and Western Europe. During 2005, we presented positive data from a

Genmab Market Capitalization
(DKK millions)

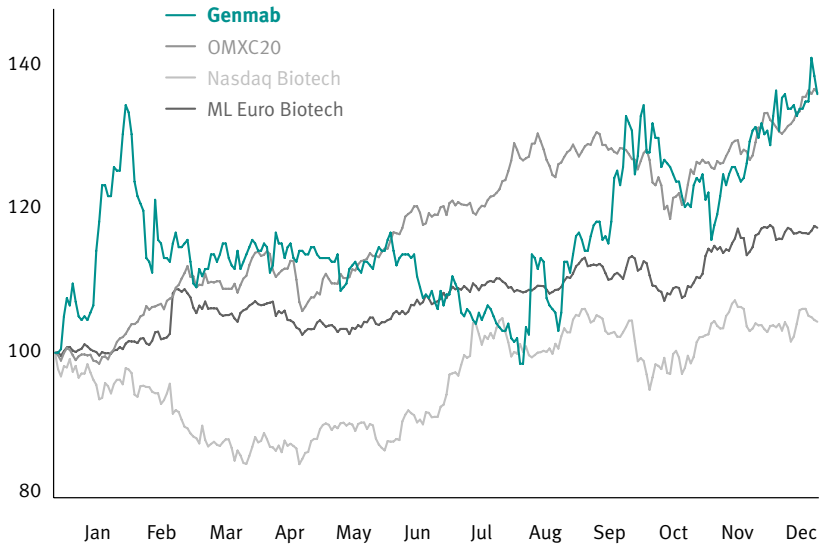


LETTER FROM THE CHIEF EXECUTIVE OFFICER

Phase I/II study showing that treatment with HuMax-CD20 significantly and rapidly reduced leukemia cells in patients with relapsed CLL. We also presented positive Phase I/II data from a study of follicular lymphoma patients. We are making plans to initiate pivotal trials with HuMax-CD20 in both CLL and follicular lymphoma patients. HuMax-CD20 is also currently in a Phase II study with rheumatoid arthritis patients.

HuMax-EGFr, our third antibody in clinical trials for cancer treatment, was awarded Fast Track status by the FDA at the very beginning of 2006. In 2005, we presented encouraging efficacy data from a Phase I/II study treating head and neck cancer. We are now making plans to treat refractory head and neck cancer patients in a pivotal study during 2006.

2005 Stock Performance Comparison



Index 100 = stock price on January 1, 2005

Strategic Partnering to Maximize Value

Genmab has developed a multi-pronged strategy for increasing the value of our business while reducing risk. We believe maintaining a broad portfolio of products increases our opportunities for success. We pursue new strategic collaborations to support and broaden our pipeline. Our intention is to maximize value in our products by retaining substantial commercial or profit sharing rights. We intend to develop our products ourselves and in collaboration with corporate partners using a combination of in-house clinical development and outlicensing as appropriate for each product.

As part of our outlicensing strategy, we have signed two global development and commercialization agreements with Serono S.A., an international biotechnology leader with an established global marketing and sales force. Under these licensing agreements, Serono has assumed responsibility for all future development costs for HuMax-TAC in preclinical development for organ transplant rejection and HuMax-CD4 in advanced clinical development for T-cell lymphomas. We are continuing to conduct the ongoing T-cell lymphoma studies at Serono's expense.

During 2005, we have pursued our business strategy – building and maintaining a broad portfolio, maximizing the value of our products through skilled development, and creating meaningful partnerships. Within the competitive biotechnology industry, Genmab has continued to excel. For the third year in a row, Genmab's stock performance has again outpaced the NASDAQ biotech index. Over the course of 2005, our stock value increased by 35%, and our market capitalization grew by 51% to DKK 4,499 million from DKK 2,975 million at the end of 2004.

At Genmab, our goal remains to serve patients in desperate need of new types of therapy and to build a business that rewards the investors who make this work possible. Thank you for your continuing support.

Sincerely yours,

Lisa N. Drakeman, Ph.D.
President and Chief Executive Officer

DIRECTORS' REPORT

About Genmab

Genmab is an international biotechnology company that creates and develops human antibodies for the treatment of life-threatening and debilitating diseases. Genmab has numerous products in development to treat various cancers, infectious diseases, and autoimmune and inflammatory conditions. We continually seek to expand our portfolio with new therapeutic products. Genmab has established multiple partnerships with other biotechnology and pharmaceutical companies to advance our products toward the market and to gain access to disease targets and develop novel human antibodies.

Genmab's strategy is to maximize the value of our business by creating value in our products. We have developed a broad product pipeline, giving ourselves numerous opportunities to succeed. We intend to maintain a strong pipeline through a combination of in-house clinical efforts and out-licensing of both early and late stage programs. To move our product pipeline forward efficiently and effectively, we have assembled advanced human antibody technologies, broad development capabilities, and an experienced and knowledgeable international staff with 84% of our employees working in research and development.

Genmab has reported a consolidated 2005 operating loss of DKK 428 million and a net loss of DKK 394 million. The company ended 2005 with a final total of DKK 1.253 billion in cash and marketable securities. During the year, Genmab signed two licensing agreements with Serono S.A. resulting in upfront payments and licensing fees of DKK 134 million (USD 22 million at the exchange rate prevailing at the date of the transaction) and an equity investment of DKK 303 million (USD 50 million at the exchange rate prevailing at the date of the transaction).

2005 Overview

In February 2005, we received the annual James D. Watson Helix Award in the category of Best International Biotechnology Company, in recognition of the significant advances that we made during 2004.

Genmab has continued to progress during 2005. We presented positive clinical data from three of our cancer products: HuMax-CD4, HuMax-CD20 and HuMax-EGFr. In addition, HuMax-CD4 for the treatment of cutaneous T-cell lymphoma progressed into Phase III of clinical development under a **Special Protocol Assessment** agreement.

Special Protocol Assessment (SPA)
The FDA's SPA process was implemented under the 1997 Prescription Drug User Fee Act (PDUFA). To use this process, a company planning a clinical trial designed to support efficacy claims submits a study protocol, as well as related questions. The FDA may then review and agree to the protocol design, execution and analyses and issue a special protocol letter to that effect. Once the FDA agrees in writing to a protocol reviewed under SPA, the assessment should be considered binding on the review division of the FDA as long as the protocol is followed, unless substantial scientific issues essential to determining the safety or efficacy of the drug are identified after the testing has begun.

We entered into a collaboration with Serono S.A. for the development and commercialization of our most advanced product, HuMax-CD4, and another product still in pre-clinical development, HuMax-TAC.

A sixth Genmab-created antibody entered clinical development this year, when our partner Roche announced that it had filed an Investigational New Drug (IND) application with the US Food and Drug Administration (FDA) for an antibody developed under our collaboration agreement. This marked the ninth milestone achieved in our ongoing collaboration with Roche.

We significantly strengthened and expanded our pre-clinical pipeline during 2005. We announced a new cancer program targeting multiple myeloma with HuMax-CD38 and presented data from laboratory studies and animal models demonstrating its effects on cancer cells. We also acquired rights to 16 additional cancer targets. We have filed a number of new patent applications and have actively prosecuted our pending patent families, partly through 12 and 30 months continuations. In October a US patent for our HuMax-HepC product was granted.

Over the course of the year Genmab participated in 17 scientific conferences and 11 investor conferences as well as a number of analyst, media and investor meetings.

2005 Highlights

HuMax-CD4

- Demonstrated long lasting responses in Phase II cutaneous T-cell lymphoma (CTCL) study.
- Obtained Special Protocol Assessment agreement from FDA for pivotal study in CTCL and initiated pivotal study.
- Acquired European and Asian rights for HuMax-CD4.
- Licensed HuMax-CD4 to Serono.
- Presented encouraging preliminary response data from Phase II non-cutaneous T-cell lymphoma study.

HuMax-CD20

- Presented laboratory data demonstrating efficacy in killing tumor cells with very low CD20 expression levels.
- Induced clinical response in non-Hodgkin's lymphoma (NHL) Phase I/II study at all dose levels.
- Initiated Phase II clinical trial in rheumatoid arthritis.
- Presented positive efficacy and response rate data in Phase I/II trial with relapsed CLL patients.

HuMax-EGFr

- Presented encouraging efficacy data from Phase I/II study in refractory head and neck cancer.

Pre-clinical Pipeline

- Announced HuMax-CD38 program for treatment of multiple myeloma.
- Expanded pre-clinical pipeline by acquiring full rights to 16 cancer targets.
- Received US patent for HuMax-HepC.
- Presented data demonstrating HuMax-CD38 is effective in killing multiple myeloma cells in pre-clinical studies.

Roche Collaboration

- Achieved ninth milestone in collaboration when Roche filed IND application for Genmab-generated antibody.

Serono Partnership

- Signed global development and commercialization agreement for HuMax-CD4.
- Signed global development and commercialization agreement for HuMax-TAC.
- Received license fees of USD 22 million and equity investment of USD 50 million.

Industry Recognition

- Won James D. Watson Helix Award for outstanding performance in 2004 by an international biotechnology company.
- Nominated for the 2005 World Technology Award for Biotechnology.
- Listed among Europe's 500 fastest growing companies.
- Named a finalist in the Best Overall Pipeline category for the 2005 Scrip Awards.

DIRECTORS' REPORT

Outlook

During 2006, we will continue to advance the development of our pipeline. We will also analyze opportunities to strengthen our existing relationships with our key partners as well as consider possible new collaborations with pharmaceutical or biotechnology companies to outlicense existing development programs or to access additional disease targets.

In 2006, Genmab expects to be advancing HuMax-CD20 into two separate **pivotal trials** for refractory CLL and for rituximab refractory NHL. We also plan to initiate a pivotal trial with HuMax-EGFr to treat refractory head and neck cancer patients. Finally, we expect to be paying development costs for three products in clinical development: HuMax-CD20, HuMax-EGFr, and HuMax-Inflam, as well as for a number of products being prepared for the clinic. We expect to maintain approximately the same level of discovery and pre-clinical work in 2006 as we did during 2005, developing antibodies for a variety of existing and new targets.

Pivotal Trial
A Phase III clinical study, often called a pivotal trial, is designed to gather the efficacy and safety data necessary for application to the regulatory authorities for marketing approval of a new therapeutic product. The trial is most often randomized and involves a large number of patients. Depending on the disease investigated a pivotal study may also be placebo controlled.

As costs will increase for the expanded clinical development activities, Genmab's operating expenses are expected to be higher in 2006 compared to 2005. In 2006, we are projecting an operating loss of DKK 490 to 530 million compared to the DKK 428 million reported for 2005. Under the conditions described above, the net loss for 2006 is expected to be in the range of DKK 440 to 480 million compared to the net loss of DKK 394 million reported for 2005.

In January 2006, Genmab completed a private placement of 5,750,000 new shares, resulting in net proceeds to the company of approximately DKK 800 million. Consequently, the company's cash position is expected to increase DKK 340 to 380 million at the end of 2006 compared to 2005. As of December 31, 2005, the company's cash, cash equivalents and short term marketable securities equaled DKK 1.253 billion and the company's projected December 31, 2006 cash position is expected to be in the range of DKK 1.593 to 1.633 billion.

The above estimates are subject to possible change primarily due to the timing and variation of clinical activities, related costs and fluctuating exchange rates. The estimates also assume that no further agreements are entered into during 2006 that could materially affect the results.

Product Pipeline

Genmab's strategy for success is based on building a broad portfolio of antibody products with potential to treat a wide variety of diseases. Our current product pipeline consists of eight named products, five of which are in various stages of clinical development from Phase I/II through Phase III, plus more than ten products in pre-clinical development. Our scientific teams continuously investigate promising new disease targets for potential addition to our growing pipeline. An overview of the development status of each of our clinical products is provided in the following sections. More detailed descriptions of dosing, efficacy and safety data from certain clinical trials have been published in our stock exchange releases to the Copenhagen Stock Exchange, which are available on the Genmab website, www.genmab.com. In addition to the products described here, a sixth Genmab-generated antibody has entered clinical development through our Roche collaboration.

HuMax-CD4
HuMax-CD4 is a human antibody currently in Phase III development for the treatment of cutaneous T-cell lymphoma (CTCL) and in Phase II development for non-cutaneous T-cell

Fast Track Designation
Fast Track status for a product under development is an FDA designation intended to facilitate development and expedite reviews of therapeutics addressing unmet medical needs for the treatment of serious or life-threatening conditions. With a Fast Track designation, a Biologics License Application (BLA) can be submitted and reviewed sequentially, thus saving development time. Fast Track status also opens up the possibility for a priority review of the BLA or accelerated marketing approval with review time halved to approximately 6 months.

lymphoma (NCTCL). CTCL is a highly symptomatic, disfiguring chronic disease that is life threatening in the advanced stages. Currently available treatments for T-cell lymphoma patients can have an unfavorable side effect profile and are not particularly effective. Hence, we believe there is an urgent unmet medical need for better therapies.

Based on this urgent need, the FDA has awarded HuMax-CD4 a **Fast Track designation** covering patients with CTCL who have failed currently available therapy. In addition to the Fast Track designation, HuMax-CD4 has also been granted **Orphan Drug status** in both the US and EU for the treatment of Mycosis Fungoides (MF), the most common form of CTCL.

Orphan Drug Status
Both the FDA and the European Medicines Agency (EMEA) have established special Orphan Drug regulations for drugs developed to treat rare diseases or conditions which affect only a relatively low number of patients. Orphan Drug designation gives companies access to assistance from the regulatory agencies in the design of protocols. Once approved for the market, an Orphan Drug is granted 7 years of market exclusivity in the US, or 10 years in the EU, during which the same product from a different company cannot normally be placed on the market.

Based on the Fast Track designation and the Orphan Drug status, in April 2005, we obtained from the FDA a Special Protocol Assessment (SPA) agreement for the pivotal clinical trial of HuMax-CD4 in patients with CTCL. HuMax-CD4 has an international non-proprietary or generic name, zanolimumab, adopted by the World Health Organization.

In February 2005, we presented duration of response data from our Phase II CTCL studies at the Annual Meeting of the American Academy of Dermatology. This trial treated patients with MF. Data from all patients in the study showed a median response duration of more than 45 weeks (10.5 months). Furthermore, analysis of the time to response showed that 85% of the responding patients (11/13) obtained clinical response within 8 weeks.

In addition to the CTCL studies, we are conducting an ongoing international multi-center Phase II clinical trial using HuMax-CD4 for the treatment of patients with refractory or relapsed non-cutaneous T-cell lymphoma that originates in the lymph nodes. These patients have a relatively short life expectancy and, to date, no specific therapy has been approved. At the Annual Meeting of the American Society of Hematology (ASH) in December 2005, we presented preliminary results from this Phase II study. The preliminary results at week 6 indicated that, according to the **Cheson Criteria** for assessing clinical response, 3 of the 14 patients achieved objective responses as assessed by CT scan and clinical investigation, including 1 complete response unconfirmed and 2 partial responses. In addition to the responses verified by CT scan, study investigators reported significant improvement in another 3 patients. HuMax-CD4 was generally well tolerated in this patient population.

In June 2005, Genmab licensed from Medarex, Inc. the European and Asian rights to HuMax-CD4. With the acquisition of this new territory, we consolidated the worldwide rights to HuMax-CD4. In August 2005, with the worldwide rights in hand, we signed a global development and commercialization agreement with Serono S.A., an international biotechnology company headquartered in Switzerland with an established global marketing and sales force. Serono is responsible for all future development costs for HuMax-CD4 and for future manufacturing of the product. Genmab is continuing to conduct the ongoing clinical trials for both CTCL and non-cutaneous T-cell lymphoma at Serono's expense.

Cheson Criteria
The Cheson criteria were developed by the National Cancer Institute and the international pharmaceutical industry to provide a guideline for assessing clinical response in NHL and other lymphomas. According to the criteria, a complete response is obtained when there is a complete disappearance of all detectable clinical and radiographic evidence of disease and disease related symptoms, all lymph nodes have returned to normal size, the spleen has regressed in size, and the bone marrow is cleared of lymphoma. An unconfirmed complete response is obtained when a patient shows complete disappearance of the disease and the spleen regresses in size, lymph nodes have regressed by more than 75% and the bone marrow is indeterminate. An unconfirmed complete response meets and exceeds the criteria for partial response. For a partial response, there must be a 50% decrease in size of the 6 largest dominant lymph nodes, there must be no increase in size of the other nodes, liver or spleen, splenic and hepatic nodules must regress by at least 50% and there must be no new disease sites.

DIRECTORS' REPORT

HuMax-CD20

HuMax-CD20 is a human, **high-affinity antibody** in Phase II development for rheumatoid arthritis (RA) and Phase I/II clinical development for Non-Hodgkin's lymphoma (NHL) and chronic lymphocytic leukemia (CLL). The CD20 antigen, a clinically **validated target**, is a protein found in the cell membrane of pre-B and mature B lymphocytes, a subset of the immune system's white blood cells. In certain types of cancers, these cells can proliferate too much and treatment is needed to reduce their number. Because of the critical role of B-cells in autoimmune disorders, CD20 is also believed to be an attractive target for treating other diseases, such as RA. In laboratory tests and animal studies, HuMax-CD20 has been shown to deplete B-cells effectively and bind to a unique site on the CD20 target when compared to other known CD20 antibodies.

High-Affinity Antibody
An antibody's affinity is a measure of the binding strength it has for the specific target. Classical murine (mouse) antibodies have an affinity approximately 1,000 fold higher than low affinity antibodies. Genmab's antibodies are additionally 100 fold higher. Thus, they are particularly good at finding and binding to their targets and are therefore potentially more attractive as therapeutic products.

Validated Target
A validated target has undergone extensive testing demonstrating that it is critically involved in the disease process, and that modulation of the target is likely to have a therapeutic effect. Clinically validated targets are recognized by showing positive results in Phase II or later studies conducted by unrelated third parties employing other antibody products aimed at the same target. Very often these other antibodies are chimeric or humanized, whereas Genmab's antibodies are fully human.

HuMax-CD20 has undergone a Phase I/II clinical trial in patients with relapsed or refractory follicular NHL. We presented data from the study in June and December 2005 showing clinical responses at all dose levels. Tumor response was assessed 8, 16, and 23 weeks after the final infusion of HuMax-CD20. Objective responses at each of the different dose levels (300 mg, 500 mg, 700 mg, and 1,000 mg) were up to 63% according to the Cheson Criteria. The responses included five complete responses, two complete responses unconfirmed, and nine partial responses. The median duration of response and median time to disease progression in responding patients had not yet been reached after 12 months of follow up. HuMax-CD20 was well tolerated by the patients in the study. No dose limiting toxicities were reported during the study and the maximum tolerated dose was not reached. We are now making plans to treat patients with relapsed or refractory follicular lymphoma in a pivotal study.

An additional Phase I/II study is underway employing HuMax-CD20 in the treatment of relapsed or refractory chronic lymphocytic leukemia (CLL). CLL is a subgroup of NHL and is the most common leukemia in adults in the US and most of Western Europe. In December 2004, the US FDA awarded HuMax-CD20 a Fast Track designation for the treatment of CLL patients who have failed fludarabine therapy.

At the ASH meeting in December 2005, we presented results from the Phase I/II CLL study showing that responses generally appeared rapidly with 67% of evaluable patients treated at the highest dose level (2000 mg) responding to treatment at week 4. Twelve of 26 patients (46%) obtained objective responses lasting at least 8 weeks including 2 nodular remissions. Ten patients showed complete responses by absence of enlarged lymph nodes, spleen and liver, and by normalization of blood counts at any time point during the 19 week follow up period. HuMax-CD20 was well tolerated by CLL patients in the study, and the maximum tolerated dose was not reached. We are now making plans to treat CLL patients in a pivotal study.

In a third HuMax-CD20 clinical trial, treatment of 39 RA patients in a Phase I/II study was completed in August 2005. At that time we expanded the RA study into a Phase II trial which will include 200 additional patients randomized into four treatment groups.

HuMax-EGFr

Our third cancer product in clinical development, HuMax-EGFr, has been tested in Phase I/II clinical trials for head and neck cancer. HuMax-EGFr is a high-affinity human antibody

that targets the Epidermal Growth Factor receptor (EGFr), a molecule found in abundance on the surface of many cancer cells, and it is another clinically validated target.

At the American Society of Clinical Oncology Annual Meeting in May 2005, we presented encouraging efficacy data from our Phase I/II study in refractory head and neck cancer. These patients generally have a short life expectancy and progressive disease. Clinical and metabolic response was demonstrated by two types of scanning. FDG-PET scans showed that in the two highest dose groups 9 out of 11 patients obtained partial metabolic response (6 patients) or stable metabolic disease (3 patients), while CT scans showed that in the two highest dose groups 7 out of 10 patients obtained partial response (1 patient) or stable disease (6 patients). The partial response was confirmed after 4 weeks. There was also a partial response at a lower dose. Results from the trial indicate that HuMax-EGFr is well tolerated by head and neck cancer patients. Furthermore, no patients experienced dose limiting toxicity when treated with the highest dose of 8 mg/kg.

At the beginning of January 2006, HuMax-EGFr was designated a Fast Track Product by the US Food and Drug Administration (FDA). This designation covers patients with head and neck cancer who have previously failed standard therapies. We are making plans to treat refractory head and neck cancer patients in a pivotal study.

AMG 714

AMG 714, formerly known as HuMax-IL15, is a human monoclonal antibody that binds to Interleukin-15 (IL-15), a cytokine molecule that appears early in the cascade of events that ultimately leads to inflammatory disease. The antibody was originally created by Genmab under our collaboration with Amgen. Amgen has since exercised its commercial option to AMG 714 and is now responsible for all further development of the antibody. The antibody is currently being evaluated in Phase II clinical studies for RA patients who have previously failed other treatment.

HuMax-Inflam

HuMax-Inflam is a high-affinity human antibody in clinical development for the treatment of inflammatory conditions. A Phase I/II clinical trial has produced positive safety and efficacy data. We believe HuMax-Inflam may be a candidate for orphan drug status. Genmab is developing HuMax-Inflam in collaboration with Medarex.

Pre-Clinical Programs

Genmab has more than ten additional antibody programs in pre-clinical development. We are continually pursuing opportunities to strengthen and deepen our product pipeline. Our strategy is to focus on building a broad portfolio of products to increase our chances of commercial success. To this end, we are creating antibodies to a wide variety of targets addressing a number of disease indications. We intend to develop these products ourselves and in collaboration with our existing and prospective partners.

In November 2005, the US Patent and Trademark Office issued a patent for HuMax-HepC. HuMax-HepC is a fully human antibody currently in pre-clinical development to prevent reinfection with the Hepatitis C Virus (HCV) after liver transplantation.

In May 2005, we signed a licensing agreement with Serono for the future development and worldwide commercialization of our pre-clinical antibody, HuMax-TAC. HuMax-TAC may have therapeutic potential in the treatment of T-cell mediated diseases, such as autoimmune disorders, inflammatory and hyperproliferative skin disorders, as well as acute transplant rejection.

Our new HuMax-CD38 program is in pre-clinical development for the treatment of multiple myeloma, a cancer of plasma cells that accounts for approximately 1% of all cancers. At present, no cure is available, and the mean survival is approximately 3 years from time of diagnosis. HuMax-CD38 is a human antibody selected from a large panel of antibodies based on its ability to bind to and to kill multiple myeloma tumor cells in pre-clinical studies. At the ASH meeting in December 2005, we presented data from pre-clinical studies demonstrating that HuMax-CD38 was effective in killing primary multiple myeloma tumor cells and a range of tumor cell lines by triggering two immune system killing mechanisms: Antibody-Dependent Cellular Cytotoxicity (ADCC) and Complement Dependent Cytotoxicity (CDC). HuMax-CD38 also potently killed tumor cells from a patient with a CD38/138 positive plasma cell leukemia who was refractory to chemotherapy

at the time of analysis. Furthermore, HuMax-CD38 effectively prevented the growth of CD38 positive cancer cells in an animal model.

During 2005, we further expanded our pre-clinical pipeline with the acquisition of rights to 16 potential targets to treat non-steroid dependent cancers of epithelial cell origin, such as gastrointestinal cancers including colon cancer. We purchased all of the rights, including patent applications and know-how from the insolvency administrator of Europroteome AG, a privately owned German company in insolvency proceedings and we owe nothing further to the insolvency estate. Our scientific team has started generating human antibodies to a unique target highly expressed on colon carcinomas.

We continue creating a significant number of potential products for Roche as well as proprietary antibodies to targets identified by our own scientific team or other partners.

Partnerships

In support of our strategy to build a broad portfolio of products and facilitate their potential commercialization, Genmab has established a number of collaborations with pharmaceutical and biotechnology companies. Through these partnerships, major pharmaceutical and biotechnology companies leverage our current internal resources and help bring our products closer to the market. Genmab has also formed a number of partnerships to gain access to promising disease targets that may be suitable for additional antibody products. Three of our key collaborations are Roche, a major healthcare group headquartered in Switzerland; Serono, a global biotechnology company also headquartered in Switzerland; and US-based Amgen, the world's largest biotechnology company.

In December 2005, our partner Roche announced that it had filed an Investigational New Drug application (IND) with the FDA for an antibody created by Genmab. Up to now, Roche has selected a total of four Genmab-created antibodies as clinical candidates, and this is the first antibody of the four to enter the clinic. The filing of the IND marks the ninth milestone Genmab has achieved under our ongoing collaboration with Roche. Under the partnership agreement, we utilize our broad antibody expertise and development capabilities to create human antibodies to a wide range of disease targets identified by Roche. Genmab will receive milestone and royalty payments based on successful products. Under certain circumstances, Genmab may obtain rights to develop products based on disease targets identified by Roche. If all goals are reached, the value of the collaboration to Genmab could be USD 100 million, plus royalties. At the exchange rate prevailing at the end of 2005, this equals approximately DKK 632 million, plus royalties.

In May 2005, Genmab signed a license agreement with Serono granting it exclusive worldwide rights to develop and commercialize our HuMax-TAC antibody. Under the agreement, Genmab received an upfront payment of USD 2 million, and we are entitled to potential milestone payments of up to USD 38 million and royalties on sales from any eventual commercialization of the product. Serono is responsible for all future development costs for HuMax-TAC.

In August 2005, we signed a second license agreement with Serono granting it exclusive worldwide rights to develop and commercialize HuMax-CD4. Under the terms of the agreement, Genmab received a license fee of USD 20 million, and Serono made a USD 50 million investment in Genmab common stock, at a premium to the market price. Genmab may receive up to USD 215 million in total payments, including the initial license fee and equity investment. Genmab will also be entitled to receive royalties on global sales of HuMax-CD4. Serono is responsible for all future development costs for HuMax-CD4, but we are continuing to conduct, at Serono's expense, the ongoing Phase III pivotal study in cutaneous T-cell lymphoma and the Phase II study in non-cutaneous T-cell lymphoma.

Genmab has previously created antibodies for Amgen under a licensing agreement for its IL-15 receptor program and for another undisclosed target, as well as for the IL-15 program. Genmab had taken an antibody against IL-15 into phase II for treatment of RA. Under the terms of the agreement, if products to all three targets are successfully commercialized, and certain sales levels are achieved, Genmab will be entitled to receive up to USD 135.5 million (approximately DKK 857 million based on the exchange rate prevailing at the end of 2005) in license fees and milestone payments, plus royalties on commercial sales. Amgen is responsible for all future development of these antibodies.

Antibody Technology, Streamlined Development and Intellectual Property

Globally, antibodies are proven candidates for therapeutic products. To date, the FDA has approved 18 antibody-based therapeutic products produced by other companies for sale in the US. To create our therapeutic products, Genmab uses transgenic mice to produce novel antibodies that are fully human. Some of our HuMax antibodies have been shown to be 100 to 1,000 times better at finding and binding to their target than earlier generations of murine or laboratory-engineered antibodies which are not fully human. In addition, we believe that fully human antibody therapies may have other advantages over older generation products such as a more favorable safety profile and improved treatment regimes. Genmab has licensed the rights to use the **transgenic mouse technology**, the UltiMAb® platform, from the US biotechnology company Medarex, Inc.

Transgenic Mouse Technology (UltiMAb®)
In the transgenic mice of the UltiMAb® technology platform, the mouse genes for creating antibodies have been inactivated and replaced by human antibody genes. Genes determine which proteins are made and therefore the transgenic mice make antibody proteins identical to those made by humans, rather than mouse antibody proteins. Once the desired antibodies have been created in the mice, the antibody-producing cells can be transferred into standard laboratory cell cultures to generate greater quantities.

We combine this technology with our own intellectual property and in-house expertise to produce and evaluate new antibodies as product candidates. Once a panel of antibodies for a new disease target has been generated, we subject the antibodies to extensive and rigorous testing, employing our wide array of laboratory tests and animal disease models. Our goal is to use these broad pre-clinical capabilities to identify the clinical candidate with the best possible characteristics for treating a particular disease and to move forward as efficiently as possible. Our research and development teams have established a streamlined process to coordinate the activities of product discovery, manufacturing, pre-clinical testing, clinical trial design, data management and regulatory submissions across the company's international operations.

Proprietary protection for our products, processes and know-how is important to our business. Currently, we own and license patents, patent applications and other proprietary rights relating to our human antibody technology and our antibody products against CD4, EGFr, IL-15, CD20, TAC, Hepatitis C virus, CD38, the Ganymed target and targets acquired from Europroteome, and/or uses of these products in the treatment of diseases. In addition, under the terms of our Technology Agreement with Medarex, we have rights to file patent applications for future antibody products developed using our human antibody technology. Our policy is to file patent applications to protect technology, inventions and improvements relating to antibody products that we consider important to the development of our business.

Human Resources

In a knowledge-based company such as Genmab, human resources are essential to our operations and continuing development. Adequate skills and knowledge combined with the professional experience of our employees within their individual functions are important factors in our research activities and development of biotechnology products. However, the ability to organize our highly skilled and very experienced employees into interactive functional teams is the key factor in heading towards the high goals that ensure Genmab's continuing growth. Throughout the company, Genmab emphasizes an open and supporting professional work environment.

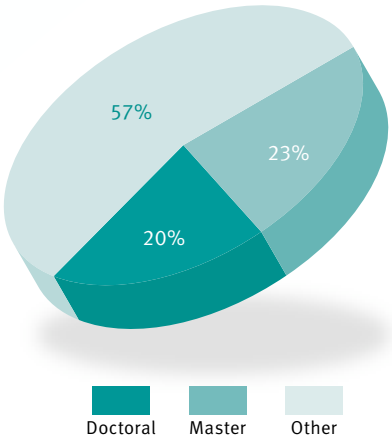
Our core values are characterized by goal orientation at all levels of the organization, trust in our leadership and in each other as high performing teams and a sincere dedication to break new ground when it comes to unmet medical needs.

During 2005, the number of employees increased from 209 to 215. Genmab's workforce is concentrated in research and development. At the end of 2005, 180 people, or 84% of our employees, were employed in research and development activities compared to 172 people, or 82% at the end of 2004.

The technical demands of biotechnology require a high educational level of our employees. At the end of 2005, 44 employees, or 20%, hold a Ph.D. or a doctoral degree, including 4 who hold both an M.D. and a Ph.D. In addition,

DIRECTORS' REPORT

Employee Education Level



49 employees, or 23%, hold Master degrees. In total, at the end of 2005, 43% of employees hold advanced degrees.

Genmab's team is also very experienced in the pharmaceutical and biotechnology industry, particularly among the more senior personnel. On average, employees at the manager level and above have over 16 years of experience.

To further attract and retain our highly skilled workforce, we offer competitive remuneration packages including a warrant program, where warrants are granted to all employees. Please refer to Notes 3 and 14 to the financial statements for further details on the remuneration and warrant programs.

Financial Development

The financial statements have been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) as endorsed by the EU and additional Danish disclosure requirements for financial reporting of listed companies. For the convenience of the reader, in the accompanying notes, a reconciliation has been provided between the reported net result under the IFRS and the corresponding net result under US Generally Accepted Accounting Principles (US GAAP).

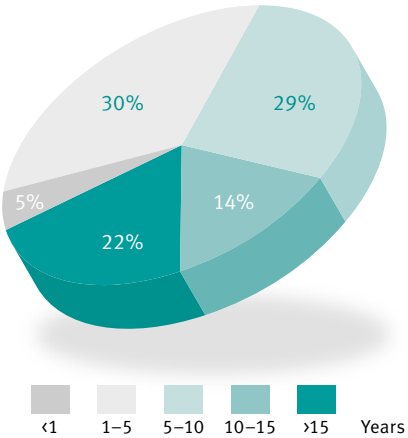
Effective from January 1, 2005, the Group has adopted the new International Financial Reporting Standards issued by the International Accounting Standards Board in 2004, as well as the updated standards arising from the IASB Improvement Project. The financial reporting of Genmab has primarily been affected by the adoption of IFRS 2, *"Share-Based Payment"* and the revised IAS 27, *"Consolidated and Separate Financial Statements"*.

The adoption of IFRS 2 has affected the consolidated net loss for 2005 by DKK 24 million, allocated to research and development costs by DKK 12 million and to general and administrative expenses by DKK 12 million. The effect on the comparative figures for 2004 was an increase of the net loss by DKK 8 million, allocated to research and development costs by DKK 5 million and to general and administrative expenses by DKK 3 million. With the exception of reclassification within the equity accounts to reflect the reserve for share-based payment, the adoption of IFRS 2 has not affected the consolidated equity as per any of the dates presented.

The adoption of the revised IAS 27 has changed the accounting for investments in subsidiaries in the separate financial statements of the parent company Genmab A/S from the equity method to measurement at cost. The adoption has reduced the net loss and increased the value of investments in subsidiaries in the separate financial statements of the parent company for 2005 by DKK 7 million. The effect on the comparative figures for 2004 was an increase of net loss by DKK 1 million and an increase in investments in subsidiaries of DKK 5 million.

The effects of the changes in accounting policies on the results for prior periods have been recorded separately in shareholders' equity and the comparative figures have been adjusted accordingly.

Employee Experience in Pharma/Biotech Industry



The adoption of other new or improved standards issued by the IASB has not affected the financial reporting of the Group or the parent company for any periods presented. Please refer to Note 1 to the financial statements for additional descriptions of the changes in accounting policies, including the effects on the parent company of the adoption of IFRS 2, and for a description of our accounting policies.

Result for the Year

The Group's operating loss for 2005 was DKK 428 million and the net loss was DKK 394 million. This compares favourably to the 2004 operating loss and net loss of DKK 449 million and DKK 423 million, respectively. Revenues increased significantly from DKK 4 million in 2004 to DKK 99 million in 2005. The increase in revenues is primarily attributable to the licence fees received from Serono which have been partly recognized as revenues in 2005.

2005 was the second year in a row where Genmab's cash position increased over the year. During 2005, Genmab's cash position increased by DKK 94 million, primarily due to the licence fee and equity investment made by Serono in connection with the HuMax-CD4 agreement entered into in August 2005.

The results for 2005 were in line with management's expectations for the year.

Revenues

During 2005, Genmab recognized total revenues of DKK 99 million compared to revenues of DKK 4 million in 2004. The revenues in 2005 primarily arise from the HuMax-CD4 agreement with Serono and services provided under our other collaboration agreements. The payment received from Serono for granting the rights to develop and commercialize HuMax-CD4 included an upfront license fee and a premium to the equity investment made in Genmab by Serono. Because of the close connection between the initial payments and the premium on shares purchased by Serono, these amounts have been jointly processed. A part of the license fee and the premium on the equity investment has been recognized as deferred income to be recognized as revenues over the period where Genmab will conduct clinical trials with HuMax-CD4 on behalf of Serono. Accordingly, revenues in 2005 include DKK 27 million in license fee and premium on the equity investment arising from the HuMax-CD4-agreement, whereas DKK 142 million has been deferred to be recognized as revenues in future periods.

Genmab also granted the rights to HuMax-TAC to Serono during 2005, resulting in recognition of revenues of DKK 10 million and deferred income of DKK 1 million.

As revenues comprise milestone payments and other income from research and development agreements, recognition of revenues may vary from period to period.

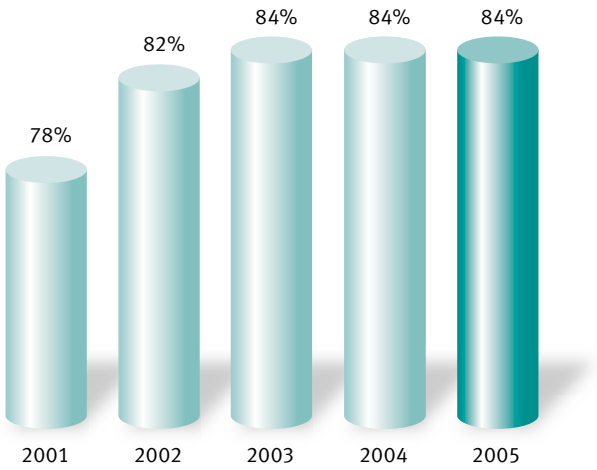
Research and Development Costs

Research and development costs increased by DKK 63 million, or 17%, from DKK 379 million in 2004 to DKK 442 million for the year ended December 31, 2005. The increase is primarily attributable to the costs of increasing clinical and manufacturing activities in connection with the advancement of our pipeline of clinical product candidates through the development process, but also affected by the adoption of IFRS 2, leading to increased warrant compensation expenses in 2005 compared to 2004.

General and Administrative Expenses

General and administrative expenses increased by DKK 10 million, or 13%, from DKK 75 million in 2004 to DKK 85 million for the year ended December 31, 2005. The increasing expenses are a reflection of the increased level of support needed for research and development activities, but also influenced by higher IFRS 2 warrant compensation expenses in 2005. On an overall basis, general and administrative

R&D Share of Operating Cost



expenses account for 16.1% of our total costs of operations compared to 16.5% in 2004.

Financial Items
Financial income increased by DKK 11 million, from DKK 69 million in 2004 to DKK 80 million for the year ended December 31, 2005. This increase reflects the impact of the strengthening of the USD against the DKK, primarily affecting the USD portion of our investment portfolio. In addition, we had a higher average balance of cash and marketable securities in 2005 compared to 2004.

Financial expenses of DKK 45 million are in line with the financial expenses of DKK 43 million in 2004.

Our USD position is a natural hedge to our USD denominated expenses and, accordingly, the recognized gains on the USD portion of our investment portfolio are offset by increased operating expenses when converted to DKK in 2005. Had the USD remained constant against the DKK throughout 2005, net financial income would have been approximately DKK 10 million lower.

Genmab has a cash position of DKK 1.253 billion, primarily invested in marketable securities, and accordingly we are sensitive to changes in interest rates and valuation of marketable securities. Our financial reporting is affected by fluctuating exchange rates, and during 2005, the USD increased by 16% against the DKK, from 5.4676 DKK/USD at the end of 2004 to 6.3241 DKK/USD at the end of 2005. For comparison, during 2004, the USD decreased by 8% against the DKK. Please refer to the section on financial risks for further details on the financial risk factors affecting the company.

Cash Flow
On December 31, 2005, cash, cash equivalents and short-term marketable securities equalled DKK 1.253 billion compared to DKK 1.158 billion on December 31, 2004.

During 2005, the company's cash flow from operating activities was DKK 209 million compared to DKK 368 million in 2004. Although our operating expenses have increased during 2005, the net cash outflow is reduced by the payments received from the HuMax-CD4 agreement, which has been included in cash flow from operating activities through revenues and as an increase in deferred income.

The net cash flow from financing activities was DKK 297 million in 2005. This reflects primarily the cash inflow from the market value of Serono's equity investment in Genmab of DKK 259 million and the exercise of warrants of DKK 47 million.

Currencies
The company's financial statements are published in Danish Kroner (DKK). Solely for the convenience of the reader, the financial statements contain 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 closing spot rate on December 31, 2005, which was USD 1.00 = DKK 6.3241.

Consolidated Key Figures

The following key figures and financial ratios have been prepared on a consolidated basis and include five years of operation. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts. Key figures comply with the requirements under the Danish Financial reporting requirements and the IFRS. All key figures and financial ratios are in conformity with the current accounting policies. The comparative figures have been adjusted to reflect the changes in accounting policies as per January 1, 2005.

The figures for operating loss for 2002 have been adjusted by DKK 43 million to include an impairment loss recognized in 2002. Such figures were previously reported as a separate item in the income statement. The figures have been stated in thousands, except for the financial ratios.

	2005 DKK'000	2005 USD'000 (Unaudited)	2004 DKK'000	2004 USD'000 (Unaudited)	2003 DKK'000	2003 USD'000 (Unaudited)	2002 DKK'000	2002 USD'000 (Unaudited)	2001 DKK'000	2001 USD'000 (Unaudited)
Income Statement										
Revenues	98,505	15,576	4,101	648	68,326	10,804	–	–	–	–
Research and development costs	(441,689)	(69,842)	(378,537)	(59,856)	(347,085)	(54,883)	(396,234)	(62,655)	(195,660)	(30,939)
General and administrative expenses	(84,740)	(13,400)	(75,053)	(11,868)	(64,650)	(10,223)	(86,847)	(13,733)	(54,939)	(8,687)
Operating loss	(427,924)	(67,666)	(449,489)	(71,076)	(343,409)	(54,302)	(525,988)	(83,172)	(250,599)	(39,626)
Net financial income	34,334	5,429	26,061	4,121	15,029	2,376	46,985	7,430	81,887	12,948
Net loss	(393,590)	(62,237)	(423,428)	(66,955)	(328,314)	(51,915)	(479,329)	(75,794)	(168,717)	(26,678)
Balance Sheet										
Cash and marketable securities	1,252,902	198,115	1,158,428	183,177	1,035,776	163,782	1,368,735	216,432	1,599,235	252,879
Total assets	1,370,431	216,699	1,271,908	201,121	1,180,108	186,605	1,583,136	250,334	1,811,633	286,465
Shareholders' equity	1,118,770	176,905	1,180,986	186,745	1,086,434	171,793	1,399,169	221,244	1,711,930	270,699
Share capital	33,108	5,235	29,752	4,705	22,981	3,634	22,717	3,592	21,812	3,449
Investments in tangible fixed assets	8,223	1,300	23,049	3,645	21,722	3,435	111,038	17,558	50,300	7,954
Cash Flow Statement										
Cash flow from operating activities	(208,644)	(32,992)	(367,984)	(58,188)	(302,364)	(47,811)	(308,316)	(48,753)	(126,121)	(19,943)
Cash flow from investing activities	(127,547)	(20,168)	(25,065)	(3,963)	361,905	57,226	238,552	37,721	253,683	40,114
Cash flow from financing activities	297,357	47,020	503,413	79,602	(3,571)	(565)	156,849	24,802	58	9
Cash and cash equivalents	381,346	60,300	419,566	66,344	308,916	48,847	252,946	39,997	165,861	26,227
Financial Ratios										
Basic and diluted net loss per share	(12.59)	(1.99)	(16.00)	(2.53)	(14.38)	(2.27)	(21.46)	(3.39)	(7.70)	(1.22)
Year-end share market price	135.89	21.49	99.57	15.74	50.66	8.01	24.33	3.85	169.89	26.86
Price / book value	4.02	4.02	2.51	2.51	1.07	1.07	0.40	0.40	2.16	2.16
Shareholders' equity per share	33.79	5.34	39.69	6.28	47.28	7.48	61.59	9.74	78.49	12.41
Average number of employees	213	213	206	206	199	199	157	157	70	70
Number of employees at year-end	215	215	209	209	201	201	192	192	111	111

DIRECTORS' REPORT

Subsequent Events

On January 3, 2006, Genmab announced that HuMax-EGFr was designated a Fast Track Product by the US FDA. This designation covers patients with head and neck cancer who have previously failed standard therapies. We are making plans to treat refractory head and neck cancer patients in a pivotal study.

On January 13, 2006, Genmab announced the launch of an international private placement of 5,000,000 new shares plus a greenshoe of 750,000 shares. The completion of the international private placement has increased the projected cash position at the end of 2006 by approximately DKK 800 million. The proceeds from the international private placement have been incorporated in the outlook for 2006 as presented in this Annual Report.

On February 13, 2006 we announced that Genmab has acquired exclusive worldwide rights to develop therapeutics based upon a series of patented angiogenesis targets identified by the Australian company Bionomics.

No other significant events have occurred since the balance sheet date which could significantly affect the financial statements as of December 31, 2005.

Corporate Governance

During 2005, Genmab has continued the work of improving our guidelines and policies for corporate governance based on the most recent trends in international and domestic requirements and recommendations. Our commitment to corporate governance is rooted in the aim of generating value for the company, and it forms a key element in our efforts to strengthen the confidence that existing and future shareholders, partners and employees have in Genmab.

Rules and recommendations within corporate governance continuously develop. Recently, a set of revised recommendations has been published by the Copenhagen Stock Exchange Committee on Corporate Governance and incorporated into the disclosure requirements for listed companies with effect for financial years beginning on or after January 1, 2006. Genmab has performed a study of these revised recommendations and we comply with many of the recommendations. Some of the recommendations, however, need to be adapted to the company's specific circumstances and international operations.

The role of the shareholders and their interaction with the company is considered important to Genmab. We acknowledge that an open communication is necessary to maintain the confidence of the shareholders and seek to maintain such open communication. Simultaneous interpretation services have been established for the Annual General Meetings, acknowledging the international character of our shareholders, and we have evaluated the possibility of holding electronic Annual General Meetings to make it easier for our many Non-Danish shareholders to participate. In general, Genmab maintains an open communication with all our stakeholders through stock exchange releases, investor meetings and company presentations. We are committed to provide reliable and transparent information about the business, development and results in an open and timely manner. As part of these initiatives, Genmab's website contains information about the company, our products in development, news releases and events with participation of Genmab, in addition to all corporate documents and stock exchange releases in Danish and English.

The Board of Directors plays an important role to Genmab, being actively involved in determining the strategies and goals for the company and by monitoring the operations and results on an ongoing basis. Accordingly, relevant knowledge and professional experience are key parameters when nominating Board members. The majority of Genmab's Board members are independent of the company, and we believe no member has relations or interests that may be contrary to the company's businesses or may conflict with the professional performance of the duty as a Board member. According to the company's Articles of Association, Genmab's Chief Executive Officer is also a Board member, and one of the Board members has been serving as Genmab's Head of Business Development. Genmab has concluded that this set-up secures a close relationship between the Board of Directors and the Executive Management and that it is in the interest of the company and the shareholders. Adequate procedures have been established to avoid conflicts of interests for these individuals in their professional duties.

The Board of Directors performs regular assessments of its own performance, of the Executive Management and of the collaboration between the parties to identify any areas of improvement. The collaboration is based on a natural element of control, but it is also characterized by interaction and teamwork for the purpose of developing the company. To an innovative company as Genmab, it is especially important for the Board of Directors to liaise actively with the Executive Management in a respectful and trusting manner. During 2005, the Board of Directors held 11 scheduled meetings, in addition to the more informal ongoing communication between the Board members and with the Executive Management.

To support the Board of Directors in its duties, three committees have been established. These are the Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee. Written charters specifying the tasks and responsibilities have been adopted for each of these Committees.

The Nominating and Corporate Governance Committee monitors the work of the Board of Directors and the established Committees, including regular reviews of the size, composition and performance. The tasks include evaluation of the individual Board members and recommendation to the Board with respect to re-nomination of existing Directors and identification of new candidates to serve on the Board. The Committee oversees the standards for independence of Directors, maintains an orientation program for new Directors and a continuing education program for all Directors. Further, this Committee oversees the company's corporate governance functions and work with the Management to monitor important corporate governance issues and trends in corporate governance practices and recommendations. The corporate governance principles adopted by the Board and their application are periodically reviewed and recommendations are made to the Board with respect to new initiatives within this area. The members of the Nominating and Corporate Governance Committee comprise Mr. Karsten Havkrog Pedersen and Dr. Anders Gersel Pedersen. The Committee held 2 meetings during the financial year 2005.

The Audit Committee assists the Board in fulfilling its responsibilities with respect to internal control and financial reporting. The Audit Committee monitors the system of internal control and the financial reporting process, and Interim and Annual Reports are examined by the Audit Committee prior to adoption by the Board of Directors and release to the Copenhagen Stock Exchange. The Audit Committee also reviews the company's accounting policies and evaluates significant accounting and reporting issues. The Audit Committee pre-approves the fees, terms and other conditions of engagements with the independent auditors and monitors the audit process. The independent auditors report directly to the Audit Committee with respect to audit findings and other recommendations, including discussions of the company's accounting policies and financial reporting process. Audit findings and recommendations from the independent auditors are reviewed by the Audit Committee and the CFO of the company to ensure that any issues are properly addressed. The members of the Audit Committee comprise Mr. Irwin Lerner and Mr. Karsten Havkrog Pedersen. The Committee held 2 meetings during the financial year 2005.

The role of the Compensation Committee is to advise the Board on the adoption of policies that govern the company's compensation programs, including warrant and benefit plans. The Committee supports the Board in setting goals and objectives for the Executive Management, evaluate the performance and decide on the annual compensation. The Compensation Committee monitors the trends within management compensation plans to ensure that the company's executive compensation programs are able to attract, retain and motivate the Executive Managers and align the interests of key leadership with the long-term interest of the company's shareholders. Finally, this Committee reviews periodic reports from Management on matters relating to the company's personnel appointment and practices. The members of the Compensation Committee comprise Dr. Michael B. Widmer and Mr. Irwin Lerner. The Committee held 2 meetings during the financial year 2005.

Risk Management

Genmab performs global research and development activities with offices located in three countries and clinical trials conducted in almost a dozen different countries. Through our activities, we are exposed to various risks, which may have significant impact on our business if not properly assessed and controlled. Maintaining a strong control

environment with adequate procedures for identification and assessment of risks and adhering to operational policies designed to minimize such risks to an acceptable level is essential for the continued development of the company. It is our policy to identify and minimize the risks derived from our operations and to establish insurance coverage to hedge any residual risk, wherever considered efficient. We are exposed to a number of specific risk areas such as development, financial, commercial, and environmental risks. Below is a summary of some of Genmab's key risk areas and how we address such risks.

Development Risk

The creation and development of therapeutic products within the biotechnology and pharmaceutical industry is subject to considerable risks. Since everything is not known about the nature of disease or the way new potential therapeutic products can affect the disease process, a significant number of products do not successfully reach the marketplace in this industry.

Any product undergoing pre-clinical or clinical development is subject to an inherent development risk, which includes factors such as timeliness and quality of clinical supplies and the availability of suitable patients to be enrolled in the clinical trials. Further, the outcome of pre-clinical as well as clinical studies is never certain, and the subsequent ability to obtain regulatory approval of the products is not guaranteed. Genmab seeks to minimize such risk by developing a broad portfolio of products, including a number of products against validated targets, thus increasing the opportunities for success and diversifying the development risk.

Genmab has established both a Discovery Committee and a Development Committee to ensure the optimal selection of disease targets and antibody product candidates and to monitor the progress of all projects. Both committees combine the competences of key employees across the organization with the primary focus of optimizing the development of our projects by closely monitoring and assessing data and other information.

Financial Risk

Currency Exposure

As Genmab incurs income and expenses in a number of different currencies, the company is subject to a currency risk. Increases or decreases in the exchange rate of such foreign currencies against our functional currency, the DKK, can affect the company's results and cash position negatively or positively. The most significant cash flows of the company are, in quantity wise descending order, DKK, EUR, USD and GBP.

Genmab maintains cash positions in all these major currencies, and we also keep certain amounts invested in USD in order to maintain a natural hedge of future expenses in USD for a period of up to 12-18 months. As per end of 2005, approximately 14% of our marketable securities was invested in USD-denominated securities. This position exposes Genmab to a risk of foreign currency fluctuation in the short term. No financial instruments, such as options or futures contracts, have been entered into to reduce the exposure to short-term changes in foreign currency exchange rates, as the open position will be offset by planned expenses to be incurred in USD. Based upon the amount of assets and liabilities denominated in USD as of December 31, 2005, a 10% change in the USD to DKK exchange rate will impact our net financial items by approximately DKK 12 million. Accordingly, significant changes in exchange rates could cause our operating loss and net financial income to fluctuate significantly.

For EUR and GBP, our risk position, defined as the expected cash flow multiplied by the expected exchange rate volatility against the DKK is considered immaterial, and no hedging activities in the form of financial instruments or similar have been put in place.

Interest Rate Risk

Genmab's exposure to interest rate risk is primarily ascribable to the positions of cash, cash equivalents and marketable securities, as we do not have significant interest bearing debts. The primary objective of Genmab's investment activities is to preserve capital while at the same time maximizing the income derived from security investments without significantly increasing risk. Currently, a portfolio of cash, cash equivalents and marketable securities is maintained by investing primarily in DKK-denominated notes issued by the Danish government as well as USD-denominated notes issued by the US government, mortgage bonds and corporate bonds. Some of the securities in which the company has invested bear interest rate risk, as a change in

market derived interest rates may cause the fair value of the principal amount of the investment to fluctuate.

To minimize the interest rate risk, the company maintains an investment portfolio in a variety of securities at a number of different investment managers and with a relatively short duration. Our investment policy for investments in marketable securities only allows investments in certain low-risk securities with an effective average duration of less than three years. Due to the short-term nature of the current investments, we consider our current exposure to interest rate risk to be immaterial.

Commercial Risk
Genmab is subject to commercial risk factors of a diverse nature, including, among others, market size and competition for our products in development, the ability to attract the interest of potential partners and investors, development time and cost of our development programs, and patent protection.

We attempt to control these commercial risks by continually monitoring and evaluating current market conditions and patent positions. Over the recent years, we have strengthened our efforts in this area by establishing in-house competencies within sales and marketing and by allocating more resources to the analyses of market potential for our products in development. In 2005, we have also expanded our business development department in response to the increasing partnering activities carried out, and we are in the process of further expansion in the intellectual property area.

Environmental Risk
Our in-house research activities are carried out from our state-of-the-art laboratory facilities in Utrecht, which are designed to reduce any environmental impact. Nevertheless, Genmab is aware of the company's potential environmental impact and we have implemented policies for the handling of waste materials from our laboratory facilities in accordance with regulatory requirements. As Genmab's activities have a very limited impact on the environment, we have chosen not to issue separate environmental reports.

Ownership and Shareholder Information

On December 31, 2005, the share capital of Genmab A/S comprised 33,108,098 shares of DKK 1 each. All shares have the same rights. The number of registered shareholders totalled 8,641 shareholders holding a total of 31,853,553 shares, which represented 96% of the share capital. Genmab is listed at the Copenhagen Stock Exchange under the symbol GEN.

In 2005, Genmab A/S issued 2,498,507 new shares to Serono at a price of DKK 121.39 per share in connection with the grant of license to the HuMax-CD4 and the collaboration agreement.

Also, 857,228 new shares were subscribed at a price of DKK 33.70 to 116.50 per share by the exercise of a total of 857,228 employee warrants.

The costs incurred in connection with the capital increases in 2005 amounted to approximately DKK 0.4 million and were primarily incurred in connection with the equity investment made by Serono.

The following shareholders are listed in the register of shareholders as the owners of a minimum 5% of the votes or a minimum 5% of the share capital:

- GenPharm International, Inc., 2350 Qume Drive, San Jose, CA 95131, USA (19%)
- Serono B.V., 3-5 Alexanderstraat, 2514 JL Den Haag, The Netherlands (6%)
- Biotech Turnaround Fund, Kenaupark 3, 2011 MP Haarlem, The Netherlands (5%)

Distribution of Year's Result

It is proposed that the year's loss of DKK 394 million be carried forward by transfer to accumulated deficit.

DIRECTORS' AND MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Board of Directors and management have today considered and adopted the Annual Report of Genmab A/S for the financial year January 1 through December 31, 2005.

The Annual Report is prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and endorsed by the EU and additional Danish disclosure requirements for financial reporting of listed companies, including those issued by the Copenhagen Stock Exchange.

We consider the applied accounting policies to be appropriate and, in our opinion, the Annual Report gives a true and fair view of the assets and liabilities, financial position, results of operation and cash flows of the Group and the parent company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, February 16, 2006

Management

Lisa N. Drakeman | Claus Juan Møller-San Pedro | Jan van de Winkel | Bo Kruse

Board of Directors

Michael B. Widmer (Chairman) | Lisa N. Drakeman | Irwin Lerner

Anders Gersel Pedersen | Karsten Havkrog Pedersen | Ernst H. Schweizer

AUDITORS' REPORT

To the Shareholders of Genmab A/S

We have audited the Annual Report of Genmab A/S for the financial year January 1 through December 31, 2005 prepared in accordance with the International Financial Reporting Standards as adopted by the EU and the additional Danish disclosure requirements for annual reports of listed companies.

The Annual Report is the responsibility of the company's Board of Directors and management. Our responsibility is to express an opinion on the Annual Report based on our audit.

Basis of Opinion
We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance, that the Annual Report is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies used and significant estimates made by the Board of Directors and the management, as well as evaluating the overall Annual Report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the Annual Report gives a true and fair view of the financial position at December 31, 2005 of the Group and parent company and of the results of the Group's and the parent company's operations and cash flows for the financial year January 1 through December 31, 2005 in accordance with International Financial Reporting Standards as adopted by the EU and the additional Danish disclosure requirements for annual reports of listed companies.

Copenhagen, February 16, 2006

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab

Jens Røder
State Authorized Public Accountant

INCOME STATEMENT

	Note	Genmab Group 2005 DKK'000	Genmab Group 2004 DKK'000	Genmab Group 2005 USD'000 (Unaudited)	Genmab Group 2004 USD'000 (Unaudited)	Parent Company 2005 DKK'000	Parent Company 2004 DKK'000
Revenues		98,505	4,101	15,576	648	98,505	4,101
Research and development costs	2, 3	(441,689)	(378,537)	(69,842)	(59,856)	(443,852)	(382,221)
General and administrative expenses	2, 3	(84,740)	(75,053)	(13,400)	(11,868)	(77,521)	(71,302)
Operating loss		**(427,924)**	**(449,489)**	**(67,666)**	**(71,076)**	**(422,868)**	**(449,422)**
Financial income	4	79,647	68,581	12,594	10,844	81,214	70,597
Financial expenses	5	(45,313)	(42,520)	(7,165)	(6,723)	(44,904)	(42,008)
Loss before tax		**(393,590)**	**(423,428)**	**(62,237)**	**(66,955)**	**(386,558)**	**(420,833)**
Corporate tax	6	–	–	–	–	–	–
Net loss		**(393,590)**	**(423,428)**	**(62,237)**	**(66,955)**	**(386,558)**	**(420,833)**
Basic and diluted net loss per share (in DKK/USD)		(12.59)	(16.00)	(1.99)	(2.53)	(12.37)	(15.90)
Weighted average number of ordinary shares outstanding during the period - basic and diluted		31,254,973	26,470,014	31,254,973	26,470,014	31,254,973	26,470,014

The Board of Directors proposes the net loss be carried forward to next year.

BALANCE SHEET – ASSETS

	Note	Genmab Group 2005 DKK'000	Genmab Group 2004 DKK'000	Genmab Group 2005 USD'000 (Unaudited)	Genmab Group 2004 USD'000 (Unaudited)	Parent Company 2005 DKK'000	Parent Company 2004 DKK'000
Licenses and rights	7	–	10,725	–	1,696	–	10,725
Total intangible fixed assets		**–**	**10,725**	**–**	**1,696**	**–**	**10,725**
Leasehold improvements	8	8,365	15,506	1,323	2,452	3,492	7,596
Equipment, furniture and fixtures	8	27,595	36,236	4,363	5,730	3,371	5,124
Fixed assets under construction	8	8,233	5,611	1,302	887	–	–
Total tangible fixed assets		**44,193**	**57,353**	**6,988**	**9,069**	**6,863**	**12,720**
Equity interests in subsidiaries	9	–	–	–	–	22,245	22,245
Other securities and equity interests	10	3,066	5,726	485	905	3,066	5,726
Non-current receivables		–	5,950	–	941	–	5,950
Total financial fixed assets		**3,066**	**11,676**	**485**	**1,846**	**25,311**	**33,921**
Total non-current assets		**47,259**	**79,754**	**7,473**	**12,611**	**32,174**	**57,366**
Receivables from subsidiaries		–	–	–	–	23,441	19,192
Other receivables	11	54,213	24,173	8,572	3,822	46,516	15,331
Prepayments		16,057	9,553	2,539	1,511	12,192	6,608
Total receivables		**70,270**	**33,726**	**11,111**	**5,333**	**82,149**	**41,131**
Marketable securities	12	**871,556**	**738,862**	**137,815**	**116,833**	**871,556**	**738,862**
Cash and cash equivalents	17	**381,346**	**419,566**	**60,300**	**66,344**	**371,465**	**408,718**
Total current assets		**1,323,172**	**1,192,154**	**209,226**	**188,510**	**1,325,170**	**1,188,711**
Total assets		**1,370,431**	**1,271,908**	**216,699**	**201,121**	**1,357,344**	**1,246,077**

BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

	Note	Genmab Group 2005 DKK'000	Genmab Group 2004 DKK'000	Genmab Group 2005 USD'000 (Unaudited)	Genmab Group 2004 USD'000 (Unaudited)	Parent Company 2005 DKK'000	Parent Company 2004 DKK'000
Share capital		33,108	29,752	5,235	4,705	33,108	29,752
Share premium		2,894,992	2,591,311	457,771	409,752	2,894,992	2,591,311
Other reserves		5,026	4,528	795	716	–	–
Reserve for share-based payment		33,254	9,415	5,258	1,489	33,254	9,415
Accumulated deficit		(1,847,610)	(1,454,020)	(292,154)	(229,917)	(1,831,112)	(1,444,554)
Shareholders' equity		**1,118,770**	**1,180,986**	**176,905**	**186,745**	**1,130,242**	**1,185,924**
Lease liability	8, 17	14,485	20,960	2,290	3,314	14,485	18,267
Total non-current liabilities		**14,485**	**20,960**	**2,290**	**3,314**	**14,485**	**18,267**
Current portion of lease liability	8, 17	8,551	8,044	1,352	1,272	5,856	5,251
Payable to subsidiaries		–	–	–	–	2,658	2,406
Accounts payable		14,494	15,768	2,292	2,493	11,747	7,521
Deferred income	13	148,527	–	23,486	–	148,527	–
Other liabilities		65,604	46,150	10,374	7,297	43,829	26,708
Total current liabilities		**237,176**	**69,962**	**37,504**	**11,062**	**212,617**	**41,886**
Total liabilities		**251,661**	**90,922**	**39,794**	**14,376**	**227,102**	**60,153**
Total shareholders' equity and liabilities		**1,370,431**	**1,271,908**	**216,699**	**201,121**	**1,357,344**	**1,246,077**

STATEMENT OF CASH FLOW

	Note	Genmab Group 2005 DKK'000	Genmab Group 2004 DKK'000	Genmab Group 2005 USD'000 (Unaudited)	Genmab Group 2004 USD'000 (Unaudited)	Parent Company 2005 DKK'000	Parent Company 2004 DKK'000
Net loss		**(393,590)**	**(423,428)**	**(62,237)**	**(66,955)**	**(386,558)**	**(420,833)**
Reversal of financial items, net		(34,334)	(26,061)	(5,429)	(4,121)	(36,310)	(28,589)
Adjustments for non-cash transactions:							
Depreciation and amortization		31,775	53,663	5,025	8,485	17,086	30,158
Net gain on sale of equipment		(31)	(1,243)	(5)	(196)	(65)	(70)
Genomics payment		–	(12,228)	–	(1,934)	–	(12,228)
Warrant compensation expenses		23,839	8,215	3,770	1,299	16,523	4,812
Changes in current assets and liabilities:							
Other receivables		(29,531)	6,921	(4,670)	1,095	(29,522)	4,207
Prepayments		(6,443)	(7,355)	(1,019)	(1,163)	(5,584)	(4,872)
Deferred income		148,527	–	23,486	–	148,527	–
Accounts payable and other liabilities		14,936	1,996	2,362	316	19,877	(6,247)
Cash flow from operating activities before financial items		**(244,852)**	**(399,520)**	**(38,717)**	**(63,174)**	**(256,026)**	**(433,662)**
Net financial receivables		36,208	31,536	5,725	4,986	37,349	32,809
Corporate taxes paid		–	–	–	–	–	–
Cash flow from operating activities		**(208,644)**	**(367,984)**	**(32,992)**	**(58,188)**	**(218,677)**	**(400,853)**
Purchase of property, plant and equipment		(2,434)	(8,266)	(385)	(1,307)	(1,401)	(1,475)
Sale of property, plant and equipment		1,242	388	197	61	962	190
Receivables from subsidiaries		–	–	–	–	8,052	24,208
Non-current receivables		6,057	(5,947)	958	(940)	6,057	(5,947)
Marketable securities bought		(1,072,535)	(1,163,346)	(169,595)	(183,954)	(1,072,535)	(1,163,346)
Marketable securities sold		940,123	1,152,106	148,657	182,177	940,123	1,152,106
Cash flow from investing activities		**(127,547)**	**(25,065)**	**(20,168)**	**(3,963)**	**(118,742)**	**5,736**
Warrants exercised		47,210	64,389	7,465	10,182	47,210	64,389
Shares issued for cash		258,800	477,955	40,923	75,577	258,800	477,955
Costs related to issuance of shares		1,027	(32,342)	161	(5,114)	1,027	(32,342)
Paid installments on lease liabilities		(9,680)	(6,589)	(1,529)	(1,043)	(6,871)	(3,957)
Cash flow from financing activities		**297,357**	**503,413**	**47,020**	**79,602**	**300,166**	**506,045**
Increase in cash and cash equivalents		**(38,834)**	**110,364**	**(6,140)**	**17,451**	**(37,253)**	**110,928**
Cash and cash equivalents at the beginning of the period		419,566	308,916	66,344	48,847	408,718	297,790
Exchange rate adjustment of cash		614	286	96	46	–	–
Cash and cash equivalents at the end of the period		**381,346**	**419,566**	**60,300**	**66,344**	**371,465**	**408,718**
Cash and cash equivalents include:							
Bank deposits and petty cash		360,281	391,839	56,970	61,960	353,455	384,037
Restricted bank deposits	17	21,065	27,727	3,330	4,384	18,010	24,681
		381,346	**419,566**	**60,300**	**66,344**	**371,465**	**408,718**
Non-cash transactions:							
Assets acquired		3,628	19,744	574	3,122	3,628	19,744
Liabilities assumed		(3,628)	(19,744)	(574)	(3,122)	(3,628)	(19,744)

STATEMENT OF SHAREHOLDERS' EQUITY – CONSOLIDATED

	Number of shares	Share capital	Share premium	Other reserves	Reserve for share-based payment	Accumulated deficit	Shareholders' equity	Shareholders' equity
		DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	USD'000 (Unaudited)
December 31, 2003	**22,980,534**	**22,981**	**2,088,080**	**4,766**	**0**	**(1,029,393)**	**1,086,434**	**171,794**
Effects of changes in accounting policies:								
IFRS 2 - Warrant compensation expenses					1,200	(1,200)	–	–
December 31, 2003, adjusted	**22,980,534**	**22,981**	**2,088,080**	**4,766**	**1,200**	**(1,030,593)**	**1,086,434**	**171,794**
Exercise of warrants	1,148,829	1,148	63,241				64,389	10,182
Capital increase	5,623,000	5,623	472,332				477,955	75,577
Expenses related to capital increases			(32,342)				(32,342)	(5,114)
Adjustment of foreign currency fluctuations on subsidiaries				(238)			(238)	(38)
Loss for the period, previously reported						(415,212)	(415,212)	(65,656)
Effects of changes in accounting policies:								
IFRS 2 - Warrant compensation expenses					8,215	(8,215)	–	–
December 31, 2004, adjusted	**29,752,363**	**29,752**	**2,591,311**	**4,528**	**9,415**	**(1,454,020)**	**1,180,986**	**186,745**
Exercise of warrants	857,228	857	46,353				47,210	7,465
Capital increase	2,498,507	2,499	253,854				256,353	40,536
Expenses related to capital increases, refund of VAT on expenses and foreign currency fluctuations related to share issues			3,474				3,474	548
Warrant compensation expenses					23,839		23,839	3,770
Adjustment of foreign currency fluctuations on subsidiaries				498			498	78
Loss for the period						(393,590)	(393,590)	(62,237)
December 31, 2005	**33,108,098**	**33,108**	**2,894,992**	**5,026**	**33,254**	**(1,847,610)**	**1,118,770**	**176,905**

STATEMENT OF SHAREHOLDERS' EQUITY – PARENT COMPANY

	Number of shares	Share capital	Share premium	Other reserves	Reserve for share-based payment	Accumulated deficit	Shareholders' equity	Shareholders' equity
		DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	USD'000 (Unaudited)
December 31, 2003	**22,980,534**	**22,981**	**2,088,080**	**4,766**	**0**	**(1,029,393)**	**1,086,434**	**171,794**
Effects of changes in accounting policies:								
IFRS 2 - Warrant compensation expenses					1,200	(1,200)	–	–
IAS 27 - Subsidiaries				(4,766)		10,275	5,509	871
December 31, 2003, adjusted	**22,980,534**	**22,981**	**2,088,080**	**–**	**1,200**	**(1,020,318)**	**1,091,943**	**172,665**
Exercise of warrants	1,148,829	1,148	63,241				64,389	10,182
Capital increase	5,623,000	5,623	472,332				477,955	75,577
Expenses related to capital increases			(32,342)				(32,342)	(5,114)
Adjustment of foreign currency fluctuations on subsidiaries				(238)			(238)	(38)
Loss for the period, previously reported						(415,212)	(415,212)	(65,656)
Effects of changes in accounting policies:								
IFRS 2 - Warrant compensation expenses					4,812	(4,812)	–	–
IFRS 2 - Warrant compensation expenses re. subsidiaries					3,403	(3,403)	–	–
IAS 27 - Subsidiaries				238		(809)	(571)	(90)
December 31, 2004, adjusted	**29,752,363**	**29,752**	**2,591,311**	**–**	**9,415**	**(1,444,554)**	**1,185,924**	**187,526**
Exercise of warrants	857,228	857	46,353				47,210	7,465
Capital increase	2,498,507	2,499	253,854				256,353	40,536
Expenses related to capital increases, refund of VAT on expenses and foreign currency fluctuations related to share issues			3,474				3,474	548
Warrant compensation expenses					23,839		23,839	3,770
Loss for the period						(386,558)	(386,558)	(61,125)
December 31, 2005	**33,108,098**	**33,108**	**2,894,992**	**–**	**33,254**	**(1,831,112)**	**1,130,242**	**178,720**

STATEMENT OF SHAREHOLDERS' EQUITY

	Number of shares	Share capital DKK'000	Share capital USD'000 (Unaudited)
December 31, 2000	**21,812,020**	**21,812**	**3,450**
December 31, 2001	**21,812,020**	**21,812**	**3,450**
January 2002, Exercise of warrants	14,500	15	2
February 2002, Exercise of warrants	10,000	10	2
June 2002, Issuance of shares for cash	880,100	880	139
December 31, 2002	**22,716,620**	**22,717**	**3,593**
July 2003, Issuance of shares by debt conversion	246,914	247	39
August 2003, Exercise of warrants	15,000	15	2
October 2003, Exercise of warrants	2,000	2	1
December 31, 2003	**22,980,534**	**22,981**	**3,635**
February 2004, Exercise of warrants	253,599	253	40
March 2004, Exercise of warrants	44,000	44	7
April 2004, Exercise of warrants	12,750	13	2
May 2004, Exercise of warrants	463,124	463	73
June 2004, Exercise of warrants	77,125	77	12
July 2004, Issuance of shares for cash	5,623,000	5,623	889
July 2004, Exercise of warrants	290,826	291	46
November 2004, Exercise of warrants	7,405	7	1
December 31, 2004	**29,752,363**	**29,752**	**4,705**
February 2005, Exercise of warrants	273,491	274	43
March 2005, Exercise of warrants	29,550	30	5
May 2005, Exercise of warrants	274,412	274	43
June 2005, Exercise of warrants	211,400	211	33
August 2005, Exercise of warrants	21,850	22	3
August 2005, Issuance of shares for cash	2,498,507	2,499	396
November 2005, Exercise of warrants	32,375	32	5
December 2005, Exercise of warrants	14,150	14	2
December 31, 2005	**33,108,098**	**33,108**	**5,235**

STATEMENT OF SHAREHOLDERS' EQUITY

The parent company was formed in June 1998 but did not conduct any business until 1999.

In February 1999, Medarex and Bankforeningernes Erhvervsudviklingsforening Biomedicinsk Udvikling, BI Asset Management Fondsmæglerselskab A/S, Lønmodtagernes Dyrtidsfond, A/S Dansk Erhvervsinvestering and Leif Helth Care A/S (the "Bank Invest Group") entered into an agreement in which the Bank Invest Group invested approximately DKK 35.4 million of cash in exchange for an approximate 45% equity interest in the company. Concurrently, Medarex granted Genmab a limited number of licenses to develop and commercialize a portfolio of human antibodies derived from its HuMAb-Mouse® Technology and retained an approximate 45% equity interest through its wholly owned subsidiary GenPharm International, Inc.

In May 1999 and March 2000, Medarex and the Bank Invest Group made additional contributions to the company in proportion to their existing equity interests. The Bank Invest Group invested approximately DKK 49 million of cash and Medarex granted the company an additional number of fully paid licenses along with an unlimited number of royalty bearing licenses to develop additional antibodies. After the March 2000 contributions, Medarex and the Bank Invest Group each owned approximately 45% of Genmab's outstanding common shares.

In June 2000, Genmab completed a private offering where it received approximately DKK 321 million from Medarex, the Bank Invest Group and new investors who subscribed to a total of 576,646 new shares. In August 2000, a total of 27,976 new shares were issued to Medarex in connection with the Genomics Agreement and the grant of an option of up to four antibodies obtained through an agreement with Eos Biotechnology. In August 2000, Genmab's shareholders approved a conversion of all existing classes of shares to one class of ordinary shares and a bonus share issuance of nine ordinary shares for each ordinary share.

In October 2000, Genmab completed an Initial Public Offering with a dual listing on the Copenhagen Stock Exchange and the Neuer Markt of the Frankfurt Stock Exchange. The global offering, which constituted 6,000,000 new shares equaling approximately 28% of the company's issued share capital after the listing, consisted of a public offering in both Denmark and Germany and a concurrent international offer to institutional investors outside the US and a private placement in the US to qualified institutional buyers under Rule 144A.

In May 2002, Genmab entered into a collaboration agreement with Roche. Following this agreement, Roche subscribed to 880,100 shares in the company in June 2002.

In December 2002, the company delisted from the Neuer Markt of the Frankfurt Stock Exchange. The primary reason for this delisting was that trading in this market was limited compared to the administration costs in connection with the listing.

In July 2003, the company issued 246,914 ordinary shares to Medarex, pursuant to the Genomics Agreement entered into in August 2000.

In July 2004, the company completed an international private placement with issuance of 5,623,000 new ordinary shares, raising gross proceeds to the company of DKK 478 million.

In August 2005, Genmab entered into a license and collaboration agreement with Serono concurrently with a securities purchase agreement, under which Serono subscribed to 2,498,507 new shares in the company.

On December 31, 2005, the total number of outstanding shares was 33,108,098. Each share has a nominal value of DKK 1 and one vote.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and endorsed by the EU, effective for 2005 and additional Danish disclosure requirements for financial reporting of listed companies, including those issued by the Copenhagen Stock Exchange.

The financial statements have been prepared in Danish Kroner (DKK), which is the functional currency of the company and the Group.

Solely for convenience of the reader, the financial statements contain 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. Only the consolidated financial statements have been converted to USD. Accordingly, financial statements for the parent company are disclosed only in DKK, except for certain disclosures in the notes.

In the notes to the financial statements, a reconciliation has been provided of the reported net result under IFRS to the corresponding net result under US GAAP.

Changes in Accounting Policies

Effective as of January 1, 2005, Genmab has adopted the new International Financial Reporting Standards as well as the updated standards arising from the IASB Improvement Project. The adoption of these new and improved standards has affected the financial reporting of Genmab as follows:

IFRS 2, *"Share-Based Payment"*
IFRS 2, "*Share-Based Payment*" requires the fair value of stock-based compensation, measured at grant date, to be recognized as an expense over the vesting period. Under the company's previous accounting policies, stock-based compensation to employees and the Board of Directors was recognized as an expense over the vesting period based on the intrinsic value method. Stock-based compensation to external consultants was based on the fair value at each balance sheet date. In line with the transitional provisions of IFRS 2, this standard has been applied to all warrants granted after November 7, 2002, which had not vested as of January 1, 2005. The adoption of IFRS 2 has increased the consolidated net loss for 2005 by DKK 23,839 thousand, by increasing research and development costs by DKK 11,621 thousand and general and administrative expenses by DKK 12,218 thousand. The effect on the comparative figures for 2004 was an increase of the consolidated net loss by DKK 8,215 thousand, by increasing research and development costs by DKK 5,207 thousand and general and administrative expenses by DKK 3,008 thousand. An amount equaling the amounts recognized in the income statement has been recognized in reserve for share-based payment under equity. Except for a reclassification within the equity accounts to reflect the reserve for share-based payment, the adoption of IFRS 2 has not affected the consolidated equity as per any of the dates presented.

In the separate financial statements of the parent company Genmab A/S, the adoption of IFRS 2 has increased the net loss for 2005 by DKK 16,523 thousand, allocated to research and development costs by DKK 6,500 thousand and to general and administrative expenses by DKK 10,023 thousand. The effect on the comparative figures for 2004 was an increase of research and development costs by DKK 2,047 thousand and general and administrative expenses by DKK 2,765 thousand.

IAS 27, *"Consolidated and Separate Financial Statements"*
The revised IAS 27 does not allow the use of the equity method in the separate financial statements of the parent company and prescribes investments in subsidiaries to be measured at fair value or at cost. Accordingly, the adoption of the revised IAS 27 has changed the accounting for subsidiaries in the separate financial statements of the parent company from the equity method to measurement at cost. The revised IAS 27 has not affected the consolidated results or equity. The adoption has reduced the net loss and increased the investment in subsidiaries for 2005 by DKK 7,032 thousand in the separate financial statements of the parent company. The effect on the comparative figures for 2004 was an increase of net loss by DKK 809 thousand and an increase in investment in subsidiaries of DKK 4,937 thousand.

The adoption of other new or improved standards issued by the IASB has not affected the financial reporting of the Group or the parent company for any periods presented.

The effect on the results for prior periods has been recorded in shareholders' equity and the comparative figures have been adjusted accordingly.

1. Accounting Policies (continued)

Management's Judgments under IFRS

In preparing financial statements under IFRS, certain provisions in the standards require management's judgments. Such judgments are considered important to understand the accounting policies and the company's compliance with the standards. The following summarizes the most significant judgments made under the company's accounting policies.

Internally Generated Intangible Assets
According to the International Accounting Standard (IAS) 38, *"Intangible Assets"*, intangible assets arising from development projects should be recognized in the balance sheet. The criteria that must be met for capitalization are (1) the development project is clearly defined and identifiable, (2) the technological feasibility, adequate resources to complete and a market for the product or an internal use of the product can be documented, and (3) management has the intent to produce and market the product or to use it internally. Such an intangible asset should be recognized if sufficient certainty can be documented that the future income from the development project will exceed the aggregate cost of production, development and the sale and administration of the product.

Receiving final regulatory approval for pharmaceutical products is associated with significant development risk. As a result, it is considered reasonable not to recognize such internally generated assets until late in the development process. Accordingly, the company has not recognized such assets at this time.

Joint Ventures/Collaboration Agreements
The company has entered into various collaboration agreements, primarily in connection with the company's research and development projects and the clinical testing of the product candidates. Collaborations are often structured so that each party contributes its respective skills in the various phases of the development project. No joint control exists for such collaborations and the parties do not have any financial obligations towards each other. Accordingly, the collaborations are not considered to be joint ventures as defined in IAS 31, *"Financial Reporting of Interests in Joint Ventures."* Expenses in connection with collaboration agreements are treated as described under "Research and Development Costs."

Revenue Recognition
The company's revenues comprise milestone payments and other income from research and development agreements. IAS 18, *"Revenue"*, prescribes the criteria to be fulfilled for revenue being recognizable. Evaluating the criteria for revenue recognition with respect to the company's research and development agreements requires management's judgment to ensure that all criteria have been fulfilled prior to recognizing any amount of revenue. In particular, such judgments are made with respect to determination of the nature of transactions, whether simultaneous transactions shall be considered one or more revenue-generating transactions, allocation of the contractual price to several elements included in an agreement, and the determination of whether the significant risks and rewards have been transferred to the buyer. All the company's revenue-generating transactions, including those with Roche, Amgen and Serono, have been subject to such evaluation by management.

General Recognition and Measurement Criteria

Income is recognized in the income statement as earned. This includes adjustments to the value of financial assets and financial liabilities, which are measured at fair value or amortized cost. Additionally, all costs incurred in relation to the activities for the year are recognized in the income statement. This includes amortization and depreciation, write-downs and provisions, and any reversed items resulting from changes in accounting estimates to the extent such items have originally been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when it is probable that there will be an outflow of future economic benefits from the Group and the value of the liability can be reliably measured.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

At recognition and measurement, due consideration is given to any predictable losses and risks occurring prior to the presentation of the financial statements, which confirm or reject items existing at the balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

statements include Genmab A/S, Genmab B.V., Genmab, Inc., and Genmab Ltd. (collectively referred to as the Genmab Group).

The Group's consolidated financial statements have been prepared on the basis of the financial statements of the parent company and subsidiaries – prepared under the Group's accounting policies – by combining similar accounting items on a line-by-line basis. On consolidation, intercompany income and expenses, intercompany receivables and payables, and realized and unrealized gains and losses on transactions between the consolidated companies are eliminated.

The recorded value of the equity interests in the consolidated subsidiaries is eliminated with the proportionate share of the subsidiaries' equity. Subsidiaries are consolidated from the date when control is transferred to the Group.

The income statements for foreign subsidiaries are translated into the Group's reporting currency at the year's weighted average exchange rate and the balance sheets are translated at the exchange rate in effect at the balance sheet date. Exchange rate differences arising from the translation of foreign subsidiaries shareholders' equity at the beginning of the year, and exchange rate differences arising as a result of foreign subsidiaries' income statements being translated at average exchange rates, are recorded in other reserves in shareholders' equity.

Foreign Currency

Transactions in foreign currencies are translated at the exchange rates in effect at the date of the transaction. Exchange rate gains and losses arising between the transaction date and the settlement date are recognized in the income statement as financial items.

Unsettled monetary assets and liabilities in foreign currencies are translated at the exchange rates in effect at the balance sheet date. Exchange rate gains and losses arising between the transaction date and the balance sheet date are recognized in the income statement as financial items.

Income Statement

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.

Research and Development Costs
Research and development costs primarily include salary and related expenses, license costs, manufacturing costs, clinical costs, amortization of licenses and rights, and depreciation of tangible fixed assets, to the extent such costs are related to the Group's research and development activities.

Research costs are recognized in the income statement in the period to which they relate.

A development project involves a single product candidate undergoing a high number of tests to illustrate its safety profile and the effect on human beings prior to obtaining the necessary approval of the final product from the appropriate authorities. The future economic benefits associated with the individual development projects are dependent on obtaining such approval. Considering the general risk related to the development of pharmaceutical products, management has concluded that the future economic benefits associated with the individual projects cannot be estimated with sufficient certainty until the project has been finalized and the necessary approval of the final product has been obtained. Accordingly, all development costs are recognized in the income statement in the period to which they relate.

General and Administrative Expenses
General and administrative expenses relate to the administration of the Group, including depreciation of long-lived assets to the extent such expenses are related to the administrative functions. General and administrative expenses are recognized in the income statement in the period to which they relate.

Stock-Based Compensation
The company has granted warrants to employees, the Board of Directors, and non-employee consultants under various warrant programs. For warrants granted after November 7, 2002, the Group applies IFRS 2, according to which the fair value of the warrants at grant date is recognized as an expense in the income statement over the vesting period. A corresponding amount is recognized in a separate reserve under shareholders' equity. Warrants granted prior to November 7, 2002 are not comprised by IFRS 2. For these warrants, 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.

1. Accounting Policies (continued)

Financial Income and Expenses
Financial income and expenses include interest as well as realized and unrealized exchange rate adjustments and realized and unrealized gains and losses on marketable securities and other securities and equity interests.

Corporate Tax
Corporate tax expense, which consists of current tax and the adjustment of deferred taxes for the year, is recognized in the income statement to the extent that the tax is attributable to the net result for the year. Tax attributable to postings directly to shareholders' equity is recognized in shareholders' equity.

Current tax liabilities include taxes payable based on the expected taxable income for the year and any adjustments to prior years' tax expense as recorded in the income statement. Any prepaid taxes are recognized in other receivables in the balance sheet.

Balance Sheet

Non-Current Assets

Licenses and Rights
Licenses and rights are initially measured at cost and include the net present value of any future payments. The net present value of any future payments is recognized as a liability.

Licenses and rights are amortized using the straight-line method over the estimated useful life of five years.

Property, Plant and Equipment
Property, plant and equipment are measured at cost net of accumulated depreciation and any impairment losses. The cost comprises acquisition price and direct costs related to the acquisition until the asset is ready for use.

Depreciation, which is stated at cost net of any residual value, is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

Equipment, furniture and fixtures	3-5 years
Computer equipment	3 years
Leasehold improvements	5 years or the lease term, if shorter

Depreciation, impairment losses and gains or losses on the disposal of tangible fixed assets are recognized in the income statement as research and development costs or as general and administrative expenses, as appropriate.

Fixed Assets under Construction
Fixed assets under construction include the design and building of laboratory facilities. The costs incurred are capitalized until the facilities are completed. Costs include direct costs to employees, salary related expenses and costs to subcontractors. Fixed assets under construction are not depreciated.

Equity Interests in Subsidiaries
In the separate financial statements of the parent company Genmab A/S, equity interests in subsidiaries are recognized and measured at cost. Equity interests in foreign currencies are translated to the reporting currency by use of historical exchange rates prevailing at the time of investment.

Income is recognized from the investments only to the extent that distributions from accumulated profits are received. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Other Securities and Equity Interests
Other securities and equity interests, which have been acquired for long-term strategic holding, include the company's ownership of listed and non-listed companies. The financial assets have been classified as "Available-for-sale" as the company's management intends to hold these investments for an indefinite period of time. However, if the company's business strategy changes, the assets can be sold. The company's management assesses the classification of financial fixed assets at the time of acquisition and reviews such classification on a regular basis.

Other securities and equity interests are measured at fair value at the balance sheet date. The fair value for listed shares is the listed market price. If the fair value cannot be reliably determined for interests in non-listed companies, the assets are measured at cost. Realized and unrealized gains and losses are recognized in the income statement as financial items.

Impairment of Long-lived Assets
If circumstances or changes in the company's operations indicate that the carrying amount of long-lived assets may not be recoverable, management reviews the asset for impairment. The basis for the review is the assets' recoverable amount, determined as the greater of the net selling price or its value in use. Value in use is calculated as the net present value of future cash inflow generated from the asset.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

If the carrying amount of an asset is greater than the recoverable amount, the asset is written down to the recoverable amount. An impairment loss is recognized in the income statement when the impairment is identified.

Current Assets

Antibody Clinical Trial Material
Antibody clinical trial material includes antibodies purchased from third parties. If all criteria for recognition as an asset are fulfilled, in particular that sufficient certainty can be determined that future income from the use of such material will exceed the aggregate cost of the antibodies, the antibodies are recognized in the balance sheet at cost and expensed in the income statement when consumed. If sufficient certainty cannot be obtained, such material is expensed in the income statement at the time of acquisition.

On a regular basis, the carrying value of such assets is reviewed to ensure that no impairment has occurred and that the quantities do not exceed the planned consumption in the development activities.

Receivables
Receivables are measured in the balance sheet at amortized cost, which generally corresponds to nominal value less provision for bad debts.

The provision for bad debts is calculated on the basis of an individual assessment of each receivable.

Prepayments
Prepayments recognized as current assets include expenditures related to a future financial year. Prepayments are measured at fair value.

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 mortgage bonds, corporate bonds and 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 based on the "first-in first-out" principle.

The company's portfolio of investments has been classified as "Financial assets at fair value through profit or loss" 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, which equals the listed price. Realized and unrealized gains and losses (including unrealized foreign exchange rate gains and losses) are recognized in the income statement as financial items. Transactions are recognized at trade date.

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.

Shareholders' Equity

The share capital comprises the nominal amount of the company's ordinary shares, each at a nominal value of DKK 1. All shares are fully paid.

Share premium reserve comprises the amount received in excess of the nominal amount of the shares issued at the company's offerings, reduced by external expenses directly attributable to the offerings.

Other reserves in the consolidated financial statements include exchange rate adjustments of equity investments in subsidiaries.

Reserve for share-based payment includes the corresponding figures to the warrant compensation expenses recognized in the income statement under IFRS 2.

Non-current Liabilities

Provisions
Provisions are recognized when the Group has an existing legal or constructive obligation as a result of events occurring prior to or on the balance sheet date, and it is probable that the utilization of economic resources will be required to settle the obligation. Provisions are measured at fair value.

Deferred Tax
Deferred tax is accounted for under the liability method which requires recognition of deferred tax on all temporary differences between the carrying amount of assets and liabilities and the tax base of such assets and liabilities. This includes the tax value of tax losses carried forward.

1. Accounting Policies (continued)

Deferred tax is calculated in accordance with the tax regulations and current tax rates in the individual countries. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement.

Deferred tax assets resulting from temporary differences, including the tax value of losses to be carried forward, are measured at the value at which the asset is expected to be utilized in future taxable income, based on the company's planned use of the individual assets. Deferred tax assets which are not recognized in the balance sheet are disclosed in a note to the financial statements.

Current Liabilities

Leasing
Lease contracts, which in all material respects transfer the significant risks and rewards associated with the ownership of the asset to the lessee, are classified as finance leases. Assets treated as finance leases are recognized in the balance sheet at the inception of the lease term at the lower of the fair value of the asset or the net present value of the future minimum lease payments. A liability equaling the asset is recognized in the balance sheet. Each lease payment is separated between a finance charge, recorded as a financial expense, and a reduction of the outstanding liability.

Assets under finance leases are depreciated in the same manner as owned assets and are subject to regular reviews for impairment.

Lease contracts, where the lessor retains the significant risks and rewards associated with the ownership of the asset, are classified as operating leases. Lease payments under operating leases are recognized in the income statement ratably over the lease term. The total lease commitment under operating leases is disclosed in the notes to the financial statements.

Accounts Payable
Accounts payable are measured in the balance sheet at amortized cost, which is considered to be equal to the fair value due to the short-term nature of the liabilities.

Deferred Income
Deferred income reflects the part of revenues that has not been recognized as income immediately on receipt of payment and which concerns agreements with multiple components which cannot be separated.

Other Liabilities
Other liabilities are measured in the balance sheet at amortized cost, which is considered to be equal to the fair value due to the short-term nature of the liabilities.

Cash Flow Statement

The cash flow statement is presented using the indirect method with basis in the net loss.

Cash flow from operating activities is stated as the net loss adjusted for net financial items, non-cash operating items such as depreciation, amortization, impairment losses, warrant compensation expenses, provisions, and for changes in working capital, interest paid and received, and corporate taxes paid. Working capital comprises current assets less current liabilities excluding the items included in cash and cash equivalents.

Cash flow from investing activities is comprised of cash flow from the purchase and sale of intangible assets, tangible fixed assets and financial fixed assets. In the parent company transactions with subsidiaries are included in 'Receivable from subsidiaries'.

Cash flow from financing activities is comprised of cash flow from the issuance of shares and raising and repayment of long-term loans including installments on lease liabilities.

The cash flow statement cannot be derived solely from the financial statements.

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 has concluded that it is not relevant to disclose segment information on business segments or geographical markets.

Reconciliation from IFRS to US GAAP

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

Definition of Financial Ratios

The Group discloses a number of financial ratios in the Annual Report. These financial ratios are defined as:

Basic Net Loss per Share
Basic net loss per share is calculated as the net loss for the year divided by the weighted average number of outstanding ordinary shares.

Diluted Net Loss per Share
Diluted net loss per share is calculated as the net loss for the year divided by the weighted average number of outstanding ordinary shares adjusted for the dilutive effect of share equivalents. As the income statement shows a net loss, no adjustment has been made for the dilutive effect.

Year-end Share Market Price
The year-end share market price is determined as the average trading price of the company's shares on the Copenhagen Stock Exchange at the balance sheet date or the last trading day prior to the balance sheet date.

Price/Book Value
Price/book value is calculated as the company's year-end share market price divided by the shareholders' equity per share at the balance sheet date.

Shareholders' Equity per Share
Shareholders' equity per share is calculated as shareholders' equity at the balance sheet date divided by the number of outstanding shares at the balance sheet date.

New International Financial Reporting Standards

During 2005, a number of new standards have been issued by the International Accounting Standards Board, who also made updates to the existing standards. The majority of the new standards and the changes to existing standards are effective as of January 1, 2006 or later. The financial reporting of Genmab is expected to be affected by such new or improved standards to the extent described below.

IFRS 6, *"Exploration for and Evaluation of Mineral Resources"*, provides guidance on accounting for exploration and evaluation expenditures, including the recognition of exploration and evaluation assets. No significant impact is expected on the company's financial reporting.

IFRS 7, *"Financial Instruments: Disclosures"*, requires disclosures about the significance of financial instruments for an entity's financial position and performance and about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks. No significant impact is expected on the company's financial reporting.

Amendments have been made to IAS 19, *"Employee Benefits"*, introducing a new option for recognition of actuarial gains and losses, changing certain disclosure requirements, clarifying the treatment of multiple-employer plans and changing the treatment of group plans that cover entities under common control. The changes to the standard are effective from January 1, 2006, but are not considered to have any significant impact on the financial reporting of Genmab.

Various amendments have been made to IAS 39, *"Financial Instruments: Recognition and Measurement"*, including new criteria for classification of financial assets and financial liabilities, the treatment of unrealized gains and losses on such financial instruments, clarity on intragroup hedge accounting, and a revision of the fair value option. The amendments are effective for annual periods beginning on or after January 1, 2006. Genmab's investments in marketable securities will be affected by the new criteria for classification of financial assets and financial liabilities and the recognition of unrealized gains and losses. The impact depends on the composition of the portfolio at each balance sheet date and it is not possible to estimate such future impact reliably. However, the impact is not considered to be significant to the company's financial reporting.

No other new or improved standards are expected to have any significant impact on the financial reporting of Genmab, although the disclosure requirements have generally increased compared to prior years.

Genmab will adopt all the new standards in accordance with the transitional provisions of each standard.

2. Depreciation and Amortization

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Licenses and rights	10,725	23,048	1,696	3,644	10,725	23,048
Leasehold improvements	7,890	6,949	1,248	1,099	4,104	3,795
Equipment, furniture and fixtures	13,160	23,666	2,081	3,742	2,257	3,315
	31,775	**53,663**	**5,025**	**8,485**	**17,086**	**30,158**
Depreciation and amortization are included in:						
Research and development costs	26,970	47,999	4,265	7,590	14,427	27,386
General and administrative expenses	4,805	5,664	760	895	2,659	2,772
	31,775	**53,663**	**5,025**	**8,485**	**17,086**	**30,158**

3. Staff

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Wages and salaries	112,316	113,799	17,760	17,994	60,142	62,507
Warrant compensation expenses	23,839	8,215	3,770	1,299	16,523	4,812
Pension contributions	10,622	9,700	1,680	1,534	5,527	5,167
Other social security costs	5,734	5,662	906	896	414	394
	152,511	**137,376**	**24,116**	**21,723**	**82,606**	**72,880**
Personnel costs are expensed as follows:						
Research and development costs	110,616	104,227	17,491	16,481	61,246	56,702
General and administrative expenses	41,895	33,149	6,625	5,242	21,360	16,178
	152,511	**137,376**	**24,116**	**21,723**	**82,606**	**72,880**
Remuneration to management and the Board of Directors:						
Management	19,123	17,468	3,024	2,762	4,398	6,005
Board of Directors	1,683	1,640	266	259	1,683	1,640
	20,806	**19,108**	**3,290**	**3,021**	**6,081**	**7,645**
Average number of employees	213	206	213	206	97	91

In addition to the above remuneration, one member of management has a company car. Management and the Board of Directors participate in the company's warrant program. The warrant compensation expenses under IFRS 2 have not been included in the above remuneration to management and the Board of Directors. Please refer to Notes 14 and 15 for further details.

The Group's pension plans are classified as defined contribution plans, and, accordingly, no pension obligations are recognized in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

4. Financial Income

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Interest and other financial income	34,775	38,625	5,499	6,108	34,622	38,478
Interest from subsidiaries	–	–	–	–	1,742	2,276
Gains on marketable securities	25,032	12,853	3,958	2,032	25,032	12,853
Exchange rate gains	19,840	17,103	3,137	2,704	19,818	16,990
	79,647	**68,581**	**12,594**	**10,844**	**81,214**	**70,597**

5. Financial Expenses

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Interest and other financial expenses	1,353	1,370	214	217	988	892
Imputed interest on payable technology rights	–	432	–	68	–	432
Loss on marketable securities	32,323	19,276	5,111	3,048	32,323	19,276
Impairment loss on other securities and equity interests	2,660	–	420	–	2,660	–
Exchange rate losses	8,977	21,442	1,420	3,390	8,933	21,408
	45,313	**42,520**	**7,165**	**6,723**	**44,904**	**42,008**

6. Corporate Tax

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Current tax on result	–	–	–	–	–	–
Adjustment to deferred tax prior years	18,644	–	2,948	–	18,644	–
Effect of change in tax rate	27,173	–	4,297	–	27,173	–
Adjustment to deferred tax	(113,702)	(126,298)	(17,979)	(19,971)	(103,248)	(123,841)
Adjustment to valuation allowance	67,885	126,298	10,734	19,971	57,431	123,841
Total corporate tax expense	**0**	**0**	**0**	**0**	**0**	**0**

6. Corporate Tax (continued)

A reconciliation of income tax expense at the statutory rate of 28% (2004: 30%) to the company's effective tax rate is as follows:

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Net result before tax	(393,590)	(423,428)	(62,237)	(66,955)	(386,558)	(420,833)
Computed 28% (2004: 30%) tax on result	**(110,205)**	**(127,028)**	**(17,426)**	**(20,086)**	**(108,236)**	**(126,250)**
Tax effect of:						
Changes in accounting policies	–	2,464	–	390	–	1,686
Profit/(loss) in subsidiaries	–	–	–	–	–	(243)
Non-deductible costs	4,941	172	781	27	4,646	146
Additional tax deductions	(22,741)	(4,994)	(3,596)	(790)	(13,961)	(2,268)
Expired tax losses	14,303	3,088	2,262	488	14,303	3,088
Change in deferred tax asset	113,702	126,298	17,979	19,971	103,248	123,841
Total corporate tax	**0**	**0**	**0**	**0**	**0**	**0**
Effective tax rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

On December 31, 2005, the parent company had net tax loss carry-forwards of approximately DKK 1,546,555 thousand for income tax purposes of which DKK 123,946 thousand expires in 2006. DKK 1,422,609 thousand can be carried forward without limitation. In addition, the parent company had deductible temporary differences of approximately DKK 180,796 thousand.

For local tax purposes, the subsidiaries had net tax loss carry-forwards and deductible temporary differences totaling approximately DKK 47,454 thousand.

For financial reporting purposes, the value of the net deferred tax asset has been reduced to zero due to uncertainties with respect to the company's and the Group's ability to generate sufficient taxable income in the future.

NOTES TO THE FINANCIAL STATEMENTS

6. Corporate Tax (continued)

Significant components of the deferred tax asset are as follows:

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Tax deductible losses	1,589,362	1,386,099	251,318	219,177	1,546,555	1,379,360
Licenses and rights	23,068	35,411	3,648	5,599	23,068	35,411
Leasehold improvements	1,606	(1,624)	254	(257)	48	(593)
Equipment, furniture and fixtures	4,448	4,309	703	681	2,248	2,034
Securities and equity interests	7,185	4,525	1,136	716	7,185	4,525
Deferred income	148,527	–	23,486	–	148,527	–
Other temporary differences	609	1,480	96	234	(280)	20
Total temporary differences	**1,774,805**	**1,430,200**	**280,641**	**226,150**	**1,727,351**	**1,420,757**
Deferred tax asset at 28% (2004: 30%)	496,945	429,060	78,580	67,845	483,658	426,227
Valuation allowance	(496,945)	(429,060)	(78,580)	(67,845)	(483,658)	(426,227)
Recorded deferred tax asset	**0**	**0**	**0**	**0**	**0**	**0**

7. Licenses and Rights

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Cost per January 1	152,484	152,484	24,112	24,112	152,484	152,484
Cost per December 31	**152,484**	**152,484**	**24,112**	**24,112**	**152,484**	**152,484**
Accumulated amortization per January 1	(141,759)	(118,711)	(22,416)	(18,772)	(141,759)	(118,711)
Amortization for the year	(10,725)	(23,048)	(1,696)	(3,644)	(10,725)	(23,048)
Accumulated amortization per December 31	**(152,484)**	**(141,759)**	**(24,112)**	**(22,416)**	**(152,484)**	**(141,759)**
Net book value per December 31	**0**	**10,725**	**0**	**1,696**	**0**	**10,725**

8. Property, Plant and Equipment – Genmab Group

	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction
	DKK'000	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Cost per January 1, 2004	30,195	84,222	47,176	4,775	13,318	7,460
Exchange rate adjustment	(968)	(627)	(5)	(153)	(100)	(1)
Additions for the year	3,310	14,893	4,846	523	2,355	766
Transfers between the classes	1,766	2,470	(4,236)	279	391	(670)
Disposals for the year	(1,619)	(32,765)	–	(256)	(5,181)	–
Cost per December 31, 2004	**32,684**	**68,193**	**47,781**	**5,168**	**10,783**	**7,555**
Accumulated depreciation per January 1, 2004	(12,109)	(34,154)	–	(1,915)	(5,401)	–
Exchange rate adjustment	381	346	–	61	55	–
Depreciation for the year	(6,949)	(23,666)	–	(1,099)	(3,742)	–
Accumulated depreciation on disposals for the year	1,499	25,517	–	237	4,035	–
Accumulated depreciation per December 31, 2004	**(17,178)**	**(31,957)**	**0**	**(2,716)**	**(5,053)**	**0**
Accumulated impairment loss per December 31, 2004	**0**	**0**	**(42,170)**	**0**	**0**	**(6,668)**
Net book value per December 31, 2004	**15,506**	**36,236**	**5,611**	**2,452**	**5,730**	**887**
Net book value of assets under finance leases included above	–	23,347	5,010	–	3,692	792
Cost per January 1, 2005	32,684	68,193	47,781	5,168	10,783	7,555
Exchange rate adjustment	1,703	1,140	18	269	180	3
Additions for the year	96	4,190	3,937	16	663	623
Transfers between the classes	–	1,333	(1,333)	–	211	(211)
Disposals for the year	–	(2,514)	–	–	(398)	–
Cost per December 31, 2005	**34,483**	**72,342**	**50,403**	**5,453**	**11,439**	**7,970**
Accumulated depreciation per January 1, 2005	(17,178)	(31,957)	–	(2,716)	(5,053)	–
Exchange rate adjustment	(1,050)	(932)	–	(166)	(147)	–
Depreciation for the year	(7,890)	(13,160)	–	(1,248)	(2,081)	–
Accumulated depreciation on disposals for the year	–	1,302	–	–	205	–
Accumulated depreciation per December 31, 2005	**(26,118)**	**(44,747)**	**0**	**(4,130)**	**(7,076)**	**0**
Accumulated impairment loss per December 31, 2005	**0**	**0**	**(42,170)**	**0**	**0**	**(6,668)**
Net book value per December 31, 2005	**8,365**	**27,595**	**8,233**	**1,323**	**4,363**	**1,302**
Net book value of assets under finance leases included above	–	17,887	5,198	–	2,828	822

NOTES TO THE FINANCIAL STATEMENTS

8. Property, Plant and Equipment (continued) – Genmab A/S

	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction
	DKK'000	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Cost per January 1, 2004	16,941	16,228	42,170	2,679	2,566	6,668
Additions for the year	588	888	–	93	140	–
Disposals for the year	(120)	(1,737)	–	(19)	(275)	–
Cost per December 31, 2004	**17,409**	**15,379**	**42,170**	**2,753**	**2,431**	**6,668**
Accumulated depreciation per January 1, 2004	(6,018)	(7,892)	–	(952)	(1,248)	–
Depreciation for the year	(3,795)	(3,315)	–	(600)	(524)	–
Accumulated depreciation on disposals for the year	–	952	–	–	151	–
Accumulated depreciation per December 31, 2004	**(9,813)**	**(10,255)**	**0**	**(1,552)**	**(1,621)**	**0**
Accumulated impairment loss per December 31, 2004	**0**	**0**	**(42,170)**	**0**	**0**	**(6,668)**
Net book value per December 31, 2004	**7,596**	**5,124**	**0**	**1,201**	**810**	**0**
Net book value of assets under finance leases included above	–	1,393	–	–	220	–
Cost per January 1, 2005	17,409	15,379	42,170	2,753	2,432	6,668
Additions for the year	–	1,400	–	–	221	–
Disposals for the year	–	(1,664)	–	–	(263)	–
Cost per December 31, 2005	**17,409**	**15,115**	**42,170**	**2,753**	**2,390**	**6,668**
Accumulated depreciation per January 1, 2005	(9,813)	(10,255)	–	(1,552)	(1,622)	–
Depreciation for the year	(4,104)	(2,257)	–	(649)	(357)	–
Accumulated depreciation on disposals for the year	–	768	–	–	122	–
Accumulated depreciation per December 31, 2005	**(13,917)**	**(11,744)**	**0**	**(2,201)**	**(1,857)**	**0**
Accumulated impairment loss per December 31, 2005	**0**	**0**	**(42,170)**	**0**	**0**	**(6,668)**
Net book value per December 31, 2005	**3,492**	**3,371**	**0**	**552**	**533**	**0**
Net book value of assets under finance leases included above	–	280	–	–	44	–

9. Equity Interests in Subsidiaries – Genmab A/S

Effective from January 1, 2005, the parent company adopted the revised IAS 27, *"Consolidated and Separate Financial Statements"*, which changed the accounting from the equity method to measurement at cost. Genmab A/S holds investments in the following subsidiaries:

Name	Domicile	Ownership and votes
Genmab B.V.	Utrecht, the Netherlands	100%
Genmab, Inc.	New Jersey, USA	100%
Genmab Ltd.	London, United Kingdom	100%

Genmab B.V. was incorporated in the Netherlands in 2000 and focuses on the discovery and development of antibodies. Genmab, Inc. began operations in 2001 and is mainly focused on conducting clinical trials in the US and Canada. Further, Genmab A/S established Genmab Ltd. in the United Kingdom in 2001. This entity is currently dormant and has not had any activities or entered into any transactions since inception.

10. Other Securities and Equity Interests

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Cost per January 1	10,251	10,251	1,621	1,621	10,251	10,251
Cost per December 31	**10,251**	**10,251**	**1,621**	**1,621**	**10,251**	**10,251**
Adjustment to fair value per January 1	(4,525)	(4,525)	(716)	(716)	(4,525)	(4,525)
Adjustment to fair value for the year	(2,660)	–	(420)	–	(2,660)	–
Adjustment to fair value per December 31	**(7,185)**	**(4,525)**	**(1,136)**	**(716)**	**(7,185)**	**(4,525)**
Net book value per December 31	**3,066**	**5,726**	**485**	**905**	**3,066**	**5,726**

Other securities and equity interests consist of investments in strategic partners of Genmab. As per December 31, 2005, such investments comprise equity shares in Scancell Ltd. and Paradigm Therapeutics Ltd., both privately held British biotech companies. During 2005, Genmab has adjusted the value of the investments to reflect the fair value of the equity interests.

11. Other Receivables

Included in other receivables are current and non-current deposits for operational leases. The non-current part of deposits amounts to DKK 514 thousand. No non-current deposits are included in the balance of other receivables of the parent company. The comparative figures for 2004 were non-current deposits of DKK 2,502 thousand for the Group of which DKK 2,497 related to the parent company.

NOTES TO THE FINANCIAL STATEMENTS

12. Marketable Securities

The marketable securities consist of DKK denominated notes issued by the Danish government as well as USD denominated notes issued by the US government and mortgage bonds and corporate bonds. All marketable securities are classified as "financial assets at fair value through profit or loss" and are reported at fair value, determined as the year end price quote. The company has classified all investments as short-term since it has the intent and ability to sell and redeem them within a year.

We consider the credit risk to be immaterial, since only investments with a long term rating of at least A or similar assessment are selectable for our portfolios. Since all securities are traded in established markets, we consider the liquidity risk to be immaterial. Some of the securities in which the company has invested bear interest rate risk, as a change in market derived interest rates may cause the fair value of the investment to fluctuate. The portfolio has an average duration of less than three years and no securities have more than six years, which means that a change in the interest rates of 1% point will cause the fair value of the securities to change by approximately 3%.

Approximately 14% of the portfolio is invested in USD, and accordingly Genmab is exposed to a foreign exchange risk in the short term. The position is used to hedge future expenses in USD, and no financial instruments, such as options or futures contracts, have been entered into to reduce the exposure to short-term changes in foreign currency exchange rates. A 10% change in the USD to DKK exchange rate will cause our USD denominated securities to impact our net financial items by approximately DKK 12 million.

The DKK portfolio has generated a yield of 2.7% to be recognized in 2005, and the USD portfolio generated a corresponding 2.5% yield during the year. In 2004, the figures were 3.5% and 1.2%, respectively.

Please refer to the section on Risk Management in the Directors' Report for additional details.

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Cost per January 1	749,159	744,584	118,461	117,738	749,159	744,584
Additions for the year	1,072,535	1,163,346	169,595	183,954	1,072,535	1,163,346
Disposals for the year	(943,408)	(1,158,771)	(149,177)	(183,231)	(943,408)	(1,158,771)
Cost per December 31	**878,286**	**749,159**	**138,879**	**118,461**	**878,286**	**749,159**
Adjustment to fair value per January 1	(10,297)	(17,724)	(1,628)	(2,803)	(10,297)	(17,724)
Adjustment to fair value for the year	3,567	7,427	564	1,175	3,567	7,427
Adjustment to fair value per December 31	**(6,730)**	**(10,297)**	**(1,064)**	**(1,628)**	**(6,730)**	**(10,297)**
Net book value per December 31	**871,556**	**738,862**	**137,815**	**116,833**	**871,556**	**738,862**

12. Marketable Securities (continued)

Specification of the portfolio per December 31

	Genmab Group and Parent Company							
	Cost 2005	Cost 2005	Market Value 2005	Market Value 2005	Cost 2004	Cost 2004	Market Value 2004	Market Value 2004
	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)
Kingdom of Denmark bonds	403,125	63,744	395,457	62,532	454,302	71,837	454,520	71,871
Other Danish securities	348,809	55,156	347,611	54,966	238,057	37,643	236,637	37,418
	751,934	**118,900**	**743,068**	**117,498**	**692,359**	**109,480**	**691,157**	**109,289**
US Government and Federal Agency Notes	54,262	8,580	55,777	8,820	28,714	4,540	25,006	3,954
US Corporate Notes	72,090	11,399	72,711	11,497	28,086	4,441	22,699	3,590
	126,352	**19,979**	**128,488**	**20,317**	**56,800**	**8,981**	**47,705**	**7,544**
Total portfolio	**878,286**	**138,879**	**871,556**	**137,815**	**749,159**	**118,461**	**738,862**	**116,833**

Scheduled maturities per December 31

	Genmab Group and Parent Company							
	Cost 2005	Cost 2005	Market Value 2005	Market Value 2005	Cost 2004	Cost 2004	Market Value 2004	Market Value 2004
	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)
Maturity within one year	141,892	22,437	142,557	22,542	151,045	23,884	144,028	22,774
Maturity above one year	736,394	116,442	728,999	115,273	598,114	94,577	594,834	94,059
Total portfolio	**878,286**	**138,879**	**871,556**	**137,815**	**749,159**	**118,461**	**738,862**	**116,833**

13. Deferred Income

Deferred income reflects payments received which will be recognized as revenues over the future financial years. The non-current part of deferred income has been estimated to DKK 71,177 thousand.

NOTES TO THE FINANCIAL STATEMENTS

14. Warrants

Warrant Scheme
Genmab A/S has established warrant schemes as an incentive for all company employees, including those in our subsidiaries, members of the Board of Directors and members of the executive management as well as certain external consultants with a long-term relationship with us.

Warrants are granted by our Board of Directors in accordance with authorizations given to it by the company's shareholders. Warrant grants are determined by our Board of Directors on a merit basis and upon recommendations of the Compensation Committee. To date, all employees have been granted warrants in connection with their employment. The most recent warrant scheme was adopted by the Board of Directors in August 2004.

Under the terms of the recent warrant schemes, warrants are granted 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 fixed at a lower price than the market price at the grant date.

The warrant schemes contain anti-dilution provisions if changes occur in the company's share capital prior to the warrants being exercised.

Warrants Granted From August 2004
Under the most recent warrant scheme, effective from August 2004, warrants can be exercised from one year after the grant date. The warrant holder may as a general rule only exercise 25% of the warrants granted per full year of employment or affiliation with Genmab after the grant date. However, the warrant holder will be entitled to exercise all warrants in instances where the employment or consultancy relationship is terminated by the company without the warrant holder providing a good reason to do so. All warrants lapse at the tenth anniversary of the grant date.

Warrants Granted Prior to August 2004
Half of the warrants granted under the preceding warrant schemes 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, 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 is not applicable in the event of 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.

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.

Warrant Activity
As of December 31, 2005, the Board of Directors has been authorized to grant a total of 8,521,263 warrants since the company's inception.

The following schedule specifies the warrant grants. The classification of warrant holders has been updated to reflect the current status of the individual warrant holders; i.e. if a non-employee consultant has been granted warrants and subsequently becomes employed by the company, such person will be included in the "employees" category. As a result, the updated totals of the individual groups may differ from information disclosed in previously issued financial statements.

14. Warrants (continued)

	Genmab Group and Parent Company					
	Number of warrants granted to employees	Number of warrants granted to the Board of Directors	Number of warrants granted to non-employee consultants	Total outstanding warrants	Weighted average exercise price DKK	Weighted average exercise price USD (Unaudited)
Outstanding at December 31, 2003	**3,383,450**	**722,000**	**350,000**	**4,455,450**	**104.45**	**16.52**
Granted April 1, 2004	68,750	–	–	68,750	86.00	13.60
Granted August 3, 2004	375,550	355,000	–	730,550	86.00	13.60
Granted September 22, 2004	33,575	–	–	33,575	89.50	14.15
Granted December 1, 2004	81,750	–	–	81,750	97.00	15.34
Exercised in February 2004	(123,599)	(122,500)	(7,500)	(253,599)	50.45	7.98
Exercised in March 2004	(44,000)	–	–	(44,000)	47.27	7.47
Exercised in April 2004	(12,750)	–	–	(12,750)	59.19	9.36
Exercised in May 2004	(388,124)	(75,000)	–	(463,124)	58.27	9.21
Exercised in June 2004	(67,125)	–	(10,000)	(77,125)	58.06	9.18
Exercised in July 2004	(93,326)	(97,500)	(100,000)	(290,826)	58.61	9.27
Exercised in November 2004	(7,405)	–	–	(7,405)	33.70	5.33
Expired in 2004	(110,200)	(35,000)	(45,000)	(190,200)	253.38	40.07
Outstanding at December 31, 2004	**3,096,546**	**747,000**	**187,500**	**4,031,046**	**107.28**	**16.96**
Granted April 20, 2005	67,500	–	–	67,500	116.00	18.34
Granted June 7, 2005	304,000	261,000	–	565,000	114.00	18.03
Granted August 10, 2005	303,000	–	4,000	307,000	101.00	15.97
Granted September 21, 2005	7,250	–	–	7,250	115.00	18.18
Granted December 1, 2005	23,250	–	–	23,250	130.00	20.56
Exercised in February 2005	(149,491)	(82,500)	(41,500)	(273,491)	48.07	7.60
Exercised in March 2005	(4,550)	–	(25,000)	(29,550)	55.70	8.81
Exercised in May 2005	(116,912)	(147,500)	(10,000)	(274,412)	56.73	8.97
Exercised in June 2005	(135,400)	(25,000)	(51,000)	(211,400)	59.36	9.39
Exercised in August 2005	(6,850)	–	(15,000)	(21,850)	51.67	8.17
Exercised in November 2005	(31,875)	(500)	–	(32,375)	53.68	8.49
Exercised in December 2005	(11,650)	–	(2,500)	(14,150)	101.22	16.01
Expired in 2005	(711,326)	(35,000)	(27,500)	(773,826)	169.02	26.73
Outstanding at December 31, 2005	**2,633,492**	**717,500**	**19,000**	**3,369,992**	**107.23**	**16.96**

NOTES TO THE FINANCIAL STATEMENTS

14. Warrants (continued)

Weighted Average Exercise Price

The following table summarizes the weighted average exercise price of outstanding warrants to DKK 107.23.

For warrants exercisable at year end, the weighted average exercise price is DKK 113.19. The table also shows the value of outstanding warrants at year end.

Exercise price DKK	Exercise price USD (Unaudited)	Warrants exercisable from	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Value of outstanding warrants at year end DKK	Value of outstanding warrants at year end USD (Unaudited)	Number of warrants exercisable
Preceding Warrant Scheme							
33.70	5.33	September 26, 2003	290,109	1.39	102.95	16.28	290,109
37.00	5.85	June 25, 2004	115,908	2.10	100.55	15.90	115,908
51.50	8.14	December 4, 2004	3,625	2.93	87.44	13.83	3,625
59.00	9.33	November 11, 2004	25,000	2.36	80.38	12.71	25,000
62.50	9.88	October 10, 2004	54,350	2.28	77.00	12.18	54,350
86.00	13.60	April 1, 2005	66,375	2.77	59.02	9.33	33,188
116.00	18.34	December 5, 2002	42,000	0.93	29.39	4.65	42,000
117.50	18.58	November 7, 2002	127,150	0.85	29.50	4.66	127,150
139.50	22.06	June 28, 2003	210,000	0.99	11.60	1.83	210,000
148.00	23.40	March 6, 2002	112,250	0.18	3.05	0.48	112,250
165.00	26.09	July 30, 2002	275,750	0.58	4.11	0.65	275,750
183.00	28.94	March 20, 2003	18,750	0.72	0.35	0.06	18,750
190.00	30.04	February 15, 2003	139,100	0.63	0.00	0.00	139,100
196.00	30.99	March 7, 2003	75,000	0.68	0.02	0.00	75,000
Current Warrant Scheme							
86.00	13.60	August 3, 2005	729,300	8.59	67.90	10.74	181,388
89.50	14.15	September 22, 2005	33,575	8.73	66.71	10.55	8,394
97.00	15.34	December 1, 2005	81,750	8.92	63.12	9.98	20,438
101.00	15.97	August 10, 2006	307,000	9.61	63.91	10.11	–
114.00	18.03	June 7, 2006	565,000	9.43	57.08	9.03	–
115.00	18.18	September 21, 2006	7,250	9.72	57.68	9.12	–
116.00	18.34	April 20, 2006	67,500	9.30	55.48	8.77	–
130.00	20.56	December 1, 2006	23,250	9.92	52.22	8.26	–
107.23	**16.96**		**3,369,992**	**5.40**	**51.94**	**8.21**	**1,732,400**

Compensation Expenses Relating to Warrants

The company accounts for stock based compensation by recognizing compensation expenses related to warrants granted to employees, board members and non-employee consultants in the income statement. Such compensation expenses represent calculated values of warrants granted and do not represent actual cash expenditures.

For warrants granted after November 7, 2002, the company applies IFRS 2, *"Share-based Payment"*, according to which the fair value of the warrants at grant date is recognized as an expense in the income statement over the vesting period. A corresponding amount is recognized in a separate reserve under equity.

Compensation expenses under IFRS 2 totalled DKK 23,839 thousand in 2005 compared to DKK 8,215 thousand in 2004. IFRS 2 compensation expenses in the separate financial statements of the parent company were DKK 16,523 thousand in 2005 and DKK 4,812 thousand in 2004.

Warrants granted prior to November 7, 2002 are not comprised by IFRS 2.

14. Warrants (continued)

The company accounts for such warrants by use of the intrinsic value method for employees and the Board of Directors and the fair value method for non-employee consultants. No expenses have been recognised in the income statement in 2005 or 2004 for warrants granted prior to November 2002.

The fair value of each warrant grant is calculated using the Black Scholes pricing model with the following assumptions:

	2005	2004
Expected dividend yield	0%	0%
Expected stock price volatility	32%	44%
Risk-free interest rate	3.05%	3.25%
Expected life of warrants - preceding warrant schemes	4 years	4 years
Expected life of warrants - current warrant scheme	6 years	6 years

The expected stock price volatility has been determined as the historical volatility of the company's stock price for the latest 12 months prior to the balance sheet date. The risk-free interest rate is determined as the interest rate on central government securities (bullet issues) with a maturity of 5 years.

15. Internal Shareholders

	2005		2004	
	Number of ordinary shares owned	Number of warrants held	Number of ordinary shares owned	Number of warrants held
Board of Directors				
Lisa N. Drakeman	511,040	405,000	448,540	492,500
Ernst Schweizer	195,340	112,500	234,340	74,500
Irwin Lerner	50,000	20,000	25,000	40,000
Michael Widmer	–	90,000	–	70,000
Karsten Havkrog Pedersen	–	45,000	–	35,000
Anders Gersel Pedersen	–	45,000	–	35,000
	756,380	**717,500**	**707,880**	**747,000**
Management				
Lisa N. Drakeman, see above	–	–	–	–
Jan van de Winkel	210,000	190,000	117,500	270,000
Claus Juan Møller-San Pedro	331,635	190,000	332,415	142,500
Bo Kruse	26,400	113,000	–	–
	568,035	**493,000**	**449,915**	**412,500**
Total	**1,324,415**	**1,210,500**	**1,157,795**	**1,159,500**

NOTES TO THE FINANCIAL STATEMENTS

16. Related Party Disclosures

Medarex, Inc. and GenPharm International, Inc.
On December 31, 2005, Medarex, Inc. owned approximately 22% of the outstanding shares of the company through its wholly owned subsidiary, GenPharm International, Inc.

During 1999 and 2000, Medarex granted 16 fully paid-up exclusive licenses to the company to use its HuMAb-Mouse® and to produce human monoclonal antibodies for 16 antigens to be specified by Genmab. Furthermore, Genmab was granted the right to access the TC Mouse™ technology on commercial terms and received a non-exclusive license to use the HuMAb technology to produce human monoclonal antibodies for an unlimited number of antigens, subject to availability and the payment of fees, milestones and royalties.

In 2000, Genmab entered into the Genomics Agreement with Medarex, pursuant to which Genmab received the exclusive rights to market the transgenic mouse technologies for certain multi-target (five or more targets) European genomics partnerships. Genmab's territory included companies with European headquarters that had either developed or gained access to genomics or other novel targets. In exchange for the rights granted to Genmab by Medarex, the company issued shares at a value equalling USD 2 million to Medarex through GenPharm at the inception of the agreement and Genmab has paid Medarex USD 2 million per year in cash or in shares for 4 years from 2001 to 2004. The Genomics Agreement had an initial term of five years with a right exercisable by Genmab to extend the term for further two years. Based on available targets discovered to date, Genmab believes that the potential for multi-target alliances has been addressed during the initial term of the agreement, and the agreement has not been renewed. As a result, the agreement expired in August 2005. The rights of the parties with respect to any third party genomics partnerships in effect or under active negotiation at the time of expiration of the Genmab/Medarex collaboration will continue without regard to such expiration.

In June 2001, Genmab and Medarex entered into a collaboration agreement to develop HuMax-Inflam. Under the agreement, the parties will share the costs associated with the pre-clinical and clinical development of the product and will share the commercialization rights and royalties. In 2005, this collaboration led to net expenses of DKK 225 thousand compared to a net cost reimbursement of DKK 4,480 thousand in 2004.

The company has acquired licenses from and incurred milestone payments to Medarex totalling DKK 22,685 thousand in 2005. In 2004, the total payments amounted DKK 7,309 thousand.

As per December 31, 2005, the company had no unsettled balances with Medarex. As per end of 2004, the company had recorded payables to Medarex of DKK 547 thousand.

IPC-Services A/S (previously IPC-Nordic A/S)
IPC-Services (previously IPC-Nordic) is considered a related party, as the company is controlled by a member of management of Genmab. During the past years, Genmab has purchased drug supply distribution services from IPC-Nordic and IPC-Services. The fees for the services are determined following an arms length principle and the total fees paid for such services in 2005 were DKK 55 thousand compared to DKK 599 thousand in 2004. As per December 31, 2005, the company had no balances outstanding with these companies compared to a balance payable of DKK 16 thousand at the end of 2004.

Genmab B.V.
Genmab B.V. is a 100% owned subsidiary of Genmab A/S and included in the consolidated financial statements. Genmab B.V. performs research and development activities on behalf of the parent company. The fees paid by Genmab A/S for such services have been determined following an arms length principle and the total fees for 2005 were DKK 93,237 thousand. The employees of Genmab B.V. participate in the Group's warrant programs. For 2005, warrant compensation expenses under IFRS 2 totalling DKK 5,190 thousand have been invoiced from the parent company to Genmab B.V. Further, Genmab A/S has entered into a sublease arrangement with Genmab B.V. with respect to laboratory equipment. The total payments received by the parent company under such leases during 2005 were DKK 6,373 thousand. Finally, Genmab B.V. is financed through loans from the parent company generating interest income of DKK 790 thousand for 2005. As per December 31, 2005, Genmab A/S had receivables under the lease arrangements totalling DKK 20,341 thousand and other receivables of DKK 3,100 thousand. All transactions and balances between the companies have been eliminated in the consolidated financial statements of the Genmab Group.

Genmab, Inc.
Genmab, Inc. is a 100% owned subsidiary of Genmab A/S and included in the consolidated financial statements. Genmab, Inc. performs clinical trial activities on behalf of the parent company. The fees paid by Genmab A/S for such services have been determined following an arms length principle and the total fees for 2005 were DKK 48,123 thousand. The employees of Genmab, Inc. participate in the Group's warrant programs. For 2005, warrant compensation expenses under IFRS 2 totalling DKK 2,126 thousand have been

16. Related Party Disclosures (continued)

invoiced from the parent company to Genmab, Inc. Genmab, Inc. is financed through loans from the parent company generating interest income of DKK 37 thousand for 2005. As per December 31, 2005, Genmab A/S had a balance payable to Genmab, Inc. of DKK 2,658 thousand. All transactions and balances between the companies have been eliminated in the consolidated financial statements of the Genmab Group.

The Company's Board of Directors and its Officers

One member of the Board of Directors has rendered additional services to the company during the year for which he has received consultancy fees totalling DKK 4,748 thousand compared to DKK 4,378 thousand in 2004.

No other significant transactions have taken place with the Board of Directors or the company's officers, except for transactions in the normal course of business, which have been disclosed in the financial statements.

Other Parties

The company has entered into collaboration agreements with or acquired minor equity positions in several companies that are not considered related parties, as the current accounting policies define related parties as one party who controls or exercises significant influence over the other party or the parties being under common control.

17. Commitments

Guarantees and Collaterals

Bank accounts included in cash and cash equivalents at a total balance of DKK 18,010 thousand have been registered as collateral for the Group's finance lease obligations. In addition, the Group has established a bank guarantee of DKK 3,055 thousand towards a lessor of an office building. In the separate financial statements of the parent company, bank accounts totaling DKK 18,010 thousand have been registered as collateral for finance lease obligations.

Operating Leases

The Group has entered into operating lease agreements with respect to office space, cars and office equipment. The leases are non-cancelable for various periods up to 2010. The total commitments under operating leases of cars and office equipment amounts to DKK 6,627 thousand, of which DKK 5,139 thousand relates to the parent company.

Future minimum payments under the office leases as of December 31 are as follows:

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Payment due in						
2005	–	16,973	–	2,684	–	6,292
2006	15,013	13,460	2,374	2,128	3,634	860
2007	9,100	8,992	1,439	1,422	–	–
2008	9,100	8,992	1,439	1,422	–	–
2009	9,100	8,992	1,439	1,422	–	–
2010	9,100	8,992	1,439	1,422	–	–
Thereafter	–	–	–	–	–	–
Total	**51,413**	**66,401**	**8,130**	**10,500**	**3,634**	**7,152**

Finance Leases

The company and the Group have entered into finance lease contracts with respect to cars and laboratory equipment. The majority of the finance lease contracts in the Dutch subsidiary have been entered through Genmab A/S in order to take advantage of the financial strength of the parent company by obtaining lower prices. This arrangement is neutral to the parent company, as all terms and conditions of the lease agreement are passed on to the subsidiary on the same terms as from the external lessor. As a result, Genmab A/S has lease receivables from the subsidiary totaling DKK 20,341 thousand, which are included in the net receivable from subsidiaries in the balance sheet of the parent company.

NOTES TO THE FINANCIAL STATEMENTS

17. Commitments (continued)

Due to the nature of the lease arrangement, including immateriality and neutrality, management does not consider the parent company to be a finance lessor for accounting purposes. Accordingly, the disclosure requirements for finance lease receivables have not been completely fulfilled for the parent company. The lease liability regarding these contracts has been recognized in the balance sheet and covers various periods up to 2009. The average effective interest rate in the parent company's and the Group's lease arrangements is approximately 3.8%. Future minimum lease payments under such finance leases and the net present value are as follows:

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Minimum lease payments						
Within 1 year	9,322	8,773	1,474	1,387	6,558	5,767
From 1 to 5 years	15,234	22,210	2,409	3,512	15,234	19,454
	24,556	30,983	3,883	4,899	21,792	25,221
Future finance charges	(1,331)	(2,112)	(211)	(334)	(1,274)	(1,853)
Total	**23,225**	**28,871**	**3,672**	**4,565**	**20,518**	**23,368**
Net present value of future payments						
Within 1 year	9,171	8,611	1,450	1,362	6,464	5,673
From 1 to 5 years	14,054	20,260	2,222	3,203	14,054	17,695
Total	**23,225**	**28,871**	**3,672**	**4,565**	**20,518**	**23,368**

At the end of 2005, all finance lease commitments recorded in the separate financial statements of the parent company are fully reflected in subleases entered into with the subsidiary Genmab B.V. Accordingly, the minimum lease payments and the net present value of such future payments are fully set-off by the receivable of DKK 20,341 thousand included in receivables from subsidiaries.

Other Purchase Obligations

The company and the Group have entered into a number of agreements which are mainly within the area of manufacturing services related to the research and development activities. Under the current development plans, the contractual obligations will lead to the following future payments:

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Payment due in						
2005	–	91,565	–	14,479	–	86,500
2006	111,119	6,200	17,571	980	108,900	6,200
2007	14,100	1,500	2,230	237	14,100	1,500
2008	6,300	750	996	119	6,300	750
2009	2,600	450	411	71	2,600	450
2010	390	566	62	89	390	566
Thereafter	176	–	28	–	176	–
Total	**134,685**	**101,031**	**21,298**	**15,975**	**132,466**	**95,966**

17. Commitments (continued)

License Agreements
The company is a party to a number of license agreements which require the company to pay royalties if and when the company commercializes products utilizing the licensed technology.

18. Contingent Assets and Contingent Liabilities

The company has entered into collaboration agreements that commit the company to acquire shares in the collaboration partners (target companies) based on the achievement of certain milestones by the target company. Since it is expected that the market value of such shares will increase as a result of the achievement of the milestones, the agreements may qualify as contingent assets. However, it is not possible to measure the value of such contingent assets and, accordingly, no such assets have been recognized.

As part of the license and collaboration agreements that the company has entered into, once a product is developed and commercialization is carried out, milestone and royalty payments will be required. It is not possible to measure the value of such future payments, but the company expects to generate future income from such products which will exceed any milestone and royalty payments.

19. Fees to Auditors Appointed at the Annual General Meeting

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
PricewaterhouseCoopers						
Audit	1,195	966	189	153	750	542
Other services	2,055	2,694	325	426	1,235	1,828
	3,250	**3,660**	**514**	**579**	**1,985**	**2,370**
Deloitte						
Audit	–	126	–	20	–	126
Other services	–	605	–	96	–	605
	–	**731**	**–**	**116**	**–**	**731**
Total fees	**3,250**	**4,391**	**514**	**695**	**1,985**	**3,101**

20. 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. For convenience of the reader, we have provided a reconciliation of the net result under IFRS to the corresponding net result under US GAAP. US GAAP has additional disclosure requirements with respect to some of the areas included in the reconciliation, but such disclosures have not been included in this note.

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.

NOTES TO THE FINANCIAL STATEMENTS

20. Reconciliation from IFRS to US GAAP (continued)

Warrant Compensation Expenses

Under IFRS, the fair value of warrants granted shall be recognized as an expense in the income statement with a corresponding entry in shareholders' equity. SFAS No. 123R, *"Share-Based Payment (revised)"* includes similar requirements, but as the effective date for this revised standard has not been reached yet, this standard has not been adopted. Accordingly, no similar recognition requirement currently exists under US GAAP. Under US GAAP, warrant compensation is currently based on the intrinsic value of the outstanding warrants.

Accounting for Investments in Subsidiaries

Effective from January 1, 2005, IFRS does not allow the application of the equity method in accounting for investments in subsidiaries in the separate financial statements of the parent company. The revised IAS 27 prescribes measurement at cost or at fair value. Genmab A/S measures the investments in subsidiaries at cost. US GAAP prescribes the use of the equity method, which results in differences between IFRS and US GAAP in the separate financial statements of the parent company.

Application of US GAAP would have affected net loss for the periods ended December 31, 2005 and 2004 to the extent described below.

	Genmab Group		Genmab Group		Parent Company	
	2005	2004	2005	2004	2005	2004
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Net loss according to IFRS	**(393,590)**	**(423,428)**	**(62,237)**	**(66,955)**	**(386,558)**	**(420,833)**
Revaluation of marketable securities concerning measurement to market value	6,040	(2,236)	955	(354)	6,040	(2,236)
Reversed unrealized exchange rate (gain) / loss on marketable securities	(10,195)	(4,599)	(1,612)	(727)	(10,195)	(4,599)
Reversed warrant compensation expenses	23,839	8,215	3,770	1,299	16,523	4,812
Result in subsidiaries under equity method	–	–	–	–	(7,032)	809
Net loss according to US GAAP	**(373,906)**	**(422,047)**	**(59,124)**	**(66,737)**	**(381,222)**	**(422,047)**
Weighted average number of ordinary shares outstanding during the period - basic and diluted	31,254,973	26,470,014	31,254,973	26,470,014	31,254,973	26,470,014
Basic and diluted net loss per share according to US GAAP	(11.96)	(15.94)	(1.89)	(2.52)	(12.20)	(15.94)
Net loss according to US GAAP	**(373,906)**	**(422,047)**	**(59,124)**	**(66,737)**	**(381,222)**	**(422,047)**
Other Comprehensive income:						
Unrealized gain / (loss) from marketable securities	(6,040)	2,236	(955)	354	(6,040)	2,236
Adjustment of foreign currency fluctuations in subsidiaries	498	(238)	78	(38)	498	(238)
Unrealized exchange rate gain / (loss) on marketable securities	10,195	4,599	1,612	727	10,195	4,599
Comprehensive income	**(369,253)**	**(415,450)**	**(58,389)**	**(65,694)**	**(376,569)**	**(415,450)**

2005 COPENHAGEN STOCK EXCHANGE RELEASES

Feb. 8 Preliminary Annual Report 2004

Feb. 8 Genmab Announces Year End 2004 Financial Results

Feb. 18 HuMax-CD4 Continues to Show Long Lasting Responses in T-cell Lymphoma Patients

Mar. 18 Genmab's Annual Report 2004

Mar. 23 Quarterly Reporting of Insiders' Holdings of Genmab Shares

Mar. 29 Genmab A/S Summons Annual General Meeting

Mar. 29 Genmab Completes Accrual in HuMax-CD20 Phase I/II CLL Study

Apr. 20 Genmab Obtains Special Protocol Assessment Agreement for HuMax-CD4 Pivotal Study

Apr. 20 Passing of Genmab A/S' Annual General Meeting - Subsequent Grant of Warrants

May 2 Serono and Genmab Sign Worldwide Agreement to Develop and Commercialize HuMax-TAC

May 10 Genmab Announces 2005 First Quarter Results

May 12 Genmab Announces Multiple Myeloma Antibody Program

May 13 Genmab Presents Additional HuMax-EGFr Phase I/II Efficacy Data at ASCO Conference

May 18 Genmab Acquires Rights for 16 Cancer Targets

Jun. 2 HuMax-CD20 Effective in Killing Tumor Cells with Very Low Levels of CD20

Jun. 6 Genmab Appoints Alberto Elli as Chief Financial Officer

Jun. 10 Genmab's HuMax-CD20 Induces Clinical Response in NHL at All Dose Levels

Jun. 30 Genmab Acquires Worldwide Rights for HuMax-CD4

Aug. 5 Genmab Appoints Bo Kruse as Interim Chief Financial Officer

Aug. 9 Genmab Announces 2005 First Half Year Results

Aug. 16 Genmab Initiates HuMax-CD20 Phase II Study in Rheumatoid Arthritis

Aug. 18 Serono and Genmab Announce Global Development and Commercialization Agreement for HuMax-CD4

Aug. 18 Announcement of Additional Details Concerning Direct Placement of Genmab Shares to Serono

Aug. 22 Genmab to Present Interim Results in Phase I/II HuMax-CD20 CLL Study

Sep. 15 Genmab Announces Positive Interim Results in Phase I/II HuMax-CD20 CLL Study

Sep. 30 Bo Kruse Appointed as CFO of Genmab A/S

Nov. 3 Genmab Receives Patent for HuMax-HepC

Nov. 8 Genmab Announces Results for the First Nine Months of 2005

Dec. 1 Genmab Announces Data on All Evaluable Patients in HuMax-CD20 NHL Phase I/II Study

Dec. 12 Genmab Announces Responses with HuMax-CD4 in Non-Cutaneous T-cell Lymphoma

Dec. 12 HuMax-CD38 Effective in Preclinical Studies

Dec. 12 HuMax-CD20 Induces Rapid Responses in Relapsed CLL Patients

Dec. 13 Roche Files IND for Genmab Antibody

Report Pursuant to Section 28a of the Danish Securities Trading Act and Employee Warrant Releases

Report Pursuant to Section 28a of the Danish Securities Trading Act
Feb. 9, Feb. 10, Feb. 14, Feb. 16, Mar. 3, May 11, May 18, Jun. 2, Jun. 22, Nov. 4, Dec. 2

Capital Increase in Genmab as a Result of Employees' Warrant Exercise
Feb. 9, Mar. 11, May 11, Jun. 22, Aug. 1, Aug. 30, Nov. 4, Dec. 1

Grant of Warrants in Genmab A/S
Jun. 7, Aug. 10, Sep. 21, Dec. 2

The full texts of all our stock exchange releases are available through the company's website, www.genmab.com. Interested parties are invited to subscribe to Genmab's News Alerts Mailing List through the website to receive e-mail notifications on the day news is released.

INVESTOR RELATIONS

As a public company listed on the Copenhagen Stock Exchange (CSE), Genmab has a responsibility to maintain effective communication with the financial community. In Genmab's Investor & Public Relations department we strive to meet this responsibility by working with dedication to ensure high standards for our external communication.

The key to our investor relations strategy is to maintain transparency and accessibility into the company's progress by providing a high level of information about Genmab to investors. We meet this challenge by following the disclosure rules of the CSE and releasing all important stock price relevant information via a stock exchange notice in the form of a press release. Information which is not price relevant, but could still be of interest is communicated using the CSE's InvestorService release channel. Genmab further distributes company news through publication on our in depth website and circulation to our mailing list of international investors, analysts, journalists and other contacts. Genmab also regularly holds conference calls and webcasts and attends investor meetings and industry conferences to communicate company news to investors.

This broad dissemination of company information is an important service to the investment community, providing investors with the opportunity to more correctly assess Genmab's potential and thereby to evaluate investment opportunities.

Corporate Information

Bankers to the Company

Amagerbanken
Amagerbrogade 25
DK-2300 Copenhagen S

Danske Bank
Holmens Kanal 2-12
DK-1092 Copenhagen K

Merrill Lynch & Co., Inc.
4 World Financial Center
250 Vesey Street
New York, NY 10080 USA

Legal Counsel

Satterlee Stephens
Burke & Burke LLP
230 Park Avenue
New York, NY 10169, USA

Kromann Reumert
Sundkrogsgade 5
DK-2100 Copenhagen Ø

Independent Auditors

PricewaterhouseCoopers
Strandvejen 44
DK-2900 Hellerup

Annual Report

Copies of this Annual Report in both English and Danish are available without charge upon request.

Annual General Meeting

The Annual General Meeting of Genmab will be held on April 25, 2006, at 2:00 p.m. local time at:

Radisson SAS Royal Hotel
Copenhagen
Hammerichsgade 1
DK-1611 Copenhagen

Board of Directors

Name, Age and Degree	Term Expires	Position
Michael B. Widmer (58), Ph.D. (1)	2008	Chairman of the Board of Directors
Lisa N. Drakeman, (52) Ph.D. (4)	–	Board member, President and CEO
Ernst H. Schweizer (71), Ph.D.	2006	Board member
Irwin Lerner, (75) M.B.A. (1)(2)	2006	Board member
Karsten Havkrog Pedersen (56), Attorney-at-Law (2)(3)	2008	Board member
Anders Gersel Pedersen, (54) M.D., Ph.D. (3)	2007	Deputy Chairman of the Board of Directors

The business address for the members of the Board of Directors is c/o Genmab A/S, Toldbodgade 33, DK-1253 Copenhagen K, Denmark.

Notes:

(1) Member of the Compensation Committee.
(2) Member of the Audit Committee.
(3) Member of the Nominating and Corporate Governance Committees.
(4) Our Chief Executive Officer, Dr. Lisa N. Drakeman is appointed as a member of our Board of Directors pursuant to our Articles of Association, which provide that she shall remain a Director as long as she remains our Chief Executive Officer.

Except for the historical information presented herein, matters discussed in this Annual Report are forward-looking statements. The words "believe", "expect", "anticipate", "intend" and "plan" and similar expressions identify forward-looking statements. Actual results or performance may differ materially from any future results or performance expressed or implied by such statements. The important factors that could cause our actual results or performance to differ materially include, among others, risks associated with product discovery and development, uncertainties related to the outcome and conduct of clinical trials including unforeseen safety issues, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products obsolete, and other factors. Genmab is not under an obligation to up-date statements regarding the future following the publication of this release; nor to confirm such statements in relation to actual results, unless this is required by law.

Board of Directors and Executive Officers

Michael B. Widmer, Ph. D. – American
Board Chaiman
Dr. Widmer is Chairman of our Board of Directors and has been a member of our Board since March 2002. Dr. Widmer is the former Vice President and Director of Biological Sciences at Immunex Corporation in Seattle. Prior to joining Immunex in 1984, he was an assistant professor in Laboratory Medicine and Pathology at the University of Minnesota. He is a former Scholar of the Leukemia Society of America. His research has centred on regulation of the immune and inflammatory response and he has authored over 100 scientific publications. During his tenure at Immunex, he pioneered the use of cytokine antagonists, particularly soluble cytokine receptors, as pharmacologic regulators of inflammation, and was instrumental in the development of Enbrel, a soluble receptor for TNF marketed by Amgen and Wyeth Ayerst for the treatment of rheumatoid arthritis. He received a Ph.D. in Genetics from the University of Wisconsin in 1976 and completed a postdoctoral fellowship in Immunology at the Swiss Institute for Experimental Cancer Research in Lausanne, Switzerland.

Irwin Lerner, M.B.A. – American
Board Member
Mr. Lerner has been a member of our Board since July 2000. Mr. Lerner has been a Director of Medarex, Inc. since September 1995, and has been Chairman of the Board of Medarex, Inc. since May 1997. Mr. Lerner served as Chairman of the Board and Executive Committee of Hoffmann-LaRoche, Inc. from January 1993 until his retirement in September 1993, and served as its Chairman, President and Chief Executive Officer from 1980 through December 1992 in a thirty-two year career with Roche. He served for twelve years on the Board of the Pharmaceutical Manufacturers Association (now PhRMA) where he chaired the Association's FDA Issues Committee and initiated and led the pharmaceutical industry's effort that culminated in the enactment of the Prescription Drug User Fee legislation (PDUFA) in 1990. Mr. Lerner received his B.Sc. and MBA degrees from Rutgers University and is currently a Distinguished Executive in Residence at the Rutgers University Business School. Mr. Lerner is a Director of Covance, Inc., Panacos Pharmaceuticals, Inc., and Nektar Therapeutics, Inc. – all public U.S. corporations.

Karsten Havkrog Pedersen, LL.M. – Danish
Board Member
Mr. Pedersen has been a member of our Board since March 2002. With almost 25 years' experience as an attorney Mr. Pedersen has substantial knowledge within Danish corporate law and corporate governance. Mr. Pedersen has been a partner in the law firm Hjejle, Gersted & Mogensen since 1981 and was licensed to practice in the Supreme Court of Justice in 1983. Mr. Pedersen was a member of the Danish Appeal Board from 2000 to 2003 and is a member of the Danish Bar and Law Society, Committee of Legal Affairs. From 1991 to 2004, he was a member of the Editorial Committee of the Danish legal magazine "Lov & Ret". Mr. Pedersen is furthermore a member of the Board of BIG Fonden and eight of its subsidiaries.

Claus Juan Møller-San Pedro, M.D., Ph.D. – Danish
Executive Vice President & Chief Operating Officer
Dr. Møller has served as our COO since our inception. He has extensive experience in the biotechnology industry and overseeing product development and clinical trials activities. Previous posts include Executive Vice President and Chief Medical and Operating Officer of Oxigene, Inc., President of IPC-Nordic A/S, and Medical Director for Synthélabo Scandinavia A/S. Dr. Møller is Chairman of the board of IPC-Nordic A/S, IPC-Services A/S and his own holding company IPCons ApS. Moreover, Dr. Møller serves on the board of IPC-Byg A/S. He received his M.D. and Ph.D. degrees from the University of Copenhagen.

Lisa N. Drakeman, Ph.D. – American
President, Chief Executive Officer & Board Member
Dr. Drakeman has been a member of our Board and our President and Chief Executive Officer since our inception. Formerly, Dr. Drakeman served as Senior Vice President and Head of Business Development at Medarex, where she was responsible for initiating and negotiating partnerships with Novartis, Bristol-Myers Squibb, Johnson & Johnson, Immunex and others. She was employed by Medarex from 1989 to 2000. Dr. Drakeman was named "Advocate of the Year" by the Biotechnology Industry Organisation in 1995 and "Industry Woman of the Year" by the Biotechnology Council of New Jersey in 1996. She was inducted into the New Jersey High Technology Hall of Fame in 2000. Dr. Drakeman serves on the boards of the Cancer Institute of New Jersey Leadership Council and the Biotechnology Council of New Jersey. Dr. Drakeman received an M.A. degree from Rutgers University and a M.A. and Ph.D. in the humanities from Princeton University.

Anders Gersel Pedersen, M.D., Ph.D. – Danish
Deputy Chairman
Dr. Pedersen has been a member of our Board since November 2003 and serves as Deputy Chairman of the Board. Dr. Pedersen is Senior Vice President, Development at H. Lundbeck A/S, Denmark. Following his degree in medicine and Research Fellow positions at Copenhagen hospitals, Dr. Pedersen worked for Eli Lilly for eleven years; ten of these as a director of worldwide clinical research in oncology, before joining Lundbeck in 2000. At Lundbeck Dr. Pedersen is responsible for the development of the product pipeline including the clinical research. He is a member of the European Society of Medical Oncology, the International Association for the Study of Lung Cancer, the American Society of Clinical Oncology, the Danish Society of Medical Oncology and the Danish Society of Internal Medicine and serves on the boards of TopoTarget A/S and Alk-Abelló A/S. Dr. Pedersen received his medical degree and a doctoral degree in neuro-oncology from the University of Copenhagen and a B.Sc. in Business Administration from the Copenhagen Business School.

Ernst H. Schweizer, Ph.D. – German
Board Member
Dr. Schweizer has been a member of our Board since our inception. Dr. Schweizer was our Head of Business Development from January 2002 to December 2005 on a consultant basis. Dr. Schweizer has served as President of Medarex Europe from 1999 until 2001, and was previously Deputy Director of Worldwide Business Development and Licensing for Novartis, from 1997 to 1999, and Chief Scientific and Technical Adviser in Business Development and Licensing at Ciba-Geigy AG from 1983 to 1997. Dr. Schweizer also serves on the Boards of Speedel Holding AG and Canyon Pharmaceuticals and finally, he holds a doctoral degree in chemistry from the University of Stuttgart.

Jan G. J. van de Winkel, Ph.D. – Dutch
Executive Vice President & Chief Scientific Officer
Dr. van de Winkel has served as our CSO since inception. Previously he was Vice President and Scientific Director of Medarex Europe B.V. He is the author of over 260 scientific publications and has been responsible for a number of patents and pending patent applications. Professor van de Winkel is one of the leading scientists in the study of antibodies and their interaction with the immune system. Dr. van de Winkel is a part-time Professor of Immunology at Utrecht University and also a member of the Scientific Advisory Board for BTF. He holds M.Sc. and Ph.D. degrees from the University of Nijmegen.

Bo Kruse – Danish
Vice President & Chief Financial Officer
Mr. Kruse has been with Genmab since early 2000, and was appointed as our CFO as of 1 October 2005. Mr. Kruse was formerly Genmab's Vice President Finance and Chief Accounting Officer. Prior to joining Genmab, Mr. Kruse worked as a Senior Associate at PricewaterhouseCoopers. Mr. Kruse received his M.Sc. and bachelor degrees in commerce at the Copenhagen Business School.

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