Annual Report **2013**

Innovating antibodies, improving lives

Genmab A/S
CVR No. 21 02 38 84

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Our goal is for sustainable profitability based on increasing royalty income

Genmab At-A-Glance

4 drugs

FOUR ANTIBODIES IN CLINICAL DEVELOPMENT (ARZERRA® ON THE MARKET) – OVER 10 IN PRE-CLINICAL DEVELOPMENT

2 platforms

TWO PROPRIETARY ANTIBODY TECHNOLOGIES – DUOBODY AND HEXABODY PLATFORMS

157 FTE

THE NUMBER OF EMPLOYEES IN THREE COUNTRIES (DK, NL & USA)

DKK 664 million

2013 REVENUE
37% INCREASE VERSUS 2012

DKK 131 million

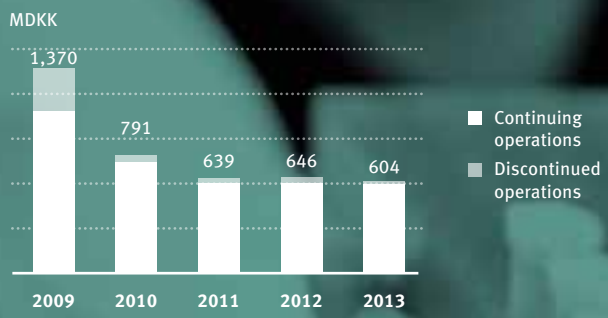
2013 ROYALTIES FROM ARZERRA
19% GROWTH VERSUS 2012

DKK 1,557 million

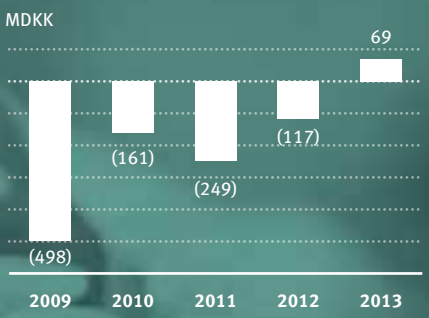
2013 YEAR END CASH POSITION

Controlling Costs

(56% DECREASE)



Operating Result



2009-2013 operating costs exclude non-cash impairment charges and the gain on sale related to our manufacturing facility

Shareholder Letter

At the heart of Genmab is a deep desire to improve the quality of life for cancer patients

DEAR SHAREHOLDER,

2013 was an exceptional year for Genmab during which we solidified our financial position, strengthened our pipeline and advanced our innovative technology platforms. We made significant achievements across all business areas and successfully met all the goals we set for ourselves at the start of the year.

CREATING BREAKTHROUGH THERAPIES FOR PATIENTS

At the heart of Genmab is a deep desire to improve the quality of life for cancer patients and their families. From the first stages of laboratory testing, Genmab keeps the patient in focus – we create antibodies which are specifically designed to provide new treatment options to patients. That is why we are so proud to have received Breakthrough Therapy Designation (BTD) from the Food and Drug Administration (FDA) for not one, but two, of our pipeline products – ofatumumab and daratumumab. Breakthrough Therapy Designation is a new FDA program which aims to accelerate the development and review of drugs which may demonstrate substantial improvement over available therapies for serious or life-threatening conditions. We believe ofatumumab and daratumumab have the potential to make a significant difference to patients' lives.

STRENGTHENING OUR PIPELINE

Maximizing the value of our product pipeline is critical to Genmab's success. Our accomplishments in 2013 have propelled us towards this goal. We made significant progress with ofatumumab, reporting positive clinical data from the Phase III study of ofatumumab in combination with chlorambucil for previously untreated chronic lymphocytic leukemia (CLL), from the Phase II CLL study in combination with bendamustine as well as from the Phase II multiple sclerosis (MS) study. Based on the Phase III and Phase II CLL studies, Genmab and GlaxoSmithKline (GSK) submitted regulatory applications to expand the ofatumumab label in the US and EU. The FDA granted Priority Review designation for the supplemental Biologics License Application (sBLA) for ofatumumab in combination with an alkylator-based therapy, to be used for the treatment of CLL patients who have not received prior treatment and are inappropriate for fludarabine-based therapy in December. The FDA has assigned a Prescription Drug User Fee Act (PDUFA) target date of April 19, 2014.

For daratumumab, we continued to see positive results in the Phase I/II multiple myeloma (MM) monotherapy study, reported encouraging preliminary data from the combination study of daratumumab plus lenalidomide and dexamethasone, and announced two new clinical studies, with more to follow in 2014.

We also started a Phase I study of HuMax®-TF-ADC in solid tumors. HuMax-TF-ADC is our first antibody-drug conjugate (ADC), a new type of highly potent antibody therapeutic, to enter clinical development. Further, we added teprotumumab back into our pipeline. We created teprotumumab under our collaboration with Roche and it is now being developed by River Vision for active thyroid eye disease. In the future, Genmab intends to supplement our pipeline with antibody therapeutics created with a variety of technologies, including ADCs, the DuoBody® platform and the HexaBody™ technology.

INNOVATIVE ANTIBODY TECHNOLOGIES IN FOCUS

Genmab uses a number of different technologies to create differentiated antibody therapeutics. In 2013, our proprietary bispecific antibody technology, the DuoBody platform, and our enhanced antibody technology, HexaBody, remained in focus. Progress with our DuoBody collaborations with Janssen Biotech, Inc. and Novartis has continued on track, reaching several milestones. In December, we announced a major expansion of the Janssen collaboration to include up to an additional ten DuoBody programs. For HexaBody, we announced robust preclinical validation of the technology and will continue to work on developing this exciting technology. Interest in licensing these technologies remains high.

FUELING GROWTH THROUGH OUR PLATFORMS AND PRODUCTS

2014 is already off to a running start with a private placement that raised net proceeds of DKK 972 million, strengthening our financial position. Potential uses for the proceeds may include funding development of our pipeline, including HuMax-TF-ADC, progressing our technologies or selectively adding new products or technologies that would be complimentary to our product portfolio.

Looking ahead to the rest of the year, our focus will remain on ofatumumab and daratumumab while we progress our next generation antibody technologies and continue disciplined spending. We expect to report data from four pivotal studies of ofatumumab, including CLL data and the first head-to-head study of ofatumumab versus rituximab in diffuse large B-cell lymphoma (DLBCL). If the data from these studies is positive, then we will work with GSK towards expanding the label for ofatumumab. We also look forward to decisions from the FDA and European Medicines Agency (EMA) on the regulatory applications for ofatumumab in front line CLL.

Together with Janssen, we will start new studies and report data from a number of existing studies of daratumumab in multiple myeloma. We will continue to work on expanding our pipeline, progressing the HuMax-TF-ADC clinical study and pre-clinical programs. We hope to enter new collaborations for both the DuoBody and HexaBody technologies and report progress with our existing partnerships. Finally, we will continue to manage our finances wisely, while investing in the most exciting new opportunities, without significantly increasing our cost base.

As we look forward to an exciting new year, we also recognize how far Genmab has come over the past few years. I thank our employees for their hard work, perseverance and integrity and our shareholders for their support, both of which have been crucial to our recent success.

Sincerely yours,

Jan van de Winkel, Ph.D.
President & Chief Executive Officer

Impressive 2013 Achievements

Business Progress

	Stated objective met	Other achievement
MAXIMIZING THE VALUE OF OFATUMUMAB	» Reported positive top-line results from Phase III study of ofatumumab in combination with chlorambucil versus chlorambucil alone in patients with previously untreated CLL » Continued Phase III maintenance study in CLL following interim analysis by Independent Data Monitoring Committee (IDMC) » Reported positive top-line results from Phase II study of ofatumumab in combination with bendamustine in patients with untreated or relapsed CLL » Initiated new Phase III study of ofatumumab given subcutaneously to treat pemphigus vulgaris » Reported positive top-line data from a Phase II study of subcutaneous ofatumumab in relapsing remitting multiple sclerosis (RRMS)	» Received Breakthrough Therapy Designation from FDA
EXPANSION OF ARZERRA	» Launched in Japan, now available in all major markets around the world » Submitted regulatory applications to broaden label for Arzerra in US and Europe » FDA granted priority review for Arzerra sBLA	» GSK sales of Arzerra increased in British pounds by 25%, resulting in DKK 131 million in royalty income to Genmab
FULLY EXPLOIT THE POTENTIAL OF DARATUMUMAB	» Initiated new Phase II study of daratumumab as a monotherapy in double refractory multiple myeloma » Presented data from Phase I/II study of daratumumab in combination with lenalidomide to treat relapsed or refractory multiple myeloma » Announced new Phase Ib study of daratumumab in combination with backbone treatment regimens to treat front line and relapsed/refractory multiple myeloma » Presented updated data from Phase I/II study of daratumumab in relapsed/refractory multiple myeloma	» Received first milestone from Janssen for clinical progress » Received Breakthrough Therapy Designation and Fast Track Designation from FDA » Received Orphan Drug Designations from FDA and EMA
EXPANDING OUR PIPELINE	» Submitted Investigational New Drug application (IND) and Clinical Trial Applications (CTAs) for HuMax-TF-ADC in US and Europe » Initiated first Phase I study of HuMax-TF-ADC in solid tumors » Presented updates on HuMax-TF-ADC and DuoBody platform at multiple conferences	

Business Progress

Stated objective met

Other achievement

PROGRESSING NEXT GENERATION TECHNOLOGIES

- Expanded DuoBody collaboration with Janssen
- Reported first pre-clinical data for a DuoBody project in Janssen collaboration
- Reached three milestones in Janssen DuoBody collaboration
- Janssen activated the fourth, fifth and sixth DuoBody programs
- Reached first development milestone in DuoBody collaboration with Novartis
- Novartis activated second DuoBody program
- Presented pre-clinical validation of HexaBody technology

DRIVING VALUE THROUGH COLLABORATIONS

- Roche reported Phase II inclacumab data; decided to make inclacumab available for partnering
- River Vision Development Corporation initiated Phase II study of teprotumumab in active thyroid eye disease
- Entered agreement with ADC Therapeutics Sarl to develop an ADC of HuMax-TAC

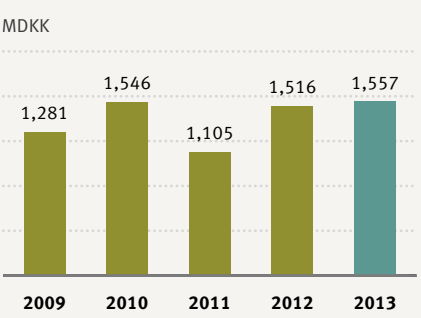
DISCIPLINED EXPENSE MANAGEMENT, REDUCE CASH BURN

- Reduced cash burn & lengthened cash runway
- Improved operating result by DKK 186 million
- Sold Minnesota manufacturing facility

Financial Performance

- Revenue increased by DKK 179 million, 37%, from DKK 485 million in 2012 to DKK 664 million in 2013, mainly driven by higher revenue related to our daratumumab and DuoBody collaborations with Janssen, as well as Arzerra royalties.
- Operating expenses were reduced from DKK 601 million in 2012 to DKK 594 million in 2013.
- As the operating expenses were virtually flat, the operating result improved by DKK 186 million from a loss of DKK 117 million in 2012 to an income of DKK 69 million in 2013.
- The net result for discontinued operation amounted to a net income of DKK 42 million in 2013.
- 2013 year end cash position of DKK 1,557 million, compared to DKK 1,516 million as of December 31, 2012.

CASH POSITION



Consolidated Key Figures

	2009	2010	2011	2012	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
INCOME STATEMENT					
Revenue	586,076	582,077	350,936	484,636	663,570
Research and development costs	(935,361)	(582,512)	(532,507)	(536,702)	(527,576)
General and administrative expenses	(148,749)	(160,254)	(67,851)	(64,613)	(66,741)
Operating expenses	(1,084,110)	(742,766)	(600,358)	(601,315)	(594,317)
Operating result	(498,034)	(160,689)	(249,422)	(116,679)	69,253
Net financial items	156,045	38,246	39,594	2,598	(3,851)
Net result for continuing operations	(347,898)	(143,317)	(215,748)	(111,448)	70,155
BALANCE SHEET					
Cash position*	1,281,356	1,546,221	1,104,830	1,515,754	1,556,979
Non-current assets	73,197	62,234	47,632	39,076	38,544
Assets	2,221,534	2,481,601	1,564,432	1,692,886	1,731,527
Shareholders' equity	1,297,192	1,080,067	486,418	383,187	659,523
Share capital	44,907	44,907	44,907	50,308	51,756
Investments in intangible and tangible assets	16,778	10,110	7,205	8,998	11,078
CASH FLOW STATEMENT					
Cash flow from operating activities	(570,061)	268,171	(437,225)	70,919	(127,999)
Cash flow from investing activities	974,726	(738,496)	514,750	(416,343)	66,953
Cash flow from financing activities	(6,643)	(7,005)	(6,091)	357,814	151,663
Cash, cash equivalents and bank overdraft	464,446	(2,088)	69,408	78,997	168,135
Cash position increase/(decrease)	(480,656)	264,865	(441,391)	410,924	41,225
FINANCIAL RATIOS					
Basic net result per share	(22.51)	(7.16)	(13.28)	(10.58)	2.20
Diluted net result per share	(22.51)	(7.16)	(13.28)	(10.58)	2.16
Basic net result per share continuing operations	(7.75)	(3.19)	(4.80)	(2.42)	1.38
Diluted net result per share continuing operations	(7.75)	(3.19)	(4.80)	(2.42)	1.35
Year-end share market price	82	66	38	78	212
Price / book value	2.84	2.72	3.47	10.21	16.64
Shareholders' equity per share	28.89	24.05	10.83	7.62	12.74
Equity ratio	58%	44%	31%	23%	38%
Average number of FTE**	505	229	181	180	164
Number of FTE at year-end	309	189	179	179	157

* Cash, cash equivalents, bank overdraft and marketable securities
** Full-time equivalent

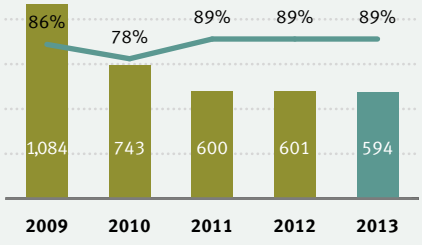
The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2010) and key figures in accordance with IFRS.

REVENUE

MDKK

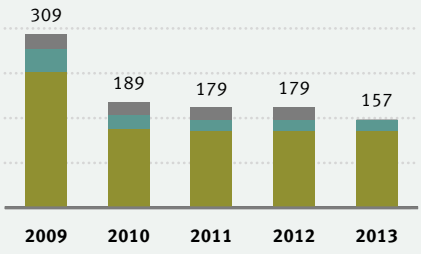
OPERATING EXPENSES

MDKK / %



FTE AT YEAR END

FTE



2014 Outlook

MDKK	2014 Guidance	2013 Actual Result
Income Statement		
Revenue	725 – 775	664
Operating expenses	(600) – (650)	(595)
Operating income continuing operations	90 – 160	69
Discontinued operation	–	42
Cash Position		
Cash position beginning of year*	1,557	1,516
Cash used in operations	(50) – (100)	(167)
Proceeds from private placement	972	–
MN facility sale	–	52
Warrant exercises	–	156
Cash position at end of year*	2,400 – 2,500	1,557

* Cash, cash equivalents, and marketable securities

CONTINUING OPERATIONS

We expect our 2014 revenue to be in the range of DKK 725 – 775 million, compared to DKK 664 million reported in 2013. Our projected revenue for 2014 consists primarily of non-cash amortization of deferred revenue totaling DKK 282 million, daratumumab milestones of approximately DKK 250 million and royalties on sales of Arzerra, which are expected to be approximately DKK 145 million.

We anticipate that our 2014 operating expenses from continuing operations will be DKK 600 – 650 million, a small increase on the 2013 operating expenses of DKK 595 million.

We expect the operating income from continuing operations for 2014 to be approximately DKK 90 – 160 million compared to an operating income of DKK 69 million reported for 2013.

DISCONTINUED OPERATION

The divestiture of the Minnesota manufacturing facility was completed in February 2013. The discontinued operation income of DKK 42 million in 2013 related to the gain on the sale and the final few months running costs. There are no discontinued operations in 2014.

CASH POSITION

As of December 31, 2013, we had a cash position of DKK 1,557 million and are projecting a cash burn from operations in 2014 of DKK 50 – 100 million, compared to a cash burn of DKK 167 million in 2013. In January 2014 a private placement of 4.6 million shares was completed, resulting in net proceeds of DKK 972 million. Therefore we are projecting a cash position at the end of 2014 of DKK 2,400 – 2,500 million.

In addition to factors already mentioned, the estimates above are subject to change due to numerous reasons, including but not limited to achievement of certain milestones associated with our collaboration agreements; the timing and variation of development activities (including activities carried out by our collaboration partners) and related income and costs; Arzerra sales and corresponding royalties to Genmab; fluctuations in the value of our marketable securities; and currency exchange rates. The financial guidance does not include any potential proceeds from warrant exercises and also assumes that no significant agreements are entered into during 2014 that could materially affect the results.

2014 Objectives

Genmab's strategy is three-pronged. We focus on our core competence of antibody development, turn science into medicine by creating differentiated antibody therapeutics and aim to build a profitable and successful biotech by maintaining a capital efficient model and maximizing relationships with partners. Our 2014 objectives are designed to support this strategy.

Focus on core competence

MAXIMIZE VALUE OF OFATUMUMAB

- Phase III relapsed CLL ofatumumab + fludarabine and cyclophosphamide data
- Phase III maintenance CLL data
- Phase III bulky refractory CLL ofatumumab vs physician's choice data
- Phase III relapsed DLBCL ofatumumab + chemotherapy vs rituximab + chemotherapy data
- Update progress ofatumumab subcutaneous autoimmune development

NEXT GENERATION TECHNOLOGIES

- Enter new DuoBody technology collaborations
- Report progress DuoBody collaborations
- Start HexaBody technology collaborations

EXPAND PIPELINE

- Progress Phase I HuMax-TF-ADC study
- Report progress pre-clinical ADC, DuoBody & HexaBody projects

Turn science into medicine

EXPANSION ARZERRA

- CLL front line label expansion and launch
- Launch & reimbursement in new countries

FULLY EXPLOIT THE POTENTIAL OF DARATUMUMAB

- Phase I/II MM monotherapy mature efficacy data
- Phase I/II MM daratumumab + Revlimid safety & efficacy data
- Phase II MM monotherapy preliminary data
- Phase Ib MM multiple combination data
- Start multiple new MM trials
- Progress non-MM indications

Build a profitable and successful biotech

PARTNERSHIPS

- Report progress partnered programs
- Enter new collaboration

DISCIPLINED FINANCIAL MANAGEMENT

- Significant daratumumab milestones
- No significant increase in cost base
- Increase operating income and reduce cash burn

Sustainability in Our Future

Our innovative approach to antibody product and technology development allows us to stay at the cutting edge in generating world class, differentiated antibody therapeutics. We focus on both differentiated products, such as daratumumab and ofatumumab, as well as next generation technologies. We use our antibody know-how and innovative technologies such as the DuoBody platform to create new products. These products in turn attract the interest of pharmaceutical partners who are looking to build their own pipeline. Forming strategic partnerships with such companies provides funding and serves to validate our technology so we can develop additional new products. We selectively invest in new projects that offer real promise to provide effective products for patients, while being mindful of spending. Successful implementation of these strategies will effectively bring us to sustainability in the future, while producing growth and value for patients and shareholders.

"We focus on both differentiated products as well as next generation technologies"

The Antibody Experts

What Are Antibodies?

Antibodies are Y-shaped proteins which play a pivotal role in immunity against bacterial and viral infections (also known as pathogens). As we develop immunity, our bodies generate antibodies that specifically bind to particular structures called antigens present on these pathogens. Once bound, the antibodies attract other parts of the immune system to eliminate the pathogen. Certain antigens can also be identified on diseased human cells and therefore antibodies may also be used to treat other human diseases such as cancer or inflammation.

Selecting the Best Antibodies

At Genmab we understand how antibodies work. We are deeply knowledgeable about antibody biology and function and our scientists exploit this expertise to create and develop differentiated antibody therapeutics. By employing our antibody know-how and deep understanding of disease, we can focus on disease areas where antibody therapeutics can be the most useful, such as cancer. We have excellent connections with academia to ensure we are collaborating with leading experts in the field of antibody science and key opinion leaders in the disease indications we focus on. Our passion for innovation gives us the edge when it comes to creating truly differentiated therapeutics and platform technologies.

Genmab is working on developing antibody therapeutics using a variety of next generation technologies. In addition to unmodified “naked” antibodies created using the UltiMAb® transgenic mouse technology we licensed from Medarex, Inc., a wholly owned subsidiary of Bristol-Myers Squibb (BMS), we use proprietary technologies to create enhanced antibodies (HexaBody), bispecific antibodies (DuoBody) and antibody-drug conjugates (ADCs) from third parties.

Product Pipeline

Our product pipeline includes four antibodies in clinical development and over ten active pre-clinical programs. At the date of this report, 24 clinical trials were ongoing. 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 company announcements and media releases to the NASDAQ OMX Copenhagen and are available on Genmab's website, **www.genmab.com**.

PRODUCT	DISEASE INDICATIONS	Pre-clin. I I/II II III IV
Ofatumumab 18 studies Target: CD20 Partner: GSK	Chronic lymphocytic leukemia (CLL)	
	Follicular lymphoma (FL)	
	Diffuse large B-cell lymphoma (DLBCL)	
	Pemphigus vulgaris (PV)	
	Relapsing-remitting multiple sclerosis (RRMS)	
	Waldenström's macroglobulinemia (WM)	
Daratumumab 4 studies Target: CD38 Partner: Janssen Biotech	Multiple myeloma (MM)	
Teprotumumab Target: IGF-1R Partner: River Vision	Active thyroid eye disease	
HuMax-TF-ADC Target: Tissue factor Partner: Seattle Genetics	Solid cancers	
>10 Active Pre-clinical Programs	HuMab, Enhanced HuMab, HuMab-ADC, DuoBody or DuoBody-ADC	

Ofatumumab – Our First Marketed Product (brand name Arzerra®[1])

Ofatumumab At-A-Glance

- Fully human antibody in development to treat cancer & autoimmune disease
- Arzerra launched in all major markets for refractory CLL
- 2013 GSK sales of GBP 74.9 million (DKK 658 million)
- Breakthrough Therapy Designation from FDA
- 18 clinical studies ongoing including 8 Phase III studies
- Collaboration with GSK

Ofatumumab is a human monoclonal antibody which targets an epitope on the CD20 molecule encompassing parts of the small and large extracellular loops (Teeling et al 2006). It is marketed and developed under a co-development and collaboration agreement with GSK, and is approved for patients with chronic lymphocytic leukemia (CLL) that is refractory to fludarabine and alemtuzumab in the US and the EU and other territories.[2]

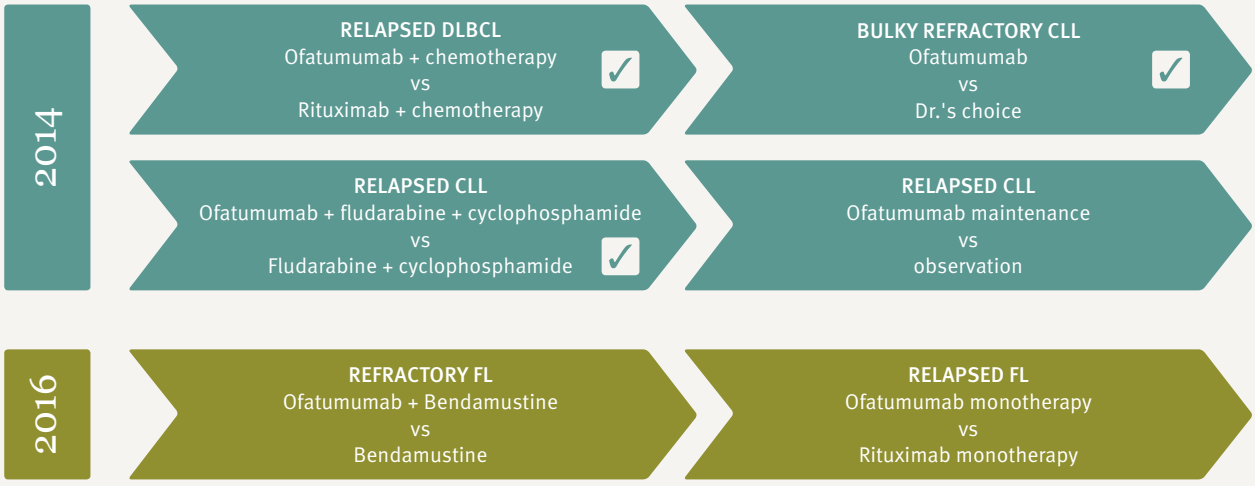
Sales of Arzerra reported by GSK for the full year 2013 were GBP 74.9 million (DKK 658 million), resulting in royalty income of DKK 131 million to Genmab. In 2012, sales were GBP 60 million (DKK 552 million), resulting in royalty income of DKK 111 million to Genmab. Ofatumumab is available in all major markets around the world.

[1] Arzerra is the brand name of ofatumumab for cancer indications.

[2] The most common adverse reactions (≥10%) seen are neutropenia, pneumonia, pyrexia, cough, diarrhea, anemia, fatigue, dyspnea, rash, nausea, bronchitis and upper respiratory tract infections. The most common serious adverse reactions seen are infections (including pneumonia and sepsis), neutropenia and pyrexia.

Driving Value Through Data

Cancer Phase III Pivotal Study Readouts



✓ = recruitment completed
Note: the indications in this graphic are unapproved

FOURTH QUARTER 2013 UPDATE TO PRESENT

- In December, the FDA granted Priority Review designation to the sBLA for the use of ofatumumab in combination with an alkylator-based therapy, to be used for treatment of CLL patients who have not received prior treatment and are inappropriate for fludarabine-based therapy. The FDA assigned a PDUFA target date of April 19, 2014.
- Patient recruitment was completed in the Phase III study of ofatumumab plus chemotherapy versus rituximab plus chemotherapy to treat relapsed DLBCL.
- Positive top-line data from a Phase II study of subcutaneous ofatumumab in RRMS was announced in October. A total of 232 patients with RRMS were randomized in the study. There was a clear separation from placebo on the cumulative number of new gadolinium enhancing lesions (active brain lesions) over a period of 12 weeks in patients treated with all doses of ofatumumab compared to patients treated with placebo ($p < 0.001$). There were no unexpected safety findings in the study.
- Genmab and GSK submitted applications to the US FDA and the EMA to broaden the label for Arzerra to include use of Arzerra in combination with an alkylator-based therapy for the treatment of CLL patients who have not received prior treatment and are inappropriate for fludarabine-based therapy.

At the date of this report, 18 studies of ofatumumab, including 7 pivotal Phase III cancer trials, were ongoing. Over 75 Investigator Sponsored Studies (ISS) are also planned or ongoing, including a cancer Phase III study. For additional information on ofatumumab, visit **www.genmab.com/ofatumumab**.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2013

- In accordance with study protocol, an IDMC performed an interim analysis of the Phase III maintenance study in CLL during the first quarter and recommended continuing the study without changes.
- Arzerra was approved by the Japanese Ministry of Health, Labor and Welfare (MHLW) for use in patients with relapsed/refractory CD20-positive CLL in March and was subsequently launched in Japan. The approval triggered a milestone payment of DKK 20 million from GSK to Genmab.
- Positive top-line results from the Phase II study of ofatumumab in combination with bendamustine in patients with untreated or relapsed CLL were reported in May. A total of 97 patients comprising 44 with untreated CLL and 53 with relapsed CLL were treated in the study. In patients with untreated CLL the overall response rate (ORR) was 95%, with a complete response (CR) rate of 43%. The ORR in patients with relapsed CLL was 74%, with a CR rate of 11%. Treatment

Ofatumumab Collaboration with GlaxoSmithKline (GSK)

Genmab and GSK entered a co-development and collaboration agreement for ofatumumab in 2006. Genmab received a license fee of DKK 582 million, and GSK invested DKK 2,033 million in Genmab shares. GSK and Genmab will co-develop ofatumumab while GSK is responsible for manufacturing and commercialization.

Under a 2010 amendment, GSK took responsibility for developing ofatumumab in autoimmune indications while continuing to jointly develop ofatumumab with Genmab in cancer indications. Genmab received an upfront payment of GBP 90 million (DKK 815 million*) from GSK. Genmab's future funding commitment for the development of ofatumumab in cancer indications was capped at a total of GBP 145 million (DKK 1,314 million*), including a yearly spending cap of GBP 17 million (DKK 154 million*) for each of six years starting with 2010. GSK is solely responsible for funding development in autoimmune indications while Genmab retains a double digit royalty on sales.

As of December 31, 2013, total milestone payments received under the collaboration amounted to DKK 1,086 million since deal inception.

* at the date of the agreement

with ofatumumab and bendamustine was well tolerated by patients in the study. The most common adverse reactions (› 20% of patients) were neutropenia, nausea, rash, pyrexia and thrombocytopenia.

- In May, positive top-line results from a Phase III study of ofatumumab in combination with chlorambucil versus chlorambucil alone in patients with previously untreated CLL were reported. As assessed by an Independent Review Committee, a 9.3 month improvement in median progression free survival (PFS) was seen in patients who received ofatumumab and chlorambucil compared to patients who received chlorambucil alone (22.4 months vs. 13.1 months; Hazard Ratio 0.57; p ‹ 0.001). The most common (≥ 1%) serious adverse events as reported by the investigator within 60 days of last treatment were neutropenia (including febrile neutropenia), anaemia, pneumonia, and pyrexia.
- Patient recruitment was completed in a Phase III study of ofatumumab versus physician's choice in bulky refractory CLL during the second quarter.
- Results from a Phase IV observational study in CLL were submitted to the EMA as part of our post-marketing commitment.
- GSK started a new Phase III study of ofatumumab given subcutaneously to treat pemphigus vulgaris, a rare autoimmune disorder of the skin. The study is fully funded by GSK.
- The FDA granted BTD for Arzerra in combination with chlorambucil for the treatment of patients with CLL who have not received prior treatment and are inappropriate for fludarabine-based therapy in September.
- The US Court of Appeals for the Federal Circuit upheld the US District Court's judgment in favor of GSK in a patent infringement case involving Arzerra brought against GSK by Genentech and Biogen Idec. Subsequently, Genentech and Biogen Idec filed a request for a re-hearing en banc (i.e. before all judges in the court). This request was denied by the US Court of Appeals and the lawsuit is now over as Genentech and Biogen Idec have not requested further review by the Supreme Court.

About Chronic Lymphocytic Leukemia

- A cancer in which the bone marrow produces too many white blood cells called lymphocytes
- Most common form of leukemia in adults and usually occurs during or after middle age
- At present, no curative chemotherapy is available
- An estimated 32,000 people are diagnosed with CLL each year in the US, Japan and five major European markets. This amounts to approximately 250,000 people living with CLL at any given time.
- 2013 global branded sales for CLL were approximately USD 1.9 billion, with anticipated growth to USD 5.3 billion in 2018

About Diffuse Large B-Cell Lymphoma

- A fast growing cancer of the B-cells representing 30% of non-Hodgkin's lymphomas (NHL)
- Most common lymphoid malignancy in the western world and usually occurs in older people
- Approximately 38,000 new cases of DLBCL occur in the US, Japan and five major European markets annually, leading to an estimated prevalence of 300,000 people living with the disease.

About Follicular Lymphoma

- A slow growing cancer of the B-cells accounting for about 20% of non-Hodgkin's lymphomas
- Over time, about one third of follicular lymphomas turn into DLBCL
- About 32,000 new cases of FL are diagnosed annually with an estimated prevalence of 260,000 people in the US, Japan and five major European markets.

- 2013 global branded sales for NHL, which includes DLBCL and FL, were approximately USD 6.5 billion, with anticipated growth to USD 10.5 billion in 2018

Sources: CLL, DLBCL, FL 2013 forecast incidence: Datamonitor, "Pipeline Insight: Leukemias" and "Pipeline Insight: Lymphomas, Multiple Myeloma & Myelodysplastic Syndromes", March 2010.
CLL, DLBCL, FL prevalence based on median survival of 8 yrs: SEER and company estimates.
Sales data based on EvaluatePharma®, 2014.

Daratumumab – A First-In-Class Antibody

Daratumumab At-A-Glance

- Fully human antibody in development to treat cancer
- Breakthrough Therapy Designation from FDA
- 4 clinical studies ongoing in multiple myeloma
- Collaboration with Janssen

Daratumumab, a CD38 monoclonal antibody, is in clinical development for multiple myeloma. The CD38 molecule is highly expressed on the surface of multiple myeloma tumor cells. For more information on daratumumab, visit **www.genmab.com/daratumumab**.

FOURTH QUARTER 2013 UPDATE TO PRESENT

- A new Phase Ib study of daratumumab in combination with backbone regimens to treat multiple myeloma in newly diagnosed patients or patients who have received at least 2 prior lines of treatment has been started.
- Encouraging data from the Phase I/II study of daratumumab in combination with lenalidomide to treat relapsed or refractory multiple myeloma was presented at the American Society of Hematology (ASH) Annual Meeting in December.
- Genmab reached the first milestone in the daratumumab collaboration with Janssen in November, triggering a milestone payment of USD 8 million.

Daratumumab Collaboration with Janssen Biotech, Inc. (Janssen)

In 2012, Genmab and Janssen Biotech, Inc., one of the Janssen Pharmaceutical Companies of Johnson & Johnson, entered a global license and development agreement for daratumumab. Genmab received an upfront license fee of USD 55 million (DKK 327 million*) and Johnson & Johnson Development Corporation (JJDC) invested DKK 475 million (USD 80 million*) to subscribe for 5.4 million new Genmab shares. Genmab could also be entitled to up to USD 1 billion in development, regulatory and sales milestones, in addition to tiered double digit royalties. Janssen are fully responsible for all costs associated with developing and commercializing daratumumab.

* at the date of the agreement

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2013

- In April, the US FDA granted Fast Track Designation for daratumumab covering patients with multiple myeloma who have received at least three prior lines of therapy including a proteasome inhibitor (PI) and an immunomodulatory agent (IMiD) or are double refractory to a PI and an IMiD.
- In April, the EMA confirmed that the multiple myeloma pediatric class waiver applies to daratumumab. This means that no further action concerning pediatrics is required prior to submission of an initial marketing authorization application for daratumumab in multiple myeloma.
- In May, the US FDA granted Breakthrough Therapy Designation for daratumumab for the treatment of patients with multiple myeloma who have received at least three prior lines of therapy including a PI and an IMiD or who are double refractory to a PI and an IMiD.
- The US FDA and EMA granted Orphan Drug Designation for daratumumab for the treatment of multiple myeloma in May, and June, respectively.
- Updated data from the Phase I/II study of daratumumab in relapsed/refractory multiple myeloma was presented at the European Hematology Association (EHA) congress in June. Among the twelve patients in the study treated at or above 4 mg/kg of daratumumab, eight patients achieved a clinical response, including five partial responses and three minor responses. Data from the study continued to show an acceptable safety profile.

About Multiple Myeloma

- A cancer of plasma cells that accounts for approximately 1% of all cancers
- Most common blood cancer in the US and second most common in Europe
- At present, no cure is available
- Approximately 55,000 new cases are diagnosed each year in the US, Japan and five major European markets, amounting to an estimated 190,000 people living with multiple myeloma.
- 2013 global branded sales for multiple myeloma were USD 6 billion, with anticipated growth to USD 11.5 billion in 2018

Sources: Incidence: Datamonitor, "Multiple Myeloma Epidemiology", May 2013. Prevalence based on SEER 2012 US prevalence and company estimates. Sales data based on EvaluatePharma®, 2014.

- In September, Janssen announced a new Phase II study of daratumumab as a monotherapy in multiple myeloma patients who have received at least three different lines of therapy including both a PI and an IMiD or who are double refractory to a PI and an IMiD. This study could potentially be used for registration in the US.

HuMax-TF-ADC – A Next Generation Therapeutic

HuMax-TF-ADC At-A-Glance

- Antibody-drug conjugate (combination of an antibody and a toxin) in development to treat cancer
- First Phase I study in up to eight solid tumors started in 2013
- Collaboration with Seattle Genetics

HuMax-TF-ADC is an antibody-drug conjugate (ADC) targeted to Tissue Factor (TF), a protein involved in tumor signaling and angiogenesis. Based on its high expression on many solid tumors and its rapid internalization, TF is a suitable target for an ADC approach. HuMax-TF-ADC has shown strong ability to bind to TF and inhibit tumor growth in pre-clinical experiments. Genmab has entered a collaboration for HuMax-TF-ADC with Seattle Genetics.

FOURTH QUARTER 2013 UPDATE TO PRESENT

- The Phase I study of HuMax-TF-ADC in solid tumors was initiated during the fourth quarter.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2013

- Genmab submitted an IND for HuMax-TF-ADC to the US FDA and CTAs to regulatory authorities in Europe.

HuMax-TF-ADC Collaboration with Seattle Genetics, Inc.

In September 2010, Genmab and Seattle Genetics, Inc. entered into an ADC collaboration, and a commercial license and collaboration agreement was executed in October 2011. Under the agreement, Genmab has rights to utilize Seattle Genetics' ADC technology with its HuMax-TF antibody. Seattle Genetics received an undisclosed upfront payment and has the right to exercise a co-development and co-commercialization option for any resulting ADC products at the end of Phase I clinical development.

Genmab is responsible for research, manufacturing, pre-clinical development and Phase I clinical evaluation of HuMax-ADC. Seattle Genetics will receive research support payments for any assistance provided to Genmab. If Seattle Genetics opts into a HuMax-ADC product at the end of Phase I, the companies would co-develop and share all future costs and profits for the product on a 50:50 basis. If Seattle Genetics does not opt in to a HuMax-ADC product, Genmab would pay Seattle Genetics fees, milestones and mid-single digit royalties on worldwide net sales of the product.

Other Product Candidates

Teprotumumab (formerly RG1507)

Teprotumumab is a fully human antibody that targets the Insulin-like Growth Factor-1 Receptor (IGF-1R), which is a well validated target. Teprotumumab was created by Genmab under our collaboration with Roche. Clinical development of teprotumumab will be conducted by River Vision Development Corporation, who licensed the product from Roche. For more information on teprotumumab, visit **www.genmab.com/product-pipeline/products-in-development/teprotumumab**. For more information on our collaboration with Roche, visit **www.genmab.com/partnering/current-partnerships**.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2013

» River Vision Development Corporation restarted clinical development of teprotumumab in a Phase II study of patients with active thyroid eye disease.
» Teprotumumab received Orphan Drug Designation from the US FDA.

Inclacumab (formerly RG1512)

Inclacumab (RO4905417) is a fully human monoclonal antibody that was created by Genmab under a collaboration with Roche. Inclacumab was being investigated for cardiovascular disease. During 2013, Roche decided not to continue internal development of inclacumab as the company is assessing its position in cardio metabolic diseases and inclacumab is no longer a strategic fit for the company. The decision was not due to safety or data concerns. Roche has made inclacumab available for partnering.

Zanolimumab

In May 2011, Emergent BioSolutions Inc. acquired the rights to zanolimumab, a fully human antibody targeting CD4. Emergent provided notice of termination of the license agreement in 2013 and zanolimumab reverted to Genmab.

Pre-clinical Programs

Genmab has over ten active pre-clinical programs. Our pre-clinical pipeline includes naked antibodies, enhanced antibodies developed with our HexaBody technology, bispecific antibodies created with our DuoBody platform and ADCs. Some of our pre-clinical programs are carried out under cooperation with our collaboration partners. These include DuoBody programs with Novartis and Janssen, antibodies for disorders of the central nervous system with H. Lundbeck A/S, HuMax-IL8 which is licensed to Cormorant Pharmaceuticals, Inc. and HuMax-TAC-ADC which is being developed by ADC Therapeutics Sarl. For more information on these and other Genmab partnerships, visit **www.genmab.com/partnering/current-partnerships**. For more information on our pre-clinical pipeline, visit **www.genmab.com/pre-clinical**.

FOURTH QUARTER 2013 UPDATE TO PRESENT

» Genmab reached an in vivo pre-clinical milestone in the collaboration with Lundbeck, triggering a EUR 1.5 million payment in December.
» Genmab received a EUR 250,000 fee from Cormorant Pharmaceuticals under the companies' agreement for HuMax-IL8 in the fourth quarter of 2013.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2013

» In June, Genmab and ADC Therapeutics Sarl announced an agreement to develop an ADC combining Genmab's HuMax-TAC antibody and ADC Therapeutics' PBD-based warhead (toxin based on pyrrolobenzodiazepine) and linker technology.
» After evaluation of the viability of the HuMax-CD74-ADC program, Genmab has agreed with its partner Seattle Genetics to discontinue the project.

Protecting Our Pipeline Through Intellectual Property

Proprietary protection for our antibody products, processes, technologies and know-how are important to our business. We own and license patents, patent applications, and other proprietary rights relating to our antibody products and uses of these products in the treatment of diseases as well as antibody technologies and processes. Our policy is to file patent applications to protect inventions relating to antibody products, processes and technologies that we consider important to the development of our business. **›› Please refer to the "Risk Management" section and note 5.6 of the financial statements for further details.**

The DuoBody Platform – Preferred Technology for Bispecific Antibody Therapeutics

DuoBody Platform At-A-Glance

- Bispecific antibody technology platform
- Potential in cancer, autoimmune, infectious and central nervous system disease
- Collaborations with Janssen, Novartis, Kyowa Hakko Kirin and Eli Lilly

The DuoBody platform is Genmab's proprietary technology platform for the discovery and development of bispecific antibodies. Bispecific antibodies bind to two different epitopes (or "docking" sites) either on the same, or on different targets (also known as dual-targeting). Dual-targeting may improve binding specificity and efficacy in inactivating disease targets. Bispecific antibodies generated with the DuoBody platform may improve antibody therapy of cancer, autoimmune, and infectious and central nervous system disease. DuoBody molecules are unique in combining the benefits of bispecificity with the strengths of conventional antibodies, which allows DuoBody molecules to be administered and dosed as other antibody therapeutics. Genmab's DuoBody platform generates bispecific antibodies via a fast and broadly applicable process which is easily performed at standard bench, as well as commercial manufacturing scale. For more information on the DuoBody platform, visit **www.genmab.com**. Genmab has collaborations for the DuoBody platform with Janssen, Novartis, Kyowa Hakko Kirin and Eli Lilly and Company. For more information on these collaborations, visit **www.genmab.com/partnering/current-partnerships**.

DuoBody Product Collaborations

JANSSEN BIOTECH, INC. (JANSSEN)

In July 2012, Genmab entered into a collaboration with Janssen Biotech, Inc. to create and develop bispecific antibodies using our DuoBody technology platform. Genmab will create panels of bispecific antibodies to multiple disease target combinations identified by Janssen, or Janssen may decide to create such panels itself under the agreement. Under the terms of the July 2012 agreement, Genmab and Janssen will collaborate on the research of up to 10 DuoBody programs. Genmab received an upfront payment of USD 3.5 million (DKK 21 million*) from Janssen and all research by Genmab will be fully funded by Janssen. In addition, Genmab will potentially be entitled to milestone and license payments of up to approximately USD 175 million (DKK 1,062 million*) for each product as well as royalties on any commercialized products.

In December 2013, Genmab and Janssen expanded this collaboration to include up to ten additional programs. Under this amendment, Genmab received an initial payment of USD 2 million (DKK 11 million**) from Janssen. For each of the ten additional programs that Janssen successfully initiates, develops and commercializes, Genmab will potentially be entitled to milestone and license payments of up to approximately USD 174 million (DKK 956 million**) to USD 219 million (DKK 1.2 billion**), depending on the date each program is initiated. In the most favorable scenario in which all ten additional programs are successfully initiated, developed and commercialized, Genmab would receive average milestone and license payments of approximately USD 191 million (DKK 1.0 billion**) for each of the ten programs. In addition, Genmab will be entitled to royalties on sales of any commercialized products.

NOVARTIS

In June 2012, Genmab entered into an agreement with Novartis to use our DuoBody technology platform to create and develop panels of bispecific antibodies to two disease target combinations identified by Novartis. All research work on the programs is fully funded by Novartis. Under the terms of the agreement, Genmab received an upfront payment of USD 2 million (DKK 12 million*). If all milestones in the agreement are achieved, the total potential value of the agreement would be approximately USD 175 million (DKK 1,055 million*), plus research funding and royalties.

* at the date of the agreement
** at the date of the amendment

FOURTH QUARTER 2013 UPDATE TO PRESENT

- In January 2014, Genmab entered a research collaboration with Eli Lilly to use and evaluate the DuoBody technology platform. Financial terms of the agreement were not disclosed.
- In December we reached a pre-clinical progress milestone of USD 4 million in our DuoBody collaboration with Janssen.
- In December, the DuoBody collaboration with Janssen was expanded to include up to an additional ten programs. Genmab received a USD 2 million initial payment from Janssen.
- In October, Novartis activated the second bispecific antibody program under our collaboration.
- The first pre-clinical data for EM1-mAb, a bispecific antibody created under our DuoBody collaboration with Janssen, was reported in October.
- In October, the DuoBody research collaboration with the undisclosed pharmaceutical company was completed and the companies decided not to enter into a license agreement to develop a DuoBody-ADC product.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2013

- In March, Genmab published a key research paper in the Proceedings of the National Academy of Sciences of the USA (PNAS) describing experiments which show the potential of the DuoBody platform to create bispecific antibodies.
- In March, July and October, Janssen activated the fourth, fifth and sixth bispecific antibody programs under our DuoBody collaboration, for which Genmab received program reservation fees.
- In June, the first development milestone was reached as part of our DuoBody collaboration with Novartis, triggering a payment to Genmab of USD 500,000.
- In July, we reached an in vivo proof-of-concept milestone of USD 500,000 in our collaboration with Janssen.
- In August, we reached a technical proof-of-concept milestone of USD 1 million in our collaboration with Janssen.

DuoBody Research Collaborations

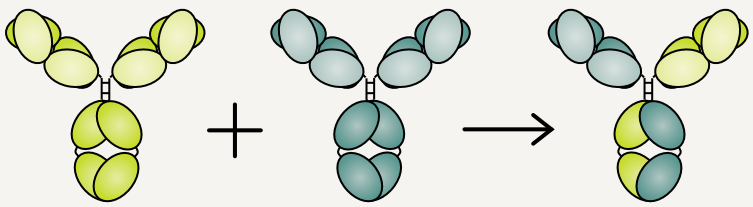
DuoBody

KYOWA HAKKO KIRIN

In December 2012, Genmab entered a research collaboration with Kyowa Hakko Kirin Co., Ltd. to create bispecific antibodies using Genmab's DuoBody technology. The financial terms of the agreement have not been disclosed.

ELI LILLY

In January 2014, Genmab entered a research collaboration with Eli Lilly and Company to use and evaluate Genmab's DuoBody technology platform for the creation of bispecific antibodies. Under the collaboration, Lilly will initially evaluate the DuoBody technology platform in house. The financial terms of the agreement have not been disclosed.



The DuoBody platform generates bispecific antibodies by a fast and broadly applicable process which causes the binding arms of two distinct monoclonal antibodies to exchange – combining into one bispecific antibody.

HexaBody Technology – Creating Differentiated Therapeutics

HexaBody Technology At-A-Glance

- Enhanced antibody technology platform
- Broadly applicable technology builds on natural antibody biology
- Pre-clinical proof-of-concept achieved

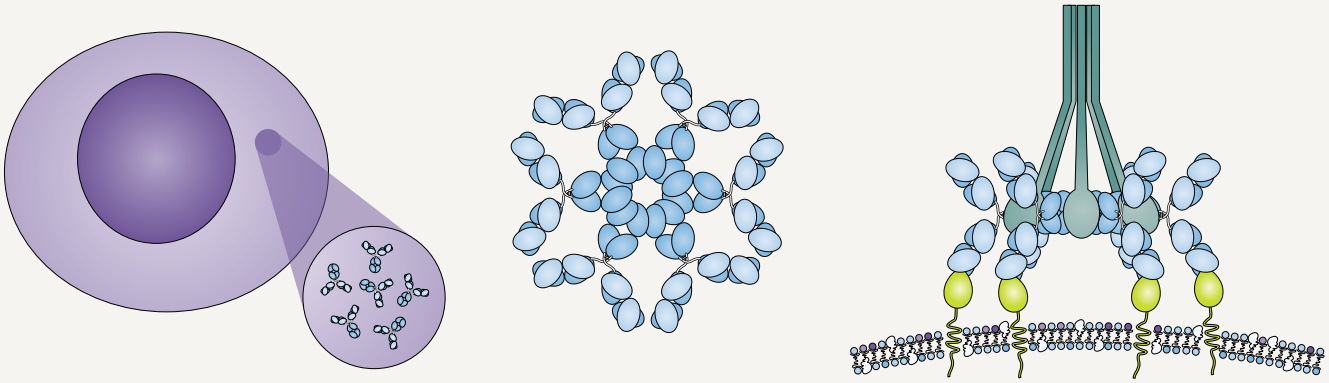
The HexaBody technology is Genmab's proprietary antibody platform which allows for the creation of potent therapeutics by inducing antibody hexamer formation (clusters of six antibodies). The HexaBody platform builds on natural antibody biology and enhances complement-mediated killing (complement-dependent cytotoxicity (CDC)), allowing antibodies with limited or absent CDC to be transformed into potent, cytotoxic antibodies. The HexaBody technology creates opportunities to explore new product candidates, to repurpose drug candidates unsuccessful in previous clinical trials due to insufficient potency and may provide a useful strategy in product life cycle extension. The HexaBody technology is broadly applicable and can be combined with Genmab's DuoBody platform as well as other antibody technologies. The technology can be directed to any antigen or target, and so has the potential to enhance antibody therapeutics for a broad range of applications such as cancer and infectious diseases.

FOURTH QUARTER 2013 UPDATE TO PRESENT

- Pre-clinical proof-of-concept data for the HexaBody technology was presented at the ASH Annual Meeting and the IBC Antibody Engineering and Therapeutics Conference in December.

HexaBody Process

HexaBody



1

The HexaBody platform is an innovative approach to generate potent cytotoxic antibodies.

2

Upon binding of the HexaBody molecules to their target expressed on the cell surface, they organize as hexamers – a cluster of six antibodies.

3

The antibody hexamer at the cell surface constitutes an optimal structure facilitating cell death.

Corporate Governance

Genmab works diligently to improve its guidelines and policies for corporate governance taking into account the recent trends in international and domestic requirements and recommendations. Genmab's commitment to corporate governance is based on ethics and integrity and forms the basis of its effort to strengthen the confidence that existing and future shareholders, partners, employees and other stakeholders have in Genmab. The role of shareholders and their interaction with Genmab is important. Genmab acknowledges that open and transparent communication is necessary to maintain the confidence of Genmab's shareholders and achieves this through company announcements, investor meetings and company presentations. Genmab is committed to providing reliable and transparent information about its business, development programs and scientific results in a clear and timely manner.

All Danish companies listed on NASDAQ OMX Copenhagen A/S are required to disclose in their annual reports how they address the Recommendations for Corporate Governance issued by the Committee on Corporate Governance in May 2013 (the "Recommendations") applying the "comply-or-explain" principle.

Genmab follows the vast majority of the Recommendations, although specific sub-areas have been identified where Genmab's corporate governance principles differ from the Recommendations:

» The Recommendations provide that according to a company's takeover contingency procedures, the board of directors shall not attempt to counter a takeover bid without the acceptance of the general meeting. Genmab does not have such a restriction in its takeover contingency procedures and retains the right in certain circumstances to reject takeover bids without consulting the shareholders. Actions will be determined on a case-by-case basis with due consideration to the interests of the shareholders and other stakeholders.

» The Recommendations provide that board members run for election every year, but Genmab has designated two-year election periods. The Board of Directors is, however, considering a reduction in the election period to one year in the future.

» The Recommendations provide that remuneration of the board members shall not include warrants. However, Genmab's remuneration of the board members includes warrant grants as warrant programs constitute a common part of the remuneration paid to members of the board of directors in competing international biotech companies. To remain competitive in the international market and to be able to attract and retain qualified members of the Board of Directors, it is considered in the best interest of Genmab to follow this practice which we believe is aligned to serve the shareholders' long-term interests.

» The Recommendations provide that warrants should not be exercisable earlier than three years from the date of the grant. Warrants granted under Genmab's 2004 warrant scheme and 2012 warrant scheme vest over a period of four years from the date of the grant. The warrant holder may only exercise 25% of the warrants granted per full year of employment or affiliation with Genmab after the grant date.

» The Recommendations provide that Genmab, in exceptional cases, should be able to reclaim variable components of remuneration. It is, however, Genmab's assessment that a claim to repayment, in whole or in part, of variable components of remuneration, which have been paid on the basis of information later proven incorrect, should be based on the general Danish legal principles.

Genmab publishes its statutory report on Corporate Governance for the financial year 2013 cf. Section 107 b of the Danish Financial Statements Act ("Lovpligtig redegørelse for virksomhedsledelse jf. årsregnskabslovens § 107 b") on the company's website, including a detailed description of the Board of Directors' consideration in respect of all the Recommendations. The statutory report on Corporate Governance can be found on Genmab's website **http://www.genmab.com/docs/corporate-governance/statutory-corporate-governance-report-2014-english.pdf**.

THE BOARD OF DIRECTORS

The Board of Directors plays an active role within Genmab in setting the strategies and goals for Genmab and monitoring the operations and results of the company. Board duties include establishing policies for strategy, accounting, organization and finance, and the appointment of executive officers. The Board of Directors also assesses Genmab's capital and share structure and is responsible for approving share issues and the grant of warrants.

BOARD COMMITTEES

To support the Board of Directors in its duties, the Board of Directors has established and appointed a Compensation Committee, an Audit Committee and a Nominating and Corporate Governance Committee. These committees are charged with reviewing issues pertaining to their respective fields that are due to be considered at board meetings. Written charters specifying the tasks and responsibilities for each of the committees are available on Genmab's website **www.genmab.com**.

For more details on the work and composition of the board and its committees, reference is made to the statutory report on Corporate Governance.

GUIDELINES FOR INCENTIVE REMUNERATION

Pursuant to section 139 of the Danish Companies Act (in Danish "Selskabsloven"), the board of directors is required, before the

company enters into a specific incentive payment agreement with a member of the board of directors or executive management, to lay down general guidelines governing the company's incentive remuneration of such member. The guidelines shall be considered and adopted at the company's annual general meeting and can be found in their full length on our website **www.genmab.com**. The guidelines were adopted at the 2008 annual general meeting and amended by the annual general meetings of the company in 2011 and 2012.

All incentive payments have been carried out in accordance with Genmab's General Guideline for Incentive Programs for the Board of Directors and the Executive Management.

DISCLOSURE REGARDING CHANGE OF CONTROL

The Danish Financial Statements Act (Section 107 a) contains rules relating to listed companies with respect to certain disclosures that may be of interest to the stock market and potential takeover bidders, in particular in relation to disclosure of change of control provisions.

For information on change of control clauses in our collaboration, development and license agreements as well as certain service agreements with the executive management and employees, **please refer to note 5.6. Change of control clauses related to our warrant program are outlined in note 4.6.**

More information on share capital and ownership is included in the Statement of Changes in Equity in the financial statements.

Unless otherwise provided in the Danish Companies Act, the adoption of any resolution to amend Genmab A/S' articles of association shall be subject to the affirmative vote of not less than two thirds of the votes cast as well as of the voting share capital represented at the general meeting. Genmab A/S' entire articles of association can be found on our website (**www.genmab.com**).

Corporate Social Responsibility (CSR)

Genmab's core purpose is to improve the lives of patients by creating and developing innovative antibody products

Our core purpose inspires and drives us to find new ways to improve healthcare and quality of life for patients and their families. The antibodies we create are specifically designed to provide new treatment options to patients with life threatening and debilitating diseases.

Our efforts at addressing unmet medical needs have led to, among others, the creation and market launch of Arzerra (ofatumumab) and the creation and clinical development of daratumumab. Both ofatumumab and daratumumab have been designated by the US regulatory authority (FDA) as Breakthrough Therapies, a classification awarded to drugs which may demonstrate substantial improvement over available therapies for serious or life threatening conditions.

Genmab seeks to achieve our goal of improving patients' lives while conducting business in a responsible and ethical way, ensuring a safe and inspiring workplace for employees and minimizing environmental impact.

Genmab is a socially responsible company which complies with all relevant laws, standards and guidelines by maintaining a strong corporate governance structure. We expect our CSR activities to reduce environmental, social and ethical risks for the company. We communicate clearly and openly about our CSR activities in order to inform all our stakeholders of our efforts.

To improve transparency and to ensure our CSR initiatives are carried out effectively, Genmab has established a CSR Steering Committee comprised of representatives from our human resources, investor relations & communications, legal, finance and research & development functions.

Our business-driven CSR strategy focuses on four main areas:

CSR FOCUS AREAS

Employee well-being including health, safety and development
Ethics in relation to pre-clinical and clinical studies
Environment including waste management and recycling
Business ethics and transparency

Genmab publishes its statutory report on CSR for the financial year 2013 cf. Section 99 a of the Danish Financial Statements Act ("Lovpligtig redegørelse for samfundsansvar, jf. årsregnskabslovens § 99 a") on the company's website, including additional information about policies, progress made during 2013 and expected activities for 2014. The statutory report on CSR within the four main areas can be found on **http://www.genmab.com/docs/corporate-governance/csr-report-2014-english.pdf**.

Human Resources

Employees are Genmab's most important resource and we strive to attract and retain the most qualified people to fulfil our core purpose: Genmab's vision is to develop and retain value in our own products which could one day transform cancer treatment. At Genmab, our core purpose, together with our core values, guides and inspires employees in their everyday work.

CORE VALUES

Passion for innovation
Work as one team and respect each other
Determined – being the best at what we do
Integrity – we do the right thing

Skill, knowledge, experience and employee motivation are essential to Genmab as a biotech company. The ability to organize our highly skilled and very experienced employees at all levels of the organization into interactive teams is a key factor in achieving the strategy for Genmab and to ensure Genmab's success. Genmab's team is very experienced in the pharmaceutical and biotechnology industry, particularly among the more senior personnel.

KEY EMPLOYEE RATIOS

Male/Female Ratios	2013		2012	
	Male	Female	Male	Female
Genmab Group	47%	53%	53%	47%
Director level and above	52%	48%	56%	44%
Below director level	45%	55%	52%	48%

OTHER KEY EMPLOYEE RATIOS

		2013	2012
FTE at the end of the year	No.	157	179
Research and development employees	%	87%	89%
Administrative employees	%	13%	11%
Average age of workforce	No.	41 years	40 years
Number of nationalities	No.	10	8
Employees holding an advanced degree (Ph.D., Doctoral or Master)	%	45%	40%
More than 5 years' experience in pharma/biotech industry	%	92%	85%
Seniority	No.	7 years	7 years
Employee turnover[1]	%	5%	6%
Employee absence[2]	%	3%	2%

[1] Employee turnover percentage is calculated by the FTE leaving since the beginning of the year divided by the average FTE.
[2] The rate of absence is measured as absence due to the employee's own illness, pregnancy-related sick leave, and occupational injuries and illnesses compared with a regional standard average of working days in the year, adjusted for holidays.

›› Please refer to the CSR section above for further details about the polices within Human Resources.

Risk Management

Genmab has facilities in three countries and performs research and development activities with clinical trials conducted around the globe. Through our activities, we are exposed to a variety of risks, some of which are beyond our control. These risks may have a 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 reduce such risks to an acceptable level, is essential for the continued development of Genmab. It is our policy to identify and reduce the risks derived from our operations and to establish insurance coverage to hedge any residual risk, wherever considered practicable. The Board of Directors performs a yearly review of Genmab's insurance coverage to ensure that it is adequate.

The following is a summary of some of Genmab's key risk areas and how we attempt to address and mitigate such risks. Environmental and ethical risks are covered in the section on Corporate Social Responsibility (CSR).

Risk related to	Risk areas	Mitigation
BUSINESS	Identification and development of successful technologies and products, expensive, time-consuming clinical trials with uncertain outcome and risk of failure	Genmab has established various committees to ensure optimal selection of disease targets and antibody candidates and to monitor progress. We strive to have a well-balanced product pipeline and continue to identify and search for new product candidates and closely follow the market.
	Dependent on development and access to new technologies such as ADC-technology including exposure to safety issues related to use thereof	Genmab strives to continue its development of new technologies such as the DuoBody and HexaBody platforms and gain access to competitive new technologies such as ADC-technology. We closely monitor our clinical trials to mitigate any unforeseen safety iusses associated with the use of the ADC-technology.
	We may face competition, including from biosimilars and rapid technology change, which may render our products non-competitive	Genmab attempts to control commercial risks by monitoring and evaluating current market conditions, competing products and new technologies. Genmab strives to ensure market exclusivity for its own technologies and products by seeking patent protection.
	Dependent on pricing/public reimbursement	Genmab strives to develop differentiated cost-effective products that may obtain price reimbursement by government health care programs and private health insurers.
	Exposure to product liability claims	A product liability claim could materially affect our business and financial position and Genmab therefore maintains product liability insurance for our clinical trials and other coverage required under applicable laws.
STRATEGIC COLLABORATIONS	Dependent on partnerships with major pharmaceutical or biotech companies to support Genmab's business and develop and commercialize Genmab's products	Our business may suffer if our collaboration partners do not devote sufficient resources to our programs and products or do not successfully maintain, defend and enforce their intellecutal property rights. Genmab strives to be an attractive and respected collaboration partner and pursues a close and open dialogue with its partners to share ideas and best practices within clinical development to increase the likelihood that we reach our goals.
	Dependent on contract manufacturing organizations and clinical research organizations to conduct our clinical trials	Genmab oversees outsourcing relationships to ensure consistency with strategic objectives and service provider compliance with regulatory requirements, resources and performance. This includes assessment of contingency plans, availability of alternative service providers, and costs and resources required to switch service providers.
REGULATION AND LEGISLATION	Subject to extensive regulatory requirements, both during clinical development and post-marketing approval, including healthcare laws and regulations	To ensure compliance with regulatory requirements including current Good Laboratory Practices (cGLP), current Good Clinical Practices (cGCP) and current Good Manufacturing Practices (cGMP), Genmab has established a quality assurance department and makes every effort to stay abreast of regulatory changes to legislation to ensure compliance. To ensure compliance with healthcare laws and regulations regarding interactions with healthcare professionals and promotion of pharmaceuticals, Genmab has implemented global compliance guidelines for interactions with healthcare professionals and promotion of pharmaceuticals with mandatory training, as well as guidelines for company communications regarding products in development.
	Legislation, regulations and practices may change from time to time and we may receive warnings from regulatory authorities regarding use in certain patient populations	To prevent unwarranted consequences of new and amended legislation, regulations etc., Genmab strives to be up to date with all relevant new legislation, regulations and practices by means of internal as well as external legal counsel. Also, internal procedures for review of contracts have been implemented to ensure contractual consistency and compliance with legislation and regulation.
INTELLECTUAL PROPERTY	Dependent on protecting own intellectual property rights and avoiding infringing third party intellectual property rights	Genmab files and prosecutes patent applications to optimally protect its products and technologies. To protect trade secrets and technologies, Genmab maintains strict confidentiality standards and agreements for employees and collaborating parties. Genmab actively monitors third party patent positions within our relevant fields to secure freedom-to-operate for our products and technologies to avoid violating any third party patent rights.
FINANCES	Genmab may need additional funding	Because Genmab's future commercial potential and operating results are hard to predict, Genmab's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and a continuous advancement of Genmab's product pipeline and business in general.
	Genmab is exposed to different kinds of financial risks, including currency exposure and changes in interest rates	The financial risks of the Genmab group are managed centrally. Group financial risk management guidelines have been established to identify and analyze the risks faced by the Genmab group, to set the appropriate risk limits and controls and to monitor the risks and adherence to limits. **For further details, refer to note 4.2 to the financial statements.**
MANAGEMENT AND WORKFORCE	Inability to attract and retain suitably qualified personnel	To attract and retain our highly skilled workforce, including the members of Genmab's Senior Leadership Team, Genmab offers competitive remuneration packages, including a warrant program. **For further details on the warrant program, refer to note 4.6 to the financial statements.**

Financial Review

The financial statements are prepared on a consolidated basis for the Genmab group and are published in Danish Kroner (DKK).

RESULT FOR THE YEAR

During 2013, we updated our 2013 financial guidance four times, lastly in December. Comparing the December guidance with the original guidance, the expected operating result from our continued operations was improved from a net loss to a net income, mainly driven by an increase in revenue as result of the achievement of additional milestone payments under our collaborations with Janssen and Lundbeck and a slight reduction in our operating expenses. The cash position was improved due to the proceeds from warrant exercises of DKK 156 million, the improved operating performance and slightly lower operating expenses. The expected result from our discontinued operation was slightly improved as the final results were better than expected.

RESULT AND GUIDANCE FOR 2013

MDKK	Original Guidance	Latest Guidance	Actual
Income Statement			
Revenue	540 – 580	645 – 670	664
Operating expenses	(600) – (650)	(600) – (625)	(595)
Operating result continuing operations	(40) – (90)	20 – 70	69
Discontinued operation	40	42	42
Cash position			
Cash position beginning of year*	1,516	1,516	1,516
Cash used in operations	(250) – (300)	(180) – (230)	(167)
Facility sale	50	52	52
Warrant exercises	-	155	156
Cash position at end of year*	1,266 – 1,316	1,475 – 1,525	1,557

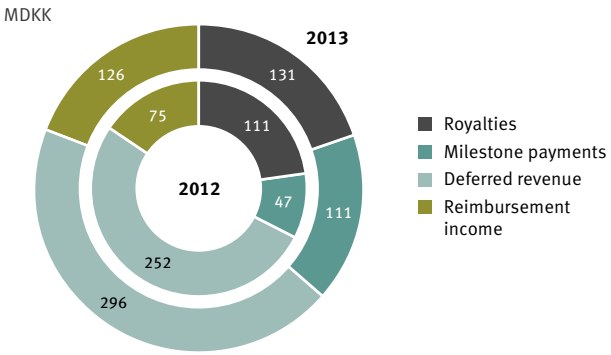
*Cash, cash equivalents and marketable securities

Overall, the total financial performance is slightly better than the latest guidance of December 6, 2013. The operating expenses are slightly lower than the projected range, mainly driven by a reduction in development costs related to our collaboration with GSK. Both the revenue and the operating result for continuing operations ended at the top end of the guidance range.

REVENUE

Genmab's revenue was DKK 664 million for 2013 as compared to DKK 485 million in 2012. The increase of DKK 179 million or 37% was mainly driven by higher revenue related to our daratumumab and DuoBody technology collaborations with Janssen, as well as Arzerra royalties.

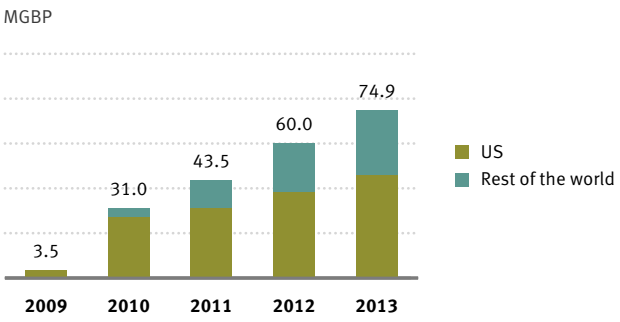
SPLIT OF REVENUE



Royalties

GSK net sales of Arzerra were GBP 74.9 million in 2013 compared to GBP 60.0 million in 2012, an increase of 25%. The rest of the world sales in both 2012 and 2013 were enhanced by sales related to the supply of ofatumumab for clinical trials run by other companies and as such does not reflect ongoing commercial demand. The overview below shows the development of Arzerra net sales since launch in the US in October 2009.

GSK NET SALES OF ARZERRA



The total recognized royalties on net sales of Arzerra for 2013 were DKK 131 million compared to DKK 111 million in 2012. The growth of 19% was lower than the underlying sales growth due to currency fluctuations between the GBP and DKK.

Milestone Payments
During 2013, eight milestones totalling DKK 111 million were earned under our collaborations with GSK, Janssen, Lundbeck, Novartis and Cormorant. In 2012, four milestones of DKK 47 million in total were earned under our collaborations with GSK, Janssen and Lundbeck.

Deferred Revenue
In 2013 deferred revenue amounted to DKK 296 million compared to DKK 252 million in 2012. The deferred revenue is mainly related to our collaboration agreements with GSK, Janssen and Lundbeck and is recognized in the income statement on a straight line basis over planned development periods. The increase of DKK 44 million compared to 2012 was driven by the daratumumab agreement with Janssen, which was entered in August 2012. As of December 31, 2013, DKK 817 million was included as deferred income in the balance sheet. **›› Please refer to note 2.1 to the financial statements for further details about the accounting treatment of deferred revenue.**

Reimbursement Income
Reimbursement income amounted to DKK 126 million in 2013, compared to DKK 75 million in 2012, and is mainly comprised of the reimbursement of certain research and development costs related to the development work under Genmab's collaboration agreements with Janssen and Lundbeck. Reimbursement income related to the daratumumab license agreement with Janssen was included from August 31, 2012.

OPERATING EXPENSES
Total operating expenses decreased by DKK 7 million from DKK 601 million in 2012 to DKK 594 million in 2013.

Research and Development Costs
Research and development costs amounted to DKK 528 million in 2013 compared to DKK 537 million in 2012. The decrease of DKK 9 million, or 2%, was driven by lower development costs under the ofatumumab program, including a lower foreign exchange rate between GBP and DKK, partly offset by an increased investment in the daratumumab program.

Research and development costs accounted for 89% of the total operating expenses, which was unchanged compared to 2012.

General and Administrative Expenses
General and administrative expenses were DKK 67 million in 2013 compared to DKK 65 million in 2012. The increase of 3% was driven by higher salary expenses and general consultancy expenses.

General and administrative expenses accounted for 11% of our total operating expenses in 2013, which was unchanged compared to 2012.

OPERATING RESULT
The improved revenue and reduced operating expenses resulted in an improvement of DKK 186 million in the operating result. The operating income was DKK 69 million in 2013 compared to an operating loss of DKK 117 million in 2012.

NET FINANCIAL ITEMS
The net financial items reflect a combination of interest income, unrealized and realized fair market value adjustments on our portfolio of marketable securities, as well as realized and unrealized foreign exchange adjustments.

Net financial items for 2013 reflected a net loss of DKK 4 million compared to a net income of DKK 3 million in 2012. The main driver for the variance between the two periods was the fair market value adjustments related to our marketable securities. During 2013, our marketable securities were negatively impacted by increasing market interest rates, resulting in decreasing fair market values for some of our securities. These losses were partially offset by an increase in interest income from a higher average cash position. **›› Please refer to note 4.5 of the financial statements for further details about the net financial items.**

In the financial statements of the parent company, the financial income included exchange rate adjustments of DKK 3 million in 2013 related to Genmab A/S' non-current intercompany loan to Genmab MN, Inc. (now Genmab US, Inc.), as compared to DKK 13 million included in financial expense in 2012, resulting in a positive DKK 16 million non-cash impact on the net financial items line from 2012 to 2013. The loan was considered as part of the total investment in the subsidiary and exchange rate adjustments related to the loan are recognized in the income statement in the financial statements of Genmab A/S. Following the sale of the facility in 2013, this loan was contributed to capital.

NET RESULT FOR CONTINUING OPERATIONS
Net income for continuing operations for 2013 was DKK 65 million compared to a net loss of DKK 114 million in 2012. The improvement of DKK 179 million was mainly driven by increased revenue.

NET RESULT FOR DISCONTINUED OPERATION
Net result for discontinued operation relates to the results of our manufacturing facility, which was sold during the first quarter 2013. The net result for discontinued operation amounted to net income of DKK 42 million in 2013, compared to a net loss of DKK 376 million for 2012.

The discontinued operation income of DKK 42 million in 2013 related to the final running costs of the Minnesota manufacturing facility of DKK 10 million prior to its divestiture and a gain on the sale of DKK 52 million. The divestiture was completed on February 28, 2013. The facility operating cost amounted to DKK 45 million in 2012.

The fair value less cost to sell of the facility was reduced from approximately USD 58 million to zero in December 2012, resulting in a non-cash impairment charge of approximately DKK 331

million. This charge is included in the net loss of DKK 376 million mentioned above.

In the financial statements of the parent company, net result for discontinued operation included a reversal of impairment of DKK 26 million in 2013 and impairment of DKK 429 million in 2012, which is related to Genmab A/S' investment in Genmab MN, Inc. The facility was owned by Genmab MN, Inc. (now Genmab US, Inc.) **›› Please refer to note 5.3 to the financial statements for additional information.**

CASH POSITION

As of December 31, 2013, the balance sheet reflected cash, cash equivalents and marketable securities (cash position) of DKK 1,557 million. This represents a net increase of DKK 41 million from the beginning of 2013, which was primarily related to the exercise of warrants in 2013 and the proceeds received from the sale of the manufacturing facility, partially offset by the ongoing investment in our research and development activities. This compares to a net increase of DKK 441 million in 2012, which was primarily related to proceeds received from the 2012 daratumumab agreement, partially offset by the ongoing investment in our research and development activities.

MDKK	2013	2012
Marketable securities	1,389	1,437
Cash and cash equivalents	168	79
Cash position	**1,557**	**1,516**

Given the current market conditions, all future cash inflows and re-investments of proceeds from the disposal of marketable securities are invested in highly secure, liquid and conservative investments with short effective maturity. As of December 31, 2013, 100% of our marketable securities had a triple A-rating, which was unchanged since the end of December 2012. The weighted average effective duration was approximately one year, which was also unchanged since December 31, 2012. **›› Please refer to notes 4.2 and 4.4 for further details about our marketable securities and financial risks.**

BALANCE SHEET

As of December 31, 2013, total assets were DKK 1,732 million, compared to DKK 1,693 million as of December 31, 2012. As of December 31, 2013, the assets were mainly comprised of the cash position of DKK 1,557 million and receivables of DKK 142 million. The credit risk related to these receivables is limited.

Other payables increased from DKK 200 million as of December 31, 2012, to DKK 250 million as of December 31, 2013. The increase was primarily driven by liabilities related to our collaboration agreement with GSK. As a result of the amendment to the agreement in July 2010, DKK 162 million will be due for repayment to GSK starting from the beginning of 2016 via predetermined maximum deductions from the Arzerra royalty stream due to Genmab.

Shareholders' equity, as of December 31, 2013, equaled DKK 660 million, compared to DKK 383 million at the end of December 2012. On December 31, 2013, Genmab's equity ratio was 38%, compared to 23% at the end of 2012. The increase was driven by our net income as well as proceeds from the exercise of warrants in 2013.

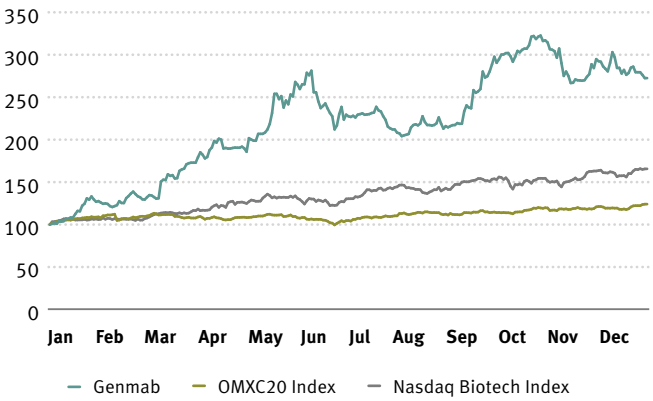
Shareholders and Share Information

Genmab is listed on the NASDAQ OMX Copenhagen under the symbol GEN. Our communication with the capital markets complies with the disclosure rules and regulations of this exchange. As of December 23, 2013, Genmab was included in the OMXC20 index.

Shareholders registered in the company's shareholder registry can sign up for electronic shareholder communications via Genmab's investor portal. The investor portal can be accessed at Genmab's website **www.genmab.com**. Electronic shareholder communication enables Genmab to, among other things, quickly and efficiently call general meetings.

The following charts illustrate the performance of the Genmab share during 2013 and the geographical distribution of our shareholders. **›› For more information on ownership of the Genmab share, see the Statement of Changes in Equity in the financial statements.**

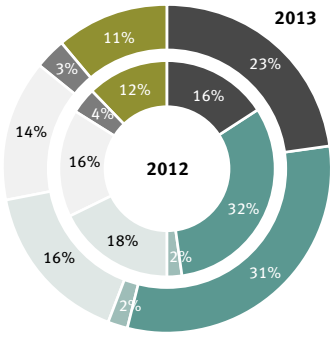
STOCK PERFORMANCE 2013



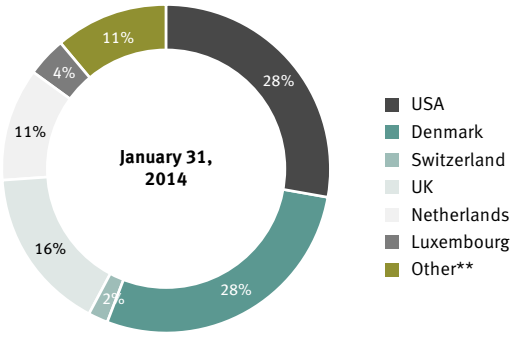
Index 100 = stock price on January 1, 2013

GEOGRAPHICAL SHAREHOLDER DISTRIBUTION*

Year end comparison 2012 vs 2013



Following January 2014 private placement



* Based on figures from the internal shareholder register per December 31, 2012, December 31, 2013 and January 31, 2014
**"Other" includes shares held in other countries and shares not held in nominee accounts, including OTC traded shares.

Following the private placement in January 2014, compared to December 31, 2012, US shareholdings increased 12 percentage points, while shareholdings in Denmark, the UK, and the Netherlands decreased 4, 2 and 5 percentage points, respectively.

AMERICAN DEPOSITARY RECEIPT (ADR) PROGRAM

Genmab established a sponsored Level 1 ADR program with Deutsche Bank Trust Company Americas in May 2013. An ADR is a share certificate representing ownership of shares in a non-US corporation. ADRs are quoted and traded in US dollars on the over-the-counter (OTC) market in the US. Two Genmab ADRs correspond to one Genmab ordinary share. Genmab's ADR ticker symbol is GMXAY. For more information on Genmab's ADR Program, visit **http://ir.genmab.com/adr**.

Investor Relations (IR)

Genmab's investor relations and communications department aims to ensure relevant, accurate and timely information is available to our investors and the rest of the financial community.

As part of our Investor Relations activities we:

- Observe quiet periods before issuing financial reports
- Hold regular analyst and investor meetings to discuss financial reports or other important news events
- Provide financial guidance for the year
- Maintain an updated website which includes corporate documents, financial reports, stock information and other information about the company, including our products and technology
- Have a dedicated IR contact person (Rachel Curtis Gravesen, **r.gravesen@genmab.com**)

Genmab is covered by a number of domestic and international financial analysts. A full list can be found at **http://ir.genmab.com/analysts**.

CORPORATE INFORMATION

Commercial Bankers

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

Nykredit Bank A/S
Kalvebod Brygge 1-3
DK-1780 Copenhagen V

Legal Counsel

Kromann Reumert
Sundkrogsgade 5
DK-2100 Copenhagen Ø

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022-6069
USA

Independent Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
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 will be held on April 9, 2014 at 2:00 PM local time at:
Tivoli Hotel & Congress Center
Arni Magnussons Gade 2-4
DK-1577 Copenhagen V

FINANCIAL CALENDAR FOR 2014

Annual General Meeting 2014	Wednesday, April 9, 2014
Publication of the Interim Report for the first quarter 2014	Wednesday, May 7, 2014
Publication of the Interim Report for the first half 2014	Wednesday, August 13, 2014
Publication of the Interim Report for the first nine months 2014	Wednesday, November 5, 2014

2013 Company Announcements

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6 Arzerra Fourth Quarter and Full Year 2012 Net Sales Figures

28 Genmab Announces Sale of Manufacturing Facility to Baxter

MARCH

7 Incorrect Information Distributed by Newswire

7 Genmab 2012 Annual Report

19 Genmab Summons Annual General Meeting

25 Arzerra Receives Approval in Japan

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2 Daratumumab Granted Fast Track Designation from US Food and Drug Administration

16 Genmab Announces Final US Court Judgment in Favor of Arzerra in Patent Infringement Lawsuit

17 Passing of Genmab A/S' Annual General Meeting

17 Constitution of the Board of Directors in Genmab A/S and Grant of Warrants to a Board Member and an Employee

24 Arzerra First Quarter 2013 Net Sales Figures

MAY

1 Daratumumab Receives Breakthrough Therapy Designation from US Food and Drug Administration

1 Genmab Announces Top-Line Phase II Results for Ofatumumab Combined with Bendamustine in Untreated and Relapsed Chronic Lymphocytic Leukemia

7 Genmab Announces Financial Results for the First Quarter of 2013

17 Genentech and Biogen Idec Have Filed for a Re-hearing of U.S. Court of Appeals Decision in the Arzerra Patent Infringement Case

29 GSK and Genmab Announce Positive Top-line Results from Pivotal Study of Arzerra (ofatumumab) Combined with Chlorambucil in Previously Untreated Chronic Lymphocytic Leukemia

31 Genmab Launches Sponsored Level 1 American Depositary Receipt (ADR) Program

JUNE

11 Teprotumumab Restarts Clinical Development in New Indication

JULY

4 Genmab Collaborator GSK Starts New Ofatumumab Phase III Study in Rare Skin Disorder

15 Genentech and Biogen Idec Refused a Re-hearing of U.S. Court of Appeals Decision in the Arzerra Patent Infringement Case

18 Genmab Files IND for HuMax-TF-ADC

24 Arzerra Second Quarter 2013 Net Sales Figures

AUGUST

14 Genmab Announces Financial Results for the First Half of 2013 and Improves 2013 Financial Guidance

26 Genmab Reaches Milestone in DuoBody Platform Collaboration with Janssen

SEPTEMBER

10 Genmab Announces New Study of Daratumumab in Double Refractory Multiple Myeloma

13 FDA Grants GSK and Genmab's Arzerra (Ofatumumab) Breakthrough Therapy Designation for Previously Untreated Chronic Lymphocytic Leukemia

OCTOBER

4 GSK and Genmab Announce European Submission to Regulatory Authorities for Arzerra (Ofatumumab) as 1st Line Treatment of Chronic Lymphocytic Leukemia (CLL)

10 Genmab Announces Positive Top-Line Phase II Results of Ofatumumab in Multiple Sclerosis

18 GSK and Genmab Announce Submission to US Regulatory Authorities for Arzerra (Ofatumumab) as 1st Line Treatment of Chronic Lymphocytic Leukemia (CLL)

23 Arzerra Third Quarter 2013 Net Sales Figures

NOVEMBER

6 Genmab Announces Financial Results for the First Nine Months of 2013

7 Genmab to Present Product and Proprietary Technology Data at American Society of Hematology Annual Meeting (ASH)

13 Capital Increase in Genmab as a Result of Employee Warrant Exercise and Projection of Improved Cash Position at the End of 2013

26 Genmab Reaches First Milestone in Daratumumab Collaboration with Janssen & Improves 2013 Financial Guidance

DECEMBER

4 Genmab's Financial Calendar for 2014

4 Genmab Announces Expansion of DuoBody Platform Collaboration with Janssen Biotech, Inc.

6 Genmab Reaches Fourth Milestone in Lundbeck Collaboration

6 Genmab to Receive Milestone Payment in DuoBody Platform Collaboration with Janssen – Financial Guidance Improved

17 GSK and Genmab Receive Priority Review from FDA for Arzerra (ofatumumab) as 1st Line Treatment for Chronic Lymphocytic Leukemia (CLL)

OTHER COMPANY ANNOUNCEMENTS

Report Pursuant to Section 28a of the Danish Securities Trading Act
March 13, April 17, May 15, August 21, December 6

Grant of Warrants in Genmab A/S
January 31, June 12, October 10, December 6

Major Shareholder Announcement
January 24, June 11, December 11

Capital Increase in Genmab as a Result of Employee Warrant Exercise
March 13, May 15, August 21, November 13

Genmab's Total Number of Voting Rights and Total Share Capital
March 27, May 31, August 30, November 29

All of our company announcements are available at **www.genmab.com**. Interested parties are invited to subscribe to Genmab news alerts through the website to receive email notifications.

Board of Directors

Mats Pettersson, B.Sc.

Swedish, 68, Male
Board Chairman (Independent, elected by the General Meeting); Chairman of the Nominating & Corporate Governance Committee and Member of the Audit Committee and Compensation Committee
First elected 2013, current term expires 2014

Special Competences
Extensive international biotech and pharmaceutical experience as well as significant board, executive management and business development experience.

Current Board Positions
Member: to-BBB Holding NV and Photocure ASA
Chairman: Moberg Pharma AB

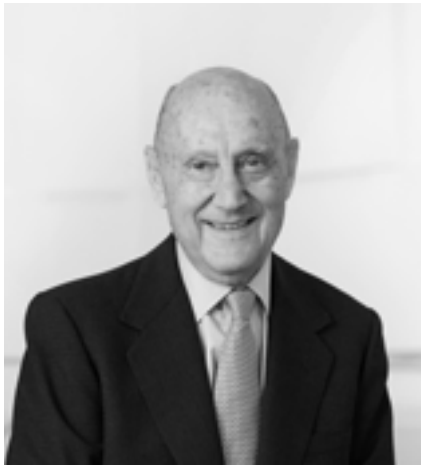
Anders Gersel Pedersen, M.D., Ph.D.

Danish, 62, Male
Deputy Chairman (Independent, elected by the General Meeting); Chairman of the Compensation Committee and Member of the Nominating & Corporate Governance Committee
First elected 2003, current term expires 2014

Special Competences
Business and management experience in pharmaceutical industry, including expertise in clinical research, development, regulatory affairs and product life cycle management.

Current Position, Including Managerial Positions
Executive Vice President, Research & Development at H. Lundbeck A/S

Current Board Positions
Member: Bavarian Nordic A/S, ALK-Abelló A/S



Burton G. Malkiel, Ph.D.

American, 81*, Male
Board Member (Independent, elected by the General Meeting); Chairman of the Audit Committee
First elected 2007, current term expires 2014

Special Competences
Extensive expertise in economics and finance, particularly relating to securities valuation and corporate finance; significant board and audit committee experience.

Current Position, Including Managerial Positions
Chemical Bank Chairman's Professor Emeritus of Economics at Princeton University, Chief Investment Officer, Wealthfront

Current Board Positions
Member: Vanguard Group Ltd., Theravance, Inc., American Philosophical Society and Maldeb Foundation
Audit Committee Chairman: Theravance, Inc.
Investment Committee Member: American Philosophical Society, Maldeb Foundation

* According to the company's Articles of Association, no individual can be a member of the Board after the first Annual General Meeting in the calendar year in which such person reaches the age of 75 years. In connection with Burton Malkiel's re-election in 2010 and 2013, respectively, an exception was adopted by the shareholders at the Annual General Meeting.

Hans Henrik Munch-Jensen

Danish, 53, Male
Board Member (Independent, elected by the General Meeting); Member of the Audit Committee and Nominating & Corporate Governance Committee
First elected 2007, current term expires 2014

Special Competences
Considerable finance, investor relations and strategic communication knowledge and business management experience.

Current Position, Including Managerial Positions
Chief Financial Officer at NordEnergie Renewables A/S

Current Board Positions
Member: Larix A/S
Chairman: Riddersalen Theater

Tom Vink, Ph.D.

Dutch, 51, Male
Board Member (Non-independent, elected by the employees)
First elected 2010, current term expires 2016

Special Competences
Comprehensive research experience in life sciences; theoretical and practical knowledge in the fields of antibody engineering, protein structure-function relationships, experimental design techniques and vascular biology.

Current Position, Including Managerial Positions
Associate Director, Cell & Molecular Science at Genmab

Nedjad Losic

Swedish, 44, Male
Board Member (Non-independent, elected by the employees)
First elected 2010, current term expires 2016

Special Competences
Extensive pharmaceutical experience with a specialty in statistics relevant to clinical development and executive management experience.

Current Position, Including Managerial Positions
Director, Biostatistics at Genmab

Senior Leadership Team

Jan G. J. van de Winkel, Ph.D.

Dutch, 53, Male
President & Chief Executive Officer

Special Competences
Extensive antibody discovery and development expertise, broad knowledge of the biotechnology industry and executive management skills.

Current Board Positions
Member: ISA Pharmaceuticals, Celdara Medical
Chairman: Regenesance

David A. Eatwell

British, 53, Male
Executive Vice President & Chief Financial Officer

Special Competences
Broad international experience in finance, strategy and business management and in-depth knowledge of the pharmaceutical and biotechnology industries.

Birgitte Stephensen

Danish, 53, Female
Senior Vice President, IPR & Legal

Special Competences
Intellectual property and legal expertise in the biotechnology field.

Paul W.H.I. Parren, Ph.D.

Dutch, 50, Male
Senior Vice President & Scientific Director

Special Competences
In-depth knowledge of antibody research, drug discovery & development.

Michael K. Bauer, Ph.D.

German, 50, Male
Senior Vice President, Clinical Development

Special Competences
Wide scientific and pharmaceutical industry background; significant experience in clinical drug development, cross-functional project management and strategic leadership.

Rachel Curtis Gravesen

British, 45, Female
Senior Vice President, Investor Relations and Communications

Special Competences
Experienced in strategic communication, investor relations, health-care communication, issues management and crisis communication, internal communication, change communication, strong external networks in healthcare and communication.

Anthony Pagano

American, 36, Male
Senior Vice President, Global Finance

Special Competences
Significant knowledge and experience in the life sciences industry particularly as relates to corporate finance, corporate development, strategic planning, business acumen, treasury, accounting and corporate governance.

Financial Statements

Financial Statements

Introduction

Genmab continuously works to improve its financial reporting to increase transparency and make the financial statements more reader friendly in accordance with recent international and domestic trends and best practice.

The financial statements in the 2013 annual report are grouped into six sections: Primary Statements; Basis of Presentation; Results for the Year; Operating Assets and Liabilities; Capital Structure, Financial Risk and Related Items; and Other Disclosures. Each note to the financial statements includes information about the accounting policies applied and significant management judgments and estimates in addition to the financial numbers. Unless specifically outlined in the related notes, the statements for the group and the parent company are identical.

Finally, the following symbols I/S and B/S in the notes to the financial statements show which amounts can be found in the income statement or balance sheet. The aim of the new structure and symbols is to provide the reader with a clearer understanding of Genmab's financial statements.

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Primary Statements

Statement of Comprehensive Income

I/S INCOME STATEMENT

		GENMAB GROUP		PARENT COMPANY	
	Note	2013	2012	2013	2012
		DKK'000	DKK'000	DKK'000	DKK'000
Revenue	2.1, 2.2	**663,570**	**484,636**	**665,171**	**518,208**
Research and development costs	2.3, 3.1, 3.2	(527,576)	(536,702)	(515,018)	(548,311)
General and administrative expenses	2.3, 3.2	(66,741)	(64,613)	(63,571)	(60,723)
Operating expenses		**(594,317)**	**(601,315)**	**(578,589)**	**(609,034)**
Operating result		**69,253**	**(116,679)**	**86,582**	**(90,826)**
Financial income	4.5	30,446	25,027	45,300	100,397
Financial expenses	4.5	(34,297)	(22,429)	(34,188)	(35,738)
Net result for continuing operations before tax		**65,402**	**(114,081)**	**97,694**	**(26,167)**
Corporate tax	2.4	4,753	2,633	1,250	-
Net result for continuing operations		**70,155**	**(111,448)**	**98,944**	**(26,167)**
Net result for discontinued operation	5.3, 5.4	42,207	(375,670)	26,173	(429,403)
Net result		**112,362**	**(487,118)**	**125,117**	**(455,570)**
Basic net result per share	2.5	2.20	(10.58)		
Diluted result per share	2.5	2.16	(10.58)		
Basic net result continuing operations per share	2.5	1.38	(2.42)		
Diluted result continuing operations per share	2.5	1.35	(2.42)		

STATEMENT OF COMPREHENSIVE INCOME

Net result		**112,362**	**(487,118)**	**125,117**	**(455,570)**
Other comprehensive income:					
Amounts which will be re-classified to the income statement:					
Adjustment of foreign currency fluctuations on subsidiaries		(5,835)	7,888	-	-
Fair value adjustments of cash flow hedges:					
Fair value adjustments during the period		3,638	-	3,638	-
Fair value adjustments reclassified to financial income in the income statement		(945)	-	(945)	-
Total comprehensive income		**109,220**	**(479,230)**	**127,810**	**(455,570)**

DISTRIBUTION OF THE YEAR'S RESULT

The Board of Directors proposes that the parent company's 2013 net income of DKK 125 million (2012: net loss of DKK 456 million) be carried forward to next year by transfer to accumulated deficit.

Primary Statements

Balance Sheet

B/S

	Note	GENMAB GROUP December 31, 2013	GENMAB GROUP December 31, 2012	PARENT COMPANY December 31, 2013	PARENT COMPANY December 31, 2012
		DKK'000	DKK'000	DKK'000	DKK'000
ASSETS					
Intangible assets	2.2, 3.1	2,541	-	2,541	-
Tangible assets	2.2, 3.2	22,662	25,960	2,514	4,413
Equity interests in subsidiaries	5.3	-	-	139,796	80,571
Receivables	3.3	6,163	9,369	1,128	5,662
Deferred tax assets	2.4	7,178	3,747	-	-
Total non-current assets		**38,544**	**39,076**	**145,979**	**90,646**
Receivables	3.3	136,004	136,692	121,980	127,926
Marketable securities	4.4	1,388,844	1,436,757	1,388,844	1,436,757
Cash and cash equivalents		168,135	66,992	131,345	58,896
		1,692,983	**1,640,441**	**1,642,169**	**1,623,579**
Assets classified as held for sale	5.4	-	13,369	-	-
Total current assets		**1,692,983**	**1,653,810**	**1,642,169**	**1,623,579**
Total assets		**1,731,527**	**1,692,886**	**1,788,148**	**1,714,225**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital		51,756	50,308	51,756	50,308
Share premium		5,887,957	5,733,855	5,887,957	5,733,855
Other reserves		77,180	80,322	2,693	-
Accumulated deficit		(5,357,370)	(5,481,298)	(5,237,687)	(5,374,370)
Shareholders' equity		**659,523**	**383,187**	**704,719**	**409,793**
Provisions	3.4	1,433	2,644	1,433	2,644
Lease liability	5.2, 5.5	356	1,892	-	1,892
Other payables	3.5	162,713	121,513	162,713	121,513
Total non-current liabilities		**164,502**	**126,049**	**164,146**	**126,049**
Provisions	3.4	861	861	861	861
Lease liability	5.2, 5.5	2,129	3,768	1,892	3,768
Deferred income	2.1	817,492	1,090,365	817,492	1,090,365
Other payables	3.5	87,020	78,944	99,038	83,389
		907,502	**1,173,938**	**919,283**	**1,178,383**
Liabilities classified as held for sale	5.4	-	9,712	-	-
Total current liabilities		**907,502**	**1,183,650**	**919,283**	**1,178,383**
Total liabilities		**1,072,004**	**1,309,699**	**1,083,429**	**1,304,432**
Total shareholders' equity and liabilities		**1,731,527**	**1,692,886**	**1,788,148**	**1,714,225**

Primary Statements

Statement of Cash Flows

		GENMAB GROUP		PARENT COMPANY	
	Note	2013	2012	2013	2012
		DKK'000	DKK'000	DKK'000	DKK'000
Net result for continuing operations before tax		65,402	(114,081)	97,694	(26,167)
Net result for discontinued operation before tax	5.3, 5.4	42,236	(375,642)	26,173	(429,403)
Net result before tax		**107,638**	**(489,723)**	**123,867**	**(455,570)**
Reversal of financial items, net	4.5, 5.4	3,844	(2,609)	(11,112)	(64,659)
Adjustments for non-cash transactions	5.8	(29,487)	362,953	(19,817)	444,130
Changes in working capital	5.8	(240,157)	175,452	(237,574)	170,229
Cash flow from operating activities before financial items		**(158,162)**	**46,073**	**(144,636)**	**94,130**
Financial interest recieved		30,527	20,395	31,063	20,052
Financial expenses paid		(312)	(493)	(203)	(435)
Corporate taxes paid/received		(52)	4,944	-	-
Cash flow from operating activities		**(127,999)**	**70,919**	**(113,776)**	**113,747**
Investment in intangible assets	3.1	(2,723)	-	(2,723)	-
Investment in tangible assets		(7,642)	(8,998)	(45)	(2,285)
Disposal of tangible assets/assets held for sale		52,525	636	-	595
Transactions with subsidiaries		-	-	12,656	(55,720)
Marketable securities bought	4.4	(974,279)	(1,775,458)	(974,279)	(1,775,458)
Marketable securities sold		999,072	1,367,477	999,072	1,367,477
Cash flow from investing activities		**66,953**	**(416,343)**	**34,681**	**(465,391)**
Shares issued for cash		-	366,390	-	366,390
Exercise of warrants		155,591	51	155,591	51
Costs related to issuance of shares		(41)	(2,441)	(41)	(2,441)
Paid installments on lease liabilities		(3,887)	(6,186)	(3,768)	(6,186)
Cash flow from financing activities		**151,663**	**357,814**	**151,782**	**357,814**
Change in cash and cash equivalents		**90,617**	**12,390**	**72,687**	**6,170**
Cash and cash equivalents at the beginning of the period		78,997	69,408	58,896	54,683
Exchange rate adjustments		(1,479)	(2,801)	(238)	(1,957)
Cash and cash equivalents at the end of the period		**168,135**	**78,997**	**131,345**	**58,896**
Cash and cash equivalents include:					
Bank deposits and petty cash		168,135	39,597	131,345	31,501
Short-term marketable securities	4.4	-	27,395	-	27,395
Cash and cash equivalents classified as assets held for sale	5.4	-	12,005	-	-
Cash and cash equivalents at the end of the period		**168,135**	**78,997**	**131,345**	**58,896**

Primary Statements

Statement of Cash Flows – Continued

ACCOUNTING POLICIES

The cash flow statement is presented using the indirect method with basis in the net result before tax.

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 mainly comprises changes in receivables, deferred income, provisions paid and other payables excluding the items included in cash and cash equivalents. Changes in non-current assets and liabilities are included in working capital, if related to the main revenue-producing activities of Genmab.

Cash flow from investing activities is comprised of cash flow from the purchase and sale of intangible and tangible assets and financial assets as well as purchase and sale of marketable securities. The parent company's transactions with subsidiaries are included separately in the cash flow statement of the parent company.

Cash flow from financing activities is comprised of cash flow from the issuance of shares, if any, and payment of long-term loans including installments on lease liabilities.

Finance lease transactions are considered non-cash transactions.

Cash and cash equivalents comprise cash, bank deposits, and marketable securities with a maturity of three months or less on the date of acquisition.

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

Primary Statements

Statement of Changes in Equity

	Number of shares	Share capital	Share premium	Translation reserves	Cash flow hedges	Accumulated deficit	Shareholders' equity
		DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
CONSOLIDATED							
December 31, 2011	**44,907,142**	**44,907**	**5,375,256**	**72,434**	**-**	**(5,006,179)**	**486,418**
Total comprehensive income				7,888		(487,118)	(479,230)
Transactions with owners:							
Shares issued for cash	5,400,000	5,400	360,990				366,390
Exercise of warrants	750	1	50				51
Expenses related to capital increases			(2,441)				(2,441)
Warrant compensation expenses						11,999	11,999
B/S **December 31, 2012**	**50,307,892**	**50,308**	**5,733,855**	**80,322**	**-**	**(5,481,298)**	**383,187**
Total comprehensive income				(5,835)	2,693	112,362	109,220
Transactions with owners:							
Exercise of warrants	1,447,830	1,448	154,143				155,591
Expenses related to capital increases			(41)				(41)
Warrant compensation expenses			-			11,566	11,566
B/S **December 31, 2013**	**51,755,722**	**51,756**	**5,887,957**	**74,487**	**2,693**	**(5,357,370)**	**659,523**
PARENT COMPANY							
December 31, 2011	**44,907,142**	**44,907**	**5,375,256**		**-**	**(4,930,799)**	**489,364**
Total comprehensive income						(455,570)	(455,570)
Transactions with owners:							
Shares issued for cash	5,400,000	5,400	360,990				366,390
Exercise of warrants	750	1	50				51
Expenses related to capital increases			(2,441)				(2,441)
Warrant compensation expenses						11,999	11,999
B/S **December 31, 2012**	**50,307,892**	**50,308**	**5,733,855**		**-**	**(5,374,370)**	**409,793**
Total comprehensive income					2,693	125,117	127,810
Transactions with owners:							
Exercise of warrants	1,447,830	1,448	154,143				155,591
Expenses related to capital increases			(41)				(41)
Warrant compensation expenses						11,566	11,566
B/S **December 31, 2013**	**51,755,722**	**51,756**	**5,887,957**		**2,693**	**(5,237,687)**	**704,719**

Primary Statements

Statement of Changes in Equity – Continued

SHARE CAPITAL

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

On December 31, 2013, the share capital of Genmab A/S comprised 51,755,722 shares of DKK 1 each with one vote. There are no restrictions related to the transferability of the shares. All shares are regarded as negotiable instruments and do not confer any special rights upon the holder, and no shareholder shall be under an obligation to allow his/her shares to be redeemed.

On January 24, 2014 Genmab announced a private placement with the issuance of 4,600,000 new shares. Following the capital increase, Genmab has a registered nominal share capital of DKK 56,355,722 divided into 56,355,722 shares of DKK 1 each. The new shares issued represent approx. 8.9% of Genmab's registered share capital before the capital increase. The new shares will rank pari passu in all respects with existing Genmab shares.

Until April 17, 2018, the Board of Directors are authorized to increase the nominal registered share capital on one or more occasions by up to nominally DKK 10,400,000 negotiable shares issued to the bearer, which shall have the same rights as the existing shares of Genmab. The capital increase can be made by cash or by non-cash payment and with or without pre-emption rights for the existing shareholders.

By decision of the general meeting on April 25, 2012, the Board of Directors was authorized to issue on one or more occasions warrants to subscribe Genmab A/S' shares up to a nominal value of DKK 250,000. This authorization shall remain in force for a period ending on April 25, 2017. Further, by decision of the general meeting on April 17, 2013, the Board of Directors was authorized to issue on one or more occasions warrants to subscribe Genmab A/S' shares up to a nominal value of DKK 600,000. This authorization shall remain in force for a period ending on April 17, 2018.

Subject to the rules in force at any time, the Board of Directors may reuse or reissue lapsed non-exercised warrants, if any, provided that the reuse or reissue occurs under the same terms and within the time limitations set out in the authorization to issue warrants.

As of December 31, 2013, a total of 250,000 warrants have been issued under the April 25, 2012 authorization, a total of 36,000 warrants have been reissued under the April 25, 2012 authorization and a total of 449,600 warrants have been issued under the April 17, 2013 authorization. No warrants were available for reuse or reissue as of December 31, 2013.

SHARE PREMIUM

The share premium reserve is comprised of the amount received, attributable to shareholders' equity, in excess of the nominal amount of the shares issued at the parent company's offerings, reduced by any amount allocated to deferred income cf. note 2.1 and external expenses directly attributable to the offerings. The share premium reserve can be distributed.

TRANSLATION RESERVES

Translation reserves in the consolidated financial statements include exchange rate adjustments of equity investments and balances considered to be a part of the total net investment in foreign subsidiaries arising from the translation of their financial statements from their functional currencies to the presentation currency of Genmab A/S (DKK). Translation reserves cannot be used for distribution.

CHANGES IN SHAREHOLDERS' EQUITY DURING 2008-2013

	Number of shares	Share capital DKK'000
December 31, 2008	**44,888,829**	**44,889**
Exercise of warrants	18,313	18
December 31, 2009	**44,907,142**	**44,907**
Exercise of warrants	-	-
December 31, 2010	**44,907,142**	**44,907**
Exercise of warrants	-	-
December 31, 2011	**44,907,142**	**44,907**
Shares issued for cash	5,400,000	5,400
Exercise of warrants	750	1
B/S **December 31, 2012**	**50,307,892**	**50,308**
Exercise of warrants	1,447,830	1,448
B/S **December 31, 2013**	**51,755,722**	**51,756**

During 2013, 1,447,830 new shares were subscribed at a price of DKK 26.75 to 184.00 in connection with the exercise of warrants under Genmab's warrant program.

In October 2012, Genmab issued 5,400,000 new shares in connection with the global license and development agreement for daratumumab. Johnson & Johnson Development Corporation (JJDC) invested DKK 475 million of which DKK 366 million was recognized in equity. The remaining part was allocated to deferred income cf. our accounting policies as outlined in note 2.1.

On January 24, 2014 Genmab announced a private placement with the issuance of 4,600,000 new shares. The total net proceeds amounted to DKK 972 million which was recognized in equity.

OWNERSHIP

Genmab is listed on the NASDAQ OMX Copenhagen under the symbol GEN. As of January 31, 2014, after the private placement of January 24, 2014 and the increase in share capital of 4,600,000 shares to a total of 56,355,722 shares, the number of registered shareholders totaled 25,224 shareholders holding a total of 52,288,975 shares, which represented 92.78% of the share capital.

The following shareholders have a minimum 5% of the votes or a minimum of 5% of the share capital:

- Johnson & Johnson Development Corporation, 410 George Street, New Brunswick, NJ 08901, United States of America (9.58%)
- Glaxo Group Limited, 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom (7.93%)
- ATP Group, Kongens Vænge 8, DK-3400 Hillerød, Denmark (7.49%)
- Hendrikus Hubertus Franciscus Stienstra, Vrusschemigerweg 5, 6417 PB Heerlen, The Netherlands (partly through Mercurius Beleggingsmaatschappij B.V., and Mosam Onroerend Goed B.V., Akerstraat 126, 6417 BR Heerlen, The Netherlands) (6.74%)
- FMR LLC (Fidelity Management and Research) 245 Summer Street, Boston, Massachusetts 02210, United States of America (5.02%*)

* FMC LLC's holding as per the major shareholder announcement dated December 11, 2013.

I Section 1 – Basis of Presentation

This section describes Genmab's financial accounting policies including management's judgments and estimates under International Financial Reporting Standards (IFRS). New or revised EU endorsed accounting standards and interpretations are described in addition to how these changes are expected to impact the financial performance and reporting of the Genmab Group.

Genmab describes the accounting policies in conjunction with the statement of cash flows and each note with the aim to provide a more understandable description of each accounting area. The description of the accounting policies in the statement of cash flows and notes are part of the complete description of Genmab's accounting policies.

1.1 – Accounting Policies

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), and with the International Financial Reporting Standards as endorsed by the EU and additional Danish disclosure requirements for annual reports of listed companies. Except as outlined in note 1.2, the financial statements have been prepared using the same accounting policies as 2012.

Please refer to the overview below to see in which note/section the detailed accounting policy is included.

§ ACCOUNTING POLICIES

Primary Statements	3.4 Provisions
Statement of Cash Flows	3.5 Other Payables
II **Section 2 – Results for the Year**	IV **Section 4 – Capital Structure, Financial Risk and Related Items**
2.1 Revenue	4.3 Financial Assets and Liabilities
2.2 Information about Geographical Areas	4.4 Marketable Securities
2.3 Staff Costs	4.5 Financial Income and Expenses
2.4 Corporate and Deferred Tax	V **Section 5 – Other Disclosures**
2.5 Result per Share	5.3 Equity Interests in Subsidiaries
III **Section 3 – Operating Assets and Liabilities**	5.4 Assets Held for Sale and Discontinued Operation
3.1 Intangible Assets	5.5 Commitments
3.2 Tangible Assets	5.6 Contingent Assets, Contingent Liabilities and Subsequent Events
3.3 Receivables	

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements have been prepared in Danish Kroner (DKK), which is the functional and presentation currency of the parent company. The financial statements have been rounded to the nearest thousand.

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.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instru-

I Section 1 – Basis of Presentation

1.1 – Accounting Policies – Continued

ment, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

» Fair value hedge (hedges of the fair value of recognized assets or liabilities or a firm commitment); or
» Cash flow hedge (hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction).

There were no hedges of currency exposure in subsidiaries in 2013 and 2012.

At the inception of the transaction, the group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 4.2, page 67. Movements on the hedging reserve in other comprehensive income are shown as part of the statement of shareholders' equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Fair Value Hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash Flow Hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion and changes in time value of the derivative instrument is recognized immediately in the income statement within financial income or expenses.

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. A group overview is included in note 5.3.

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 unrealized gains and losses on transactions between the consolidated companies are eliminated.

There was no change in the scope of consolidation during 2012 and 2013.

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 subsidiaries with a different functional currency than the group presentation currency are translated into the group's presentation 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 translation reserves in shareholders' equity.

CLASSIFICATION OF OPERATING EXPENSES IN THE INCOME STATEMENT

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 and impairment of intangible and tangible assets, to the extent that such costs are related to the group's research and development activities. ›› Please see note 3.1 for a more detailed description.

General and Administrative Expenses
General and administrative expenses relate to the administration of the group, including depreciation and impairment of intangible and tangible 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.

I Section 1 – Basis of Presentation

1.2 – New Accounting Policies and Disclosures

NEW ACCOUNTING POLICIES AND DISCLOSURES FOR 2013

Genmab has, with effect from January 1, 2013, implemented the amendments to IFRS 7, IFRS 13, IAS 19 (Revised 2011) and improvements to IFRSs 2009-2011. The implementation has not impacted the recognition and measurement of Genmab's assets and liabilities.

NEW ACCOUNTING POLICIES AND DISCLOSURES EFFECTIVE IN 2014 OR LATER

The IASB has issued, and the EU has endorsed, a number of new standards and updated some existing standards, the majority of which are effective as of January 1, 2014 or later. Such new or improved standards are expected to have a limited effect on the financial reporting of Genmab. Only standards and interpretations issued before December 31, 2013 and of relevance for the Genmab group are described.

NEW ACCOUNTING POLICIES AND DISCLOSURES

Standard	Effective for accounting period beginning on or after	Endorsed by EU as of December 31, 2013
IAS 32 Offsetting Financial Assets and Financial liabilities – Amendments to IAS 32	January 1, 2014	Yes
Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39	January 1, 2014	Yes
IFRS 10 Consolidated Financial Statements/IAS 27 Separate Financial Statements	January 1, 2014	Yes
IFRS 11 Joint Arrangements/IAS 28 Investments in Associates and Joint Ventures	January 1, 2014	Yes
IFRS 12 Disclosures of Interests in Other Entities	January 1, 2014	Yes
Improvements to IFRSs 2010-2012	July 1, 2014	No
Improvements to IFRSs 2011-2013	July 1, 2014	No
IFRS 9 Financial Instruments: Classification and Measurement	January 1, 2015	No

1.3 – Management's Judgments and Estimates under IFRS

In preparing financial statements under IFRS, certain provisions in the standards require management's judgments, including various accounting estimates and assumptions. Such judgments are considered important to understand the accounting policies and Genmab's compliance with the standards.

Determining the carrying amount of some assets and liabilities requires judgments, estimates and assumptions concerning future events which are based on historical experience and other factors, which by their very nature are associated with uncertainty and unpredictability.

These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The Genmab group is also subject to risks and uncertainties which may lead actual results to differ from these estimates, both positively and negatively. Specific risks for the Genmab group are discussed in the relevant section of the directors' report and in the notes to the financial statements.

The areas involving a high degree of judgment and estimation that are significant to the financial statements are described in more detail in the related sections/notes.

MANAGEMENT'S JUDGMENTS AND ESTIMATES

2.1 Revenue Recognition	3.1 Research and Development Costs
2.3 Share-based Compensation	3.5 Other Payables
2.4 Deferred Tax Assets	5.4 Assets Held for Sale and Discontinued operations

II Section 2 – Results for the Year

This section includes disclosures related to revenue, information about geographical areas, staff costs, taxation and result per share. A detailed description of the results for the year is provided in the Financial Review section in the Directors' Report.

Research and development costs are described in note 3.1.

2.1 – Revenue

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
Revenue:				
Royalties	131,186	110,557	131,186	110,557
Milestone payments	110,833	46,589	110,833	46,589
Deferred revenue	296,322	251,570	296,322	251,570
Reimbursement income	125,229	75,920	126,830	109,492
I/S **Total**	**663,570**	**484,636**	**665,171**	**518,208**
Revenue split by collaboration partners:				
GSK	363,474	341,648	363,474	341,648
Janssen	256,971	82,944	256,971	82,944
Lundbeck	32,673	55,130	32,673	55,130
Other collaboration partners	10,452	4,914	12,053	38,486
I/S **Total**	**663,570**	**484,636**	**665,171**	**518,208**

Revenue may vary from period to period as revenue comprises royalties, milestone payments and reimbursement of certain research and development costs in relation to development work under Genmab's collaboration agreements.

§ ACCOUNTING POLICIES

Revenue is recognized when it is probable that future economic benefits will flow to the group and these benefits can be measured reliably and is expected to be received. Further, revenue recognition requires that all significant risks and rewards in the transaction have been transferred to the buyer.

Revenue from R&D activities is considered as rendering of services.

Deferred income reflects the part of revenue that has not been recognized as income immediately on receipt of payment and which concerns agreements with multiple components which cannot be separated. Deferred income is measured at nominal value. ■

II Section 2 – Results for the Year

2.1 – Revenue – Continued

MANAGEMENT'S JUDGMENTS AND ESTIMATES

Evaluating the criteria for revenue recognition with respect to the group's research and development and collaboration 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 as one or more revenue-generating transactions, allocation of the contractual price (upfront and milestone payments and obtained share premium to the market value on shares subscribed in connection with a collaboration agreement) to several elements included in an agreement, and the determination of whether the significant risks and rewards have been transferred to the buyer.

Collaboration agreements are reviewed carefully to understand the nature of risks and rewards of the arrangement. All of the group's revenue-generating transactions, including those with Janssen, GSK, and Lundbeck have been subject to such evaluation by management. ■

UPFRONT PAYMENTS AND DEFERRED INCOME

Upfront payments that are deemed attributable to subsequent research and development work are initially recognized as deferred income and recognized and allocated as revenue over the planned development period. This judgment is made when entering the agreement and is based on development budgets and plans. The planned development period is assessed on an ongoing basis. If the expected development period is changed significantly, this will require a reassessment of the allocation period. The allocation periods have not been changed in 2012 and 2013 for any of our collaborations.

During 2013 Genmab announced an amendment to the DuoBody license agreement with Janssen. Genmab received an upfront payment of USD 2 million. The upfront payment was deferred and will be amortized over the planned development period when the amendment will be activated. In addition, during 2013 Janssen activated 3 programs under our DuoBody collaboration, for which Genmab received program reservation fees. The program reservation fees were amortized over a period up to 4 years.

	Amortization Period (months)	Amortization ends (year)	2013	2012
			DKK'000	DKK'000
Deferred income split by collaboration partners:				
GSK	66	2015	414,907	622,362
Janssen (Daratumumab)	84	2019	352,502	414,708
Janssen (DuoBody)	Up to 60	Up to 2017	42,863	27,395
Lundbeck	36	2013	-	14,760
Other collaboration partners	Up to 48	Up to 2016	7,220	11,140
B/S **Total**			**817,492**	**1,090,365**
To be recognized in the income statement:				
2013			-	294,777
2014			282,227	279,083
2015			282,227	279,083
2016			72,388	69,244
2017			66,100	64,501
2018			62,206	62,206
2019			41,471	41,471
Not yet determined			10,873	-
B/S **Total**			**817,492**	**1,090,365**

II Section 2 – Results for the Year

2.1 – Revenue – Continued

The group does have certain obligations under the collaboration agreements which need to be fulfilled to enable the upfront payments and any designated part of a share premium to be recognized as revenue. The deferred income does not represent cash owed to our collaboration partners. **›› Please refer to note 5.5 for further details regarding the financial obligations under our collaboration agreements.**

MILESTONE PAYMENTS

Milestone payments related to reaching particular stages in product development are recognized immediately if a separate earnings process relative to the milestone payment has been completed and achieved. This determination is judgmental and assessments made by management include, among other items, consideration of the efforts made in achieving a milestone, e.g., the level, skill, and expertise of the personnel involved, as well as the costs incurred. The milestone events must have real substance and they must represent achievement of specific defined goals.

In addition, the associated risks related to the achievement of each milestone are evaluated and compared to all milestone payments designated under the collaboration agreement.

During 2013, eight milestones of DKK 111 million in total were recognized as revenue, compared to four milestones of DKK 47 million in 2012.

ROYALTIES

Royalty income from licenses is based on third-party sales of licensed products and is recognized in accordance with contract terms when third-party results are available and are deemed to be reliable. Royalty estimates are made in advance of amounts collected using preliminary sales data received from the third party.

2.2 – Information about Geographical Areas

The Genmab group is managed and operated as one business unit which is reflected in the organizational structure and internal reporting. No separate lines of business or separate business entities have been identified with respect to any of the product candidates or geographical markets and no segment information is currently disclosed in the internal reporting.

Accordingly, it has been concluded that it is not relevant to include segment disclosures in the financial statements as the group business activities are not organized on the basis of differences in related product and geographical areas.

	Revenue	Non-current assets	Revenue	Non-current assets
	2013		2012	
	DKK'000	DKK'000	DKK'000	DKK'000
Denmark	663,570	5,055	484,636	4,413
The Netherlands	-	20,037	-	21,255
USA	-	111	-	292
I/S B/S **Total**	**663,570**	**25,203**	**484,636**	**25,960**

§ ACCOUNTING POLICIES

Geographical information is presented for the Genmab group's revenue and non-current assets. Revenue is attributed to countries on the basis of the location of operations. Non-current assets comprise intangible and tangible assets. ■

II Section 2 – Results for the Year

2.3 – Staff Costs

	GENMAB GROUP		PARENT COMPANY	
	2013	**2012**	**2013**	**2012**
	DKK'000	DKK'000	DKK'000	DKK'000
Wages and salaries	116,179	122,539	47,671	45,279
Warrant compensation expenses	11,566	11,999	4,580	5,271
Defined contribution plans	17,848	13,549	3,588	3,219
Other social security costs	9,414	11,482	256	291
Total	**155,007**	**159,569**	**56,095**	**54,060**
Staff costs are included in the income statement as follows:				
Research and development costs	113,982	103,571	39,717	37,779
General and administrative expenses	37,675	37,014	16,378	16,281
Net result for discontinued operation	3,350	18,984	-	-
Total	**155,007**	**159,569**	**56,095**	**54,060**
Average number of FTE	**164**	**180**	**45**	**43**
Number of FTE at year end:				
Denmark	45	45	45	45
Netherlands	105	103	-	-
USA – New Jersey	7	8	-	-
USA – Minnesota (discontinued operation)	-	23	-	-
Total	**157**	**179**	**45**	**45**

›› For information regarding the remuneration of the Board of Directors and Executive Management, please refer to note 5.1.

Government grants (reduction of payroll taxes in The Netherlands) amounted to DKK 5 million in 2013 and DKK 5 million in 2012. The amount has been deducted from the wages and salaries.

II Section 2 – Results for the Year

2.3 – Staff Costs – Continued

ACCOUNTING POLICIES

WARRANT COMPENSATION EXPENSES

The parent company has granted warrants to the Board of Directors, Executive Management and employees under various warrant programs. 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. Such compensation expenses represent calculated values of warrants granted and do not represent actual cash expenditures. A corresponding amount is recognized in shareholders' equity as the warrant program is designated as an equity-settled share-based payment transaction.

In the financial statements for the parent company, expenses and exercise proceeds related to employees in the subsidiaries are allocated to the relevant subsidiary where the employee has entered an employment contract.

GOVERNMENT GRANTS

WBSO – Government grants received as a reduction to payroll tax have been deducted from the wages and salaries expenses. ■

MANAGEMENT'S JUDGMENTS AND ESTIMATES

WARRANT COMPENSATION EXPENSES:

In accordance with IFRS 2 *"Share-based Payment,"* the fair value of the warrants at grant date is recognized as an expense in the income statement over the vesting period, the period of delivery of work. Subsequently, the fair value is not re-measured.

The fair value of each warrant granted during the year is calculated using the Black-Scholes pricing model. This pricing model requires the input of subjective assumptions such as:

The **expected stock price volatility**, which is based upon the historical volatility of Genmab's stock price;

The **risk-free interest rate**, which is determined as the interest rate on Danish government bonds (bullet issues) with a maturity of five years;

The **expected life of warrants**, which is based on vesting terms, expected rate of exercise and life terms in current warrant program.

These assumptions can vary over time and can change the fair value of future warrants granted.

Valuation Assumptions for Warrants Granted in 2013 and 2012

The fair value of each warrant granted during the year is calculated using the Black-Scholes pricing model with the following assumptions:

Weighted average	2013	2012
Fair value per warrant on grant date	92	34
Share price	221	78
Exercise price	221	78
Expected dividend yield	0%	0%
Expected stock price volatility	51%	55%
Risk-free interest rate	1.0%	0.2%
Expected life of warrants	5 years	5 years

Based on an average fair value per warrant of DKK 92 (2012: DKK 34) the total fair value of warrants granted amounted to DKK 46 million (2012: DKK 13 million) on the grant date. ■

II Section 2 – Results for the Year

2.4 – Corporate and Deferred Tax

TAXATION – INCOME STATEMENT

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
Current tax on result including carry back refund	(1,212)	(4,103)	(1,250)	-
Adjustment to prior years etc.	(81)	(186)	-	-
Adjustment to deferred tax	336,271	(186,281)	41,376	(16,255)
Adjustment to valuation allowance	(339,702)	187,965	(41,376)	16,255
Total corporate tax for the period	**(4,724)**	**(2,605)**	**(1,250)**	**-**
Corporate tax is included in				
I/S Net result for continuing operations	(4,753)	(2,633)	(1,250)	-
Net result for discontinued operation	29	28	-	-
Total corporate tax for the period	**(4,724)**	**(2,605)**	**(1,250)**	**-**

A reconciliation of income tax income/expense at the statutory rate of Genmab's effective tax rate is as follows:

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
I/S Net result for continuing operations before tax	65,402	(114,081)	97,694	(26,167)
Net result for discontinued operation before tax	42,236	(375,642)	26,173	(429,403)
Net result before tax	107,638	(489,723)	123,867	(455,570)
Computed 25%	**26,910**	**(122,431)**	**30,967**	**(113,893)**
Tax effect of:				
Tax losses not capitalized and change in valuation allowance	(31,634)	119,826	(32,217)	113,893
Total tax effect	**(31,634)**	**119,826**	**(32,217)**	**113,893**
Total corporate tax for the period	**(4,724)**	**(2,605)**	**(1,250)**	**-**

II Section 2 – Results for the Year

2.4 – Corporate and Deferred Tax – Continued

TAXATION – BALANCE SHEET

Significant components of the deferred tax asset are as follows:

	GENMAB GROUP		PARENT COMPANY	
	2013	**2012**	**2013**	**2012**
	DKK'000	DKK'000	DKK'000	DKK'000
Tax deductible losses	1,134,545	1,080,345	642,477	785,424
Deferred income	148,381	226,079	148,381	226,079
Other temporary differences	181,774	494,547	181,544	2,275
	1,464,700	**1,800,971**	**972,402**	**1,013,778**
Valuation allowance	(1,457,522)	(1,797,224)	(972,402)	(1,013,778)
B/S **Total deferred tax assets**	**7,178**	**3,747**	**-**	**-**

On December 31, 2013, the group had net tax loss carry-forwards of DKK 4.4 billion (2012: DKK 3.9 billion) for income tax purposes, of which DKK 2.9 billion (2012: DKK 3.1 billion) can be carried forward without limitation.

§ ACCOUNTING POLICIES

CORPORATE TAX

Corporate tax, 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 entries directly related to shareholders' equity is recognized in other comprehensive income.

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 current tax liabilities are recognized in other payables in the balance sheet. ›› Please refer to note 3.5.

Any prepaid taxes are recognized in receivables in the balance sheet. ›› Please refer to note 3.3.

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.

Deferred tax is calculated in accordance with the current tax regulations in the individual countries and the tax rates expected to be in force at the time the deferred tax is utilized. 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 recognized only to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. ■

MANAGEMENT'S JUDGMENTS AND ESTIMATES

DEFERRED TAX

Genmab recognizes deferred tax assets, including the tax base of tax loss carry-forwards, if management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. This judgment is made on an ongoing basis and is based on budgets and business plans for the coming years, including planned commercial initiatives.

The creation and development of therapeutic products within the biotechnology and pharmaceutical industry is subject to considerable risks and uncertainties. Since inception, Genmab has reported significant losses, and as a consequence, we have unused tax losses.

The tax asset is mainly related to Genmab A/S. Management has concluded, except for the two subsidiaries, that deferred tax assets should not be recognized as of December 31, 2013, and a 100% valuation allowance of the deferred tax asset is recognized in accordance with IAS 12, *"Income Taxes."* The tax assets are currently not deemed to meet the criteria for recognition as management is not able to provide any convincing positive evidence that deferred tax assets should be recognized. ■

II Section 2 – Results for the Year

2.5 – Result Per Share

	2013	2012
	DKK'000	DKK'000
Net result for continuing operations	70,155	(111,448)
Net result for discontinuing operation	42,207	(375,670)
I/S **Net result**	**112,362**	**(487,118)**

	2013	2012
	Shares'000	Shares'000
Average number of shares	50,977	46,043
Average number of warrants, dilution*	933	-
Average number of shares, diluted	**51,910**	**46,043**
Basic net result per share	2.20	(10.58)
Diluted result per share	2.16	(10.58)
Basic net result continuing operations per share	1.38	(2.42)
Diluted result continuing operations per share	1.35	(2.42)

* As the income statement showed a net loss in 2012, no adjustment has been made for the dilutive effect.

Net result per share for discontinued operations is outlined in note 5.4.

In the calculation of the Diluted Net Result per Share for 2013 4,116,140 (of which 3,652,140 were vested) warrants are excluded as these warrants are out-of the money. These warrants could potentially have a future dilutive effect on the net result per share.

On January 24, 2014, Genmab announced a private placement with the issuance of 4,600,000 new shares, which will impact the basic and diluted net result per share in the future.

§ ACCOUNTING POLICIES

BASIC NET RESULT PER SHARE

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

DILUTED NET RESULT PER SHARE

Diluted net result per share is calculated as the net result for the year divided by the weighted average number of outstanding ordinary shares adjusted for the dilutive effect of share equivalents.

III Section 3 – Operating Assets and Liabilities

This section covers the operating assets and related liabilities which form the basis for the Genmab group's activities. Deferred tax assets and liabilities are included in note 2.4. Assets related to the group's financing activities are shown in section 4.

3.1 – Intangible Assets

GENMAB GROUP AND PARENT COMPANY

	Goodwill	Licenses and Rights	Total Intangible Assets
	DKK'000	DKK'000	DKK'000
2013			
Cost per January 1	335,671	152,484	488,155
Exchange rate adjustment	(14,382)	-	(14,382)
Additions for the year	-	2,723	2,723
Disposals for the year	(321,289)	-	(321,289)
Cost per December 31	**-**	**155,207**	**155,207**
Accumulated amortization and impairment per January 1	(335,671)	(152,484)	(488,155)
Exchange rate adjustment	14,382	-	14,382
Amortization for the year	-	(182)	(182)
Disposals for the year	321,289	-	321,289
Accumulated amortization and impairment per December 31	**-**	**(152,666)**	**(152,666)**
B/S **Carrying amount per December 31**	**-**	**2,541**	**2,541**
2012			
Cost per January 1	340,720	152,484	493,204
Exchange rate adjustment	(5,049)	-	(5,049)
Cost per December 31	**335,671**	**152,484**	**488,155**
Accumulated amortization and impairment per January 1	(340,720)	(152,484)	(493,204)
Exchange rate adjustment	5,049	-	5,049
Accumulated amortization and impairment per December 31	**(335,671)**	**(152,484)**	**(488,155)**
B/S **Carrying amount per December 31**	**-**	**-**	**-**

	2013	2012
	DKK'000	DKK'000
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development costs	182	-
General and administrative expenses	-	-
Total	**182**	**-**

III Section 3 – Operating Assets and Liabilities

3.1 – Intangible Assets – Continued

§ ACCOUNTING POLICIES

GOODWILL – GENMAB GROUP

The carrying amount of goodwill related to the acquisition of the manufacturing facility in 2008. In November 2009, Genmab announced that it intended to sell its manufacturing facility due to a change in business strategy. This decision triggered an impairment review and as a result the goodwill was fully impaired in 2009. **›› Please refer to note 5.4 for additional information regarding the manufacturing facility.** The facility was sold in 2013.

RESEARCH AND DEVELOPMENT – GENMAB GROUP AND PARENT COMPANY

The group currently has no internally generated intangible assets from development, as the criteria for recognition as an asset are not met cf. below.

LICENSES AND RIGHTS – GENMAB GROUP AND PARENT COMPANY

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. Genmab acquires licenses and rights primarily to get access to targets and technologies identified by third parties.

The group has previously acquired licenses and rights to technology at a total cost of DKK 152 million, which have been fully amortized during the period from 2000 to 2005. The licenses and rights are still in use by the parent company and the group and contribute to our research and development activities.

Depreciation

Licenses and rights are amortized using the straight-line method over the estimated useful life of five years. Amortization, impairment losses, and gains or losses on the disposal of intangible assets are recognized in the income statement as research and development costs, general and administrative expenses or discontinued operation, as appropriate.

Impairment

If circumstances or changes in Genmab's operations indicate that the carrying amount of non-current assets in a cash-generating unit may not be recoverable, management reviews the asset for impairment. **›› Please see note 3.2 for further details.** ■

MANAGEMENT'S JUDGMENTS AND ESTIMATES

RESEARCH AND DEVELOPMENT

Internal Generated Intangible Assets

According to the 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 that:

- the development project is clearly defined and identifiable and the attributable costs can be measured reliably during the development period;
- the technological feasibility, adequate resources to complete and a market for the product or an internal use of the product can be documented; and
- 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 sale and administration of the product.

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 final approval of the product from the appropriate authorities. The future economic benefits associated with the individual development projects are dependent on obtaining such approval. Considering the significant risk and duration of the development period related to the development of biological 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 final regulatory approval of the product has been obtained. Accordingly, the group has not recognized such assets at this time and therefore all research and development costs are recognized in the income statement when incurred. The total research and development costs related to the continuing operations amounted to DKK 528 million in 2013, compared to DKK 537 million in 2012.

Antibody Clinical Trial Material Produced or Purchased for Use in Clinical Trials

According to our accounting policies, antibody clinical trial material (antibodies) for use in clinical trials which are purchased from third parties will be recognized in the balance sheet at cost and expensed in the income statement when consumed, if all criteria for recognition as an asset are fulfilled.

During both 2012 and 2013, no antibodies purchased from third parties for use in clinical trials have been capitalized, as these antibodies do not qualify for being capitalized as inventory under either the *"Framework"* to IAS/IFRS or IAS 2, *"Inventories."*

Management has concluded that the purchase of antibodies from third parties cannot be capitalized as the technical feasibility is not proven and no alternative use exists. Expenses in connection with purchase of antibodies are treated as described under "Research and Development Costs."

Collaboration Agreements

The group has entered into various collaboration agreements, primarily in connection with the group's research and development projects and the clinical testing of the product candidates, e.g., our worldwide collaboration agreements with Janssen and GSK. When accounting for new collaboration agreements, a judgment is made concerning the classification of the agreement. 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 as the parties have not established an economic activity subject to joint control. 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." ■

III Section 3 – Operating Assets and Liabilities

3.2 – Tangible Assets

GENMAB GROUP

	Leasehold improvements	Equipment, furniture and fixtures	Assets under construction	Total Tangible Assets
	DKK'000	DKK'000	DKK'000	DKK'000
2013				
Cost per January 1	9,572	139,364	-	148,936
Exchange rate adjustment	-	(413)	-	(413)
Additions for the year	45	8,310	-	8,355
Disposals for the year	-	(20,407)	-	(20,407)
Cost per December 31	**9,617**	**126,854**	**-**	**136,471**
Accumulated depreciation and impairment per January 1	(7,877)	(115,099)	-	(122,976)
Exchange rate adjustment	-	400	-	400
Depreciation for the year	(651)	(10,831)	-	(11,482)
Disposals for the year	-	20,249	-	20,249
Accumulated depreciation and impairment per December 31	**(8,528)**	**(105,281)**	**-**	**(113,809)**
B/S **Carrying amount per December 31**	**1,089**	**21,573**	**-**	**22,662**
Carrying amount of assets under finance leases included above	-	574	-	**574**
2012				
Cost per January 1	38,291	140,190	1,734	180,215
Exchange rate adjustment	(352)	253	-	(99)
Additions for the year	1,161	7,837	-	8,998
Transfers between the classes	-	748	(748)	-
Disposals for the year	(29,528)	(9,664)	(986)	(40,178)
Cost per December 31	**9,572**	**139,364**	**-**	**148,936**
Accumulated depreciation and impairment per January 1	(35,412)	(111,422)	(986)	(147,820)
Exchange rate adjustment	354	(170)	-	184
Depreciation for the year	(2,347)	(12,764)	-	(15,111)
Disposals for the year	29,528	9,257	986	39,771
Accumulated depreciation and impairment per December 31	**(7,877)**	**(115,099)**	**-**	**(122,976)**
B/S **Carrying amount per December 31**	**1,695**	**24,265**	**-**	**25,960**
Carrying amount of assets under finance leases included above	-	1,440	-	**1,440**

	2013	2012
	DKK'000	DKK'000
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development costs	10,893	14,133
General and administrative expenses	589	978
Total	**11,482**	**15,111**

III Section 3 – Operating Assets and Liabilities

3.2 – Tangible Assets – Continued

PARENT COMPANY

	Leasehold improvements	Equipment, furniture and fixtures	Assets under construction	Total Tangible Assets
	DKK'000	DKK'000	DKK'000	DKK'000
2013				
Cost per January 1	3,936	14,727	-	18,663
Additions for the year	45	-	-	45
Cost per December 31	**3,981**	**14,727**	**-**	**18,708**
Accumulated depreciation and impairment per January 1	(2,514)	(11,736)	-	(14,250)
Depreciation for the year	(517)	(1,427)	-	(1,944)
Accumulated depreciation and impairment per December 31	**(3,031)**	**(13,163)**	**-**	**(16,194)**
B/S **Carrying amount per December 31**	**950**	**1,564**	**-**	**2,514**
2012				
Cost per January 1	7,344	18,772	1,734	27,850
Additions for the year	1,161	1,124	-	2,285
Transfers between the classes	-	748	(748)	-
Disposals for the year	(4,569)	(5,917)	(986)	(11,472)
Cost per December 31	**3,936**	**14,727**	**-**	**18,663**
Accumulated depreciation and impairment per January 1	(4,923)	(15,386)	(986)	(21,295)
Depreciation for the year	(2,160)	(1,862)	-	(4,022)
Disposals for the year	4,569	5,512	986	11,067
Accumulated depreciation and impairment per December 31	**(2,514)**	**(11,736)**	**-**	**(14,250)**
B/S **Carrying amount per December 31**	**1,422**	**2,991**	**-**	**4,413**

	2013	2012
	DKK'000	DKK'000
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development costs	1,555	3,218
General and administrative expenses	389	804
Total	**1,944**	**4,022**

III Section 3 – Operating Assets and Liabilities

3.2 – Tangible Assets – Continued

§ ACCOUNTING POLICIES

Tangible assets are mainly comprised of leasehold improvements and equipment, furniture and fixtures, which are measured at cost less accumulated depreciation, and any impairment losses.

The cost is comprised of the acquisition price and direct costs related to the acquisition until the asset is ready for use. The present value of estimated liabilities related to the restoration of our offices in connection with the termination of the lease is added to the cost if the liabilities are provided for. Costs include direct costs, salary related expenses, and costs to subcontractors.

DEPRECIATION

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

The useful lives and residual values are reviewed and adjusted if appropriate on a yearly basis. Assets under construction are not depreciated.

IMPAIRMENT

If circumstances or changes in Genmab's operations indicate that the carrying amount of non-current assets in a cash-generating unit may not be recoverable, management reviews the asset for impairment.

The basis for the review is the recoverable amount of the assets, determined as the greater of the fair value less cost to sell or its value in use. Value in use is calculated as the net present value of future cash inflow generated from the asset.

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. ■

3.3 – Receivables

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
Receivables related to collaboration agreements	100,901	100,737	100,901	100,737
Receivables from subsidiaries cf. note 5.2	-	-	-	2,739
Finance lease receivables from subsidiaries	-	-	1,892	5,659
Interest receivables	12,057	14,108	12,057	14,108
Derivatives cf. note 4.2	2,693	3,387	2,693	3,387
Tax receivable	9,811	8,877	1,250	-
Other receivables	10,655	14,729	2,460	5,226
Prepayments	6,050	5,587	1,855	1,732
Transferred to assets classified as held for sale	-	(1,364)	-	-
Total	**142,167**	**146,061**	**123,108**	**133,588**
B/S Non-current receivables	6,163	9,369	1,128	5,662
B/S Current receivables	136,004	136,692	121,980	127,926
Total	**142,167**	**146,061**	**123,108**	**133,588**

GENMAB GROUP

In 2013 and 2012, overdue receivables and losses related to receivables were insignificant. The credit risk on receivables is considered to be limited. **›› For further information about the interest receivables and derivatives and related credit risk, please refer to note 4.2.**

The receivables are mainly comprised of non-interest bearing receivables which are due less than one year from the balance sheet date.

PARENT COMPANY

›› Please refer to note 5.2 for additional information regarding receivables from subsidiaries and related impairments.

III Section 3 – Operating Assets and Liabilities

3.3 – Receivables – Continued

§ ACCOUNTING POLICIES

Receivables except derivatives are designated as loans and receivables and are initially measured at fair value and subsequently 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 including analysis of capacity to pay, creditworthiness, and historical information on payment patterns and doubtful debts.

Prepayments include expenditures related to a future financial year. Prepayments are measured at nominal value. ■

3.4 – Provisions

	2013	2012
	DKK'000	DKK'000
Provisions per January 1	3,505	23,065
Additions during the year	-	7,701
Used during the year	(861)	(25,258)
Released during the year	(350)	(2,077)
Discounting	-	74
Total	**2,294**	**3,505**
B/S Non-current provisions	1,433	2,644
B/S Current provisions	861	861
Total	**2,294**	**3,505**

Provisions include mainly contractual and restoration obligations related to our lease of offices and development activities. In determining the fair value of the restoration obligation, assumptions and estimates are made in relation to discounting, the expected cost to restore the offices and the expected timing of those costs.

During 2012, an onerous contract related to our development activities was paid earlier than expected.

The major part of non-current provisions is expected to be settled in 2017.

§ ACCOUNTING POLICIES

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 management's best estimate of the expenses required to settle the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

When the group has a legal obligation to restore our office lease in connection with the termination, a provision is recognized corresponding to the present value of expected future costs.

The present value of a provision is calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense. ■

III Section 3 – Operating Assets and Liabilities

3.5 – Other Payables

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
Liabilities related to collaboration agreements	174,588	121,513	174,588	121,513
Staff costs liabilities	26,238	31,308	7,314	6,858
Other liabilities	29,813	31,829	15,748	22,340
Derivatives cf. note 4.2	480	-	480	-
Payable to subsidiaries cf. note 5.2	-	-	48,138	34,559
Accounts payable	18,614	25,519	15,483	19,632
Transferred to liabilities held for sale	-	(9,712)	-	-
Total	**249,733**	**200,457**	**261,751**	**204,902**
B/S Non-current other payables	162,713	121,513	162,713	121,513
B/S Current other payables	87,020	78,944	99,038	83,389
Total	**249,733**	**200,457**	**261,751**	**204,902**

§ ACCOUNTING POLICIES

Other payables are initially measured at fair value and subsequently measured in the balance sheet at amortized cost.

The current other payables are comprised of liabilities which are due less than one year from the balance sheet date and are in general not interest bearing and settled on an ongoing basis during the financial year.

The non-current other payables include DKK 162 million (2012: DKK 122 million), which is related to our collaboration with GSK. Such amount is equal to the present value of the liability based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The nominal amount of DKK 171 million (2012: DKK 132 million) is equal to the amount due for repayment to GSK and will be repaid starting from the beginning of 2016 via predetermined maximum deductions from the Arzerra royalty income stream due to Genmab. The liability is interest free.

Non-current payables are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the liability due to passage of time is recognized as interest expense.

STAFF COSTS LIABILITIES

Wages and salaries, social security contributions, paid leave and bonuses, and other employee benefits are recognized in the financial year in which the employee performs the associated work.

Termination benefits are recognized as an expense, when the Genmab group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment.

The group's pension plans are classified as defined contribution plans, and, accordingly, no pension obligations are recognized in the balance sheet. Costs relating to defined contribution plans are included in the income statement in the period in which they are accrued and outstanding contributions are included in other payables.

ACCOUNTS PAYABLE

Accounts payable are measured in the balance sheet at amortized cost. ■

MANAGEMENT'S JUDGMENTS AND ESTIMATES

LIABILITIES RELATED TO COLLABORATION AGREEMENTS

The recognition of the GSK partner payments associated with the oncology indications for ofatumumab is based on overviews from GSK. In advance of each quarterly closing an estimate is received from GSK showing the expected spend for the quarter. In connection with the receipt of the quarterly estimates, these are reviewed carefully by Genmab and various checks and analytic reviews are made. Additional questions are raised to GSK, if necessary. The quarterly estimates are subject to some degree of uncertainty as the estimates are made prior to the finalization of GSK accounts for the respective quarter using preliminary data of the expected costs to be incurred. As of December 31, 2013, the total amount outstanding related to the fourth quarter of 2013 amounted to DKK 56 million. Historically, the variances between the estimate and the final overviews have not been material. ■

IV Section 4 – Capital Structure, Financial Risk and Related Items

This section includes disclosures related to how Genmab manages its capital structure, cash position and related risks and items. Genmab is primarily financed through equity and partnership collaborations.

4.1 – Capital Management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and a continuous advancement of Genmab's product pipeline and business in general.

Genmab is primarily financed through equity and partnership collaboration income and had, as of December 31, 2013, a cash position of DKK 1,557 million compared to DKK 1,516 million as of December 31, 2012. The cash position supports the advancement of our overall mission and strategy to maximize our chances for success.

In 2013, Genmab received proceeds from the exercise of warrants of DKK 156 million, and in 2012 we entered into a new license agreement between Janssen and Genmab, which resulted in proceeds of approximately DKK 800 million.

On January 24, 2014 Genmab announced a capital increase of 4,600,000 in connection with a private placement. The net proceeds amounted to DKK 972 million. The potential use of the net proceeds from the transaction may include, among other things, and without limiting Genmab's discretion, the funding of:

- Clinical development of HuMax-TF-ADC (currently in a Phase I study in up to eight solid tumors)
- Progressing Genmab's pipeline of pre-clinical projects towards clinical development
- Further development of Genmab's proprietary technologies, the DuoBody platform and HexaBody platform
- Potential complimentary acquisitions of new products, technologies or businesses that would further expand Genmab's capabilities and product portfolio
- General corporate purposes to support the development of Genmab's pipeline and business

The transactions significantly improved our financial position and strength.

The adequacy of our available funds will depend on many factors, including scientific progress in our research and development programs, the magnitude of those programs, our commitments to existing and new clinical collaborators, our ability to establish commercial and licensing arrangements, our capital expenditures, market developments, and any future acquisitions. Accordingly, we may require additional funds and may attempt to raise additional funds through equity or debt financings, collaborative agreements with partners or from other sources.

The Board of Directors monitors the share and capital structure to ensure that Genmab's capital resources support the strategic goals. There was no change in the group's approach to capital management procedures in 2013.

Neither Genmab A/S nor any of its subsidiaries are subject to externally imposed capital requirements.

The Board of Directors believes Genmab will have sufficient cash to run operations for the next year. Therefore the Board of Directors has concluded that the financial statements have been prepared on a going concern basis.

4.2 – Financial Risk

The financial risks of the Genmab group are managed centrally.

The overall risk management guidelines have been approved by the Board of Directors and include the group's foreign exchange and investment policy related to our marketable securities. The group's risk management guidelines are established to identify and analyze the risks faced by the Genmab group, to set the appropriate risk limits and controls and to monitor the risks and adherence to limits. It is Genmab's policy not to actively speculate in financial risks. The group's financial risk management is directed solely against monitoring and reducing financial risks which are directly related to the group's operations.

The primary objective of Genmab's investment activities is to preserve capital and ensure liquidity with a secondary objective of maximizing the income derived from security investments without significantly increasing risk. Therefore, our investment policy includes among other items, guidelines and ranges for which investments (all of which are shorter-term in nature) are considered to be eligible investments for Genmab and which investment parameters are to be applied, including maturity limitations and credit ratings. In addition, the policy includes specific diversification criteria and investment limits to minimize the risk of loss resulting from over concentration of assets in a specific class, issuer, currency, country, or economic sector.

Currently, our marketable securities are administrated by two external Danish investment managers. The guidelines and investment managers are reviewed regularly to reflect changes in market conditions, the group's activities and financial position. In 2012, the investment policy was amended due to the proceeds received from the daratumumab agreement and to mitigate and reflect the risk associated with current market conditions. No changes have been made in 2013.

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.2 – Financial Risk – Continued

In addition to the capital management and financing risk mentioned in note 4.1, the group has identified the following key financial risk areas, which are mainly related to our marketable securities portfolio:

- credit risk;
- currency risk and;
- interest rate risk

All our marketable securities are traded in established markets. Given the current market conditions, all future cash inflows including reinvestments of proceeds from the disposal of marketable securities are invested in highly liquid and conservative investments, such as European government bonds, treasury bills from e.g. Germany, Finland, Netherlands and Denmark, and Danish mortgage bonds with high credit ratings. As such we consider the liquidity risk to be at an acceptable and low level.

CREDIT RISK

Genmab is exposed to credit risk and losses on our marketable securities, bank deposits and receivables related to derivative financial instruments. The credit risk related to our other receivables is not significant.

Marketable Securities

To manage and reduce credit risks on our securities, only securities from investment grade issuers are eligible for our portfolios. No issuer of marketable securities can be accepted if it is not assumed that the credit quality of the issuer would be at least equal to the rating shown below:

Category	S&P	Moody's	Fitch
Short-term	A-1	P-1	F-1
Long-term	A-	A3	A-

Our current portfolio is spread over a number of different securities and is conservative with a focus on liquidity and security and, as of December 31, 2013, 100% of our marketable securities had a triple A-rating from Moody's, S&P or Fitch, which was unchanged compared to December 31, 2012. The total value of marketable securities including interest receivables amounted to DKK 1,401 million compared to DKK 1,478 million at the end of 2012.

Bank Deposits

To reduce the credit risk on our bank deposits, Genmab maintains the major part of its bank deposits in large Danish and American financial institutions. Currently, these financial institutions have a short-term Fitch and S&P rating of at least F-1 and A-2, respectively. In addition, Genmab maintains limited bank deposits at a level necessary to support the short-term funding requirements of the Genmab group. The total value of bank deposits amounted to DKK 168 million as of December 31, 2013 compared to DKK 52 million at the end of 2012.

Derivative Financial Instruments

Genmab has established various derivative financial instruments under an International Swaps and Derivatives Association master agreement (see below). We are exposed to credit loss in the event of non-performance by our counterpart which is a financial institution with the following short term ratings: Fitch (F1), Moody's (P-2) and S&P (A-2). The total value of receivables related to derivative financial instruments amounted to DKK 3 million at the end of 2013 compared to DKK 3 million at the end of 2012.

CURRENCY RISK

Genmab is exposed to currency exposure, and as Genmab incurs income and expenses in a number of different currencies, the group is subject to currency risk. Increases or decreases in the exchange rate of such foreign currencies against our functional currency, the DKK, can affect the group's results and cash position negatively or positively.

The foreign subsidiaries are not significantly affected by currency risks as both income and expenses are primarily settled in the foreign subsidiaries' functional currencies.

Assets and Liabilities in Foreign Currency

The most significant cash flows of the group are GBP, DKK, EUR and USD. Overall, Genmab hedges its currency exposure primarily by matching income and expenses in the same currency and by maintaining cash positions in all major currencies. Our total marketable securities are invested in EUR (29%), DKK (70%), and USD and GBP denominated securities (1%), compared to 30%, 66%, and 4%, as of December 31, 2013 and December 31, 2012, respectively. In addition, Genmab uses hedging instruments such as derivatives and future contracts if it is deemed appropriate.

Based upon the amount of assets and liabilities denominated in EUR, USD and GBP as of December 31, 2013, a 1% change in the EUR to DKK and a 10% change in both USD to DKK exchange rate and GBP to DKK exchange rate will impact our net financial items by approximately:

MDKK	Cash Position	Receivables	Liabilities	Net Exposure	Percentage change in exchange rate**	Impact of change in exchange rate
2013						
EUR	407	21	(34)	**394**	1%	**3.9**
USD	93	52	(32)	**113**	10%	**11.3**
GBP*	39	-	(181)	**(142)**	10%	**14.2**
2012						
EUR	430	21	(42)	**409**	1%	**4.1**
USD	19	714	(14)	**719**	10%	**71.9**
GBP*	52	4	(132)	**(76)**	10%	**7.6**

* excluding impact from cash flow hedges.
** The analysis assumes that all other variables, in particular interest rates, remain constant

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.2 – Financial Risk – Continued

Accordingly, significant changes in exchange rates could cause our net result to fluctuate significantly as gains and losses are recognized in the income statement. However, despite the recent turmoil in the Eurozone, the EUR exposure, which is mainly related to our marketable securities denominated in EUR, is considered insignificant due to Denmark's fixed exchange rate policy towards EUR.

The USD currency exposure has been reduced during 2013 following the sale of the manufacturing facility as the short term intercompany loan between Genmab A/S and Genmab MN, Inc. (now Genmab US, Inc.) was contributed to capital. As of December 31, 2013, the USD currency exposure was mainly related to bank deposits and receivables related to our collaborations with Janssen.

The GBP currency exposure is mainly related to marketable securities denominated in GBP and our collaboration with GSK. The GBP securities are kept to form a natural hedge of future expenses denominated in GBP and to reduce Genmab's short-term currency exposure.

Hedging of Expected Future Cash Flows (Cash Flow Hedges)
To reduce Genmab's long term GBP/DKK currency exposure associated with the annual funding obligation of GBP 17 million under the GSK collaboration, Genmab has entered into derivative contracts to hedge the associated currency exposure for the period from 2013 to 2015. This foreign exchange hedging is carried out to minimize risks and thereby increase the predictability of the group's financial results.

The total fair value at the end of December is recognized directly in the statement of comprehensive income and will be recognized in the income statement when the yearly funding commitment is expected to be realized.

() = debt or income — 2013

Derivative	Notional amount (MGBP)	Fair value (MDKK)	Changes recognized in the income statement (MDKK)	Changes recognized under other comprehensive income (MDKK)	Maturity period
Foreign Exchange Forward Contact					
Protection: Genmab buys GBP at 8.765	17	3	-	(3)	May 2014 to November 2014
Total		**3**	**-**	**(3)**	
Capped Risk Collar					
Protection: Genmab buys GBP call option/ DKK put struck at 9.60	17	2	(2)	-	May 2015 to November 2015
Obligation: Genmab sells GBP put option/ DKK call struck at 8.40	17	(3)	3	-	May 2015 to November 2015
Risk Cap: Genmab buys GBP put option/ DKK call struck at 6.50	17	-	-	-	May 2015 to November 2015
Total		**(1)**	**1**		

() = debt or income — 2012

Capped Risk Collar	Notional amount (MGBP)	Fair value (MDKK)	Changes recognized in the income statement (MDKK)	Changes recognized under other comprehensive income (MDKK)	Maturity period
Protection: Genmab buys GBP call option/ DKK put struck at 9.60	51	10	(10)	-	May 2013 to November 2015
Obligation: Genmab sells GBP put option/ DKK call struck at 8.40	51	(7)	7	-	May 2013 to November 2015
Risk Cap: Genmab buys GBP put option/ DKK call struck at 6.50	51	-	-	-	May 2013 to November 2015
Total		**3**	**(3)**	**-**	

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.2 – Financial Risk – Continued

In 2013, the capped risk collar related to the 2013 and 2014 funding commitments was replaced by foreign exchange forward contracts. The foreign exchange forward contract and the capped risk collar contract falls due in the period from May 2013 to November 2015. The yearly funding commitment of GBP 17 million is hedged. Each year is broken into 3 expires to match anticipated timing of payment of quarterly invoices to GSK with an assumed notional split as GBP 6 million, GBP 6 million and GBP 5 million, respectively.

A 10% change in the GBP to DKK forward exchange rate will impact the valuation of the derivatives as outlined below. The analysis assumes that all other variables, in particular the volatility, remain constant.

IMPACT OF CHANGE IN EXCHANGE RATE IN MDKK

	2013			2012		
() = debt or income	-10%	Base	+10%	-10%	Base	+10%
Fair value	(23)	2	24	(22)	3	29
Income statement	1	1	(6)	10	(3)	(10)
Statement of comprehensive income	22	(3)	(18)	12	-	(19)

INTEREST RATE RISK

Genmab's exposure to interest rate risk is primarily ascribable to the marketable securities, as we currently do not have significant interest bearing debts.

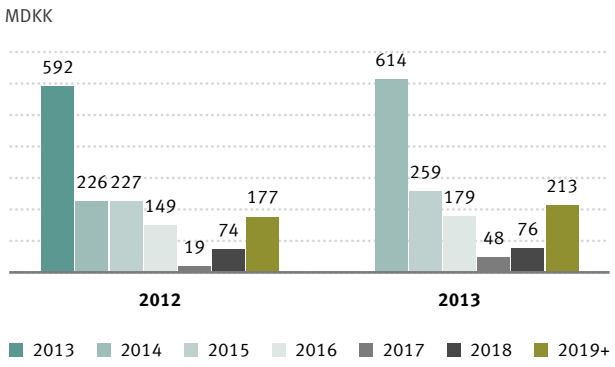
Marketable Securities

The securities in which the group has invested bear interest rate risk, as a change in market derived interest rates may cause fluctuations in the fair value of the investments. In accordance with the objective of the investment activities, the portfolio of securities is monitored on a total return basis.

To control and minimize the interest rate risk, the group maintains an investment portfolio in a variety of securities with a relatively short effective duration.

As of December 31, 2013, the portfolio has an average effective duration of approximately 1 year (2012: 1 year) and no securities have an effective duration of more than 6 years (2012: 6 years), which means that a change in the interest rates of one percentage point will cause the fair value of the securities to change by approximately 1% (2012: 1%). Due to the short-term nature of the current investments and to the extent that we are able to hold the investments to maturity, we consider our current exposure to changes in fair value due to interest rate changes to be insignificant compared to the fair value of the portfolio.

MATURITY PROFILE MARKETABLE SECURITIES



IV Section 4 – Capital Structure, Financial Risk and Related Items

4.3 – Financial Assets and Liabilities

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Category	Note	2013	2012
		DKK'000	DKK'000
Financial assets at fair value through the income statement			
Marketable securities	4.4	1,388,844	1,436,757
Cash and cash equivalents		-	27,395
Financial assets designated as hedging instruments			
Derivatives designated as cash flow hedges	3.3	2,693	3,387
Loans and receivables			
Receivables ex. prepayments	3.3	133,424	138,451
Cash and cash equivalents		168,135	39,597
Assets classified as held for sale	5.4	-	12,005
Financial liabilities designated as hedging instruments			
Derivatives designated as cash flow hedges	3.5	(480)	-
Financial liabilities measured at amortized cost			
Lease liability	5.5	(2,485)	(5,660)
Other payables	3.5	(249,253)	(200,457)
Liabilities classified as held for sale	5.4	-	(9,712)

FAIR VALUE MEASUREMENT

Marketable Securities
All fair market values are determined by reference to external sources using unadjusted quoted prices in established markets for our marketable securities (Level 1).

Derivative Financial Instruments
Genmab has entered two derivative instruments (a capped risk collar contract and a forward contract) to hedge currency exposure associated with the 2014 and 2015 annual funding obligation of GBP 17 million under the GSK collaboration. The derivatives are not traded on an active market based on quoted prices. The fair value is determined using valuation techniques that utilize market based data such as currency rates, yield curves and implied volatility (Level 2).

Finance Lease Commitments and Non-Current Other Payables (GSK)
Fair value is calculated based on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. The unobservable input is mainly related to the credit risk, which should be re-assessed if there are indications that Genmab's creditworthiness is changed (Level 3).

		2013			2012		
	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
		DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Assets Measured at Fair Value							
Marketable securities	4.4	1,388,844			1,436,757		
Receivables – derivatives	3.3		2,693			3,387	
Liabilities Measured at Fair Value							
Other payables – derivatives	3.5		(480)				
Liabilities for which Fair Value is disclosed							
Finance lease commitments	5.4			(2,475)			(5,650)
Non-current other payables (GSK)	3.5			(164,826)			(124,588)

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.3 – Financial Assets and Liabilities – Continued

§ ACCOUNTING POLICIES

CLASSIFICATION OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

In accordance with IFRS, Genmab has divided its financial assets and liabilities in the categories shown in the above overview. The classification is based on the nature, characteristics and risks of the asset and liability. The classification is re-assessed at the end of each reporting period.

Financial assets are derecognized when the rights to receive cash flow from the financial assets have expired or been transferred and the risk and reward have been substantially transferred. Financial liabilities are derecognized when the obligation is discharged, cancelled or expired.

Further details about the accounting policy for each of the categories are outlined in the respective notes.

FAIR VALUE MEASUREMENT

The Genmab group measures financial instruments, such as marketable securities and derivatives, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortized cost and assumption used are disclosed. The management assessed that financial assets and liabilities measured as amortized costs such as bank deposits, receivables and other payables (except non-current payables related to the GSK collaboration) approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

» In the principal market for the asset or liability, or
» In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Genmab group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Genmab group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

For financial instruments that are measured in the balance sheet at fair value, IFRS 13 for financial instruments requires disclosure of fair value measurements by level of the following fair value measurement hierarchy for:

» **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities
» **Level 2** – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
» **Level 3** – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Currently no financial instruments are measured and determined with reference to level 3. Level 3 fair values of financial instruments measured at amortized cost and assumption used are disclosed cf. above.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Any transfers between the different levels are carried out at the end of the reporting period. There have not been any transfers between the different levels during 2013 and 2012. ■

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.4 – Marketable Securities

	2013	2012
	DKK'000	DKK'000
Cost per January 1	1,436,910	1,025,020
Additions for the year	974,279	1,775,458
Disposals for the year	(1,012,534)	(1,363,568)
Cost per December 31	**1,398,655**	**1,436,910**
Fair value adjustment per January 1	(153)	10,402
Fair value adjustment for the year	(9,658)	(10,555)
Fair value adjustment per December 31	**(9,811)**	**(153)**
B/S Net book value per December 31	**1,388,844**	**1,436,757**
Net book value in percentage of cost	**99%**	**100%**

Specification of the securities:

	Market value 2013	Average effective duration	Share %	Market value 2012	Average effective duration	Share %
	DKK'000			DKK'000		
Kingdom of Denmark bonds and treasury bills	306,611	1.53	22%	281,280	2.06	19%
Other Danish bonds	664,369	1.27	48%	691,228	1.12	47%
DKK portfolio	**970,980**	**1.35**	**70%**	**972,508**	**1.40**	**66%**
USD portfolio						
US government and federal agency notes	-	-	-	12,619	0.29	1%
GBP portfolio						
UK government bonds and treasury bills	12,035	0.13	1%	50,212	0.07	3%
EUR portfolio						
European government bonds and treasury bills	405,829	1.21	29%	428,813	1.49	30%
Total portfolio	**1,388,844**	**1.30**	**100%**	**1,464,152**	**1.37**	**100%**
Transfered to cash and cash equivalents	-			(27,395)		
B/S Marketable securities	**1,388,844**			**1,436,757**		

YIELD

The portfolio generated a net yield of 0.3% in 2013 compared to 1.4% in 2012. The relatively low yields are mainly driven by general low market interest level for highly liquid and conservative short term securities with a low degree of risks and high credit ratings. **›› Please refer to note 4.2 for additional details on the risks related to our marketable securities.**

The total interest income amounted to DKK 29 million in 2013 compared to DKK 18 million in 2012. The increase was mainly a result of a higher average cash position.

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.4 – Marketable Securities – Continued

§ ACCOUNTING POLICIES

Marketable securities consist of investments in securities with a maturity greater than three months at the time of acquisition. Genmab invests its cash in deposits with major financial institutions, in Danish mortgage bonds, and notes issued by the Danish, European and American governments. The securities can be purchased and sold using established markets.

Genmab's portfolio of investments has been designated as financial assets at fair value through the income statement as the portfolio is managed and evaluated on a fair value basis in accordance with Genmab's investment guidelines and the information provided internally to management.

Marketable securities are initially and subsequently recognized 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. ■

4.5 – Financial Income and Expenses

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
Financial income:				
Interest and other financial income	28,613	17,827	28,446	17,499
Interest from subsidiaries	-	-	11,930	75,698
Realized and unrealized gains on fair value hedges, net	1,592	2,405	1,592	2,405
Gains on currency options including change in time value, net	-	4,795	-	4,795
Exchange rate gains, net	241	-	3,332	-
I/S **Total**	**30,446**	**25,027**	**45,300**	**100,397**
Financial expenses:				
Interest and other financial expenses	3,326	2,722	3,217	2,664
Realized and unrealized losses on marketable securities (fair value through the income statement), net	23,165	5,215	23,165	5,215
Loss on currency options including change in time value, net	7,806	-	7,806	-
Exchange rate losses, net	-	14,492	-	27,859
I/S **Total**	**34,297**	**22,429**	**34,188**	**35,738**
Net financial items	**(3,851)**	**2,598**	**11,112**	**64,659**
Interest on financial assets measured at amortized cost	182	329	11,977	75,731
Interest on financial liabilities measured at amortized cost	3,326	2,722	3,217	2,664

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.5 – Financial Income and Expenses – Continued

§ ACCOUNTING POLICIES

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 (designated as fair value through the income statement), realized gains and losses and write-downs of other securities and equity interests (designated as available-for-sale financial assets), and realized and unrealized gains and losses on derivative financial instruments.

Interest and dividend income are shown separately from gains and losses on marketable securities and other securities and equity interests.

Gains or losses relating to the ineffective portion of a cash flow hedge and changes in time value are recognized immediately in the income statement as part of the financial income or expenses.

Exchange rate adjustments of balances with foreign subsidiaries, which are considered part of the total net investment in the subsidiary, are recognized in the income statement of the parent company. ■

4.6 – Warrants

WARRANT PROGRAM

Genmab A/S has established warrant programs (equity-settled share-based payment transactions) as an incentive for all the group's employees, including those in our subsidiaries, members of the Board of Directors and members of the Executive Management.

Warrants are granted by the Board of Directors in accordance with authorizations given to it by Genmab A/S' shareholders. Warrant grants are based on the merits of the individual grantee and no employee is automatically entitled to receive warrants simply by virtue of being employed at Genmab. Warrant grants to our Board of Directors and Executive Management are subject to guidelines adopted by the general meeting.

Under the terms of the warrant programs, warrants are granted at an exercise price equal to the share price on the grant date. According to the warrant programs, the exercise price cannot be fixed at a lower price than the market price at the grant date. In connection with exercise, the warrants shall be settled with the delivery of shares in Genmab A/S. As general rule, Genmab has four pre-defined exercise windows during a year.

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

WARRANTS GRANTED FROM AUGUST 2004 UNTIL APRIL 2012

Under the August 2004 warrant program, warrants can be exercised starting from one year after the grant date. As a general rule, the warrant holder may 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 continue to be able to exercise all warrants on a regular schedule in instances where the employment relationship is terminated by Genmab without cause.

In case of a change of control event as defined in the warrant programs, the warrant holder will immediately be granted the right to exercise all of his/her warrants regardless of the fact that such warrants would otherwise only become fully vested at a later point in time. Warrant holders who are no longer employed by or affiliated with us will, however, only be entitled to exercise such percentages as would otherwise have vested under the terms of the warrant program.

WARRANTS GRANTED FROM APRIL 2012

Following the Annual General Meeting in April 2012, a new warrant program was adopted by the Board of Directors. Whereas warrants granted under the August 2004 warrant program will lapse on the tenth anniversary of the grant date, warrants granted under the new April 2012 warrant program will lapse at the seventh anniversary of the grant date. All other terms in the warrant programs are identical.

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.6 – Warrants – Continued

WARRANT ACTIVITY IN 2013 AND 2012

	Number of warrants held by the Board of Directors	Number of warrants held by the Executive Management	Number of warrants held by employees	Number of warrants held by former members of the Executive Management, Board of Directors and employees	Total outstanding warrants	Weighted average exercise price
						DKK
Outstanding at January 1, 2012	**618,675**	**1,170,000**	**853,310**	**3,671,693**	**6,313,678**	**199.20**
Granted (3 grants)	93,000	210,000	80,500	-	383,500	77.96
Exercised	-	-	-	(750)	(750)	67.50
Cancelled	-	-	(3,500)	(16,875)	(20,375)	90.42
Outstanding at December 31, 2012	**711,675**	**1,380,000**	**930,310**	**3,654,068**	**6,676,053**	**192.59**
Exercisable at year end	478,675	886,250	674,877	3,523,281	5,563,083	216.66
Exercisable warrants in the money at year end	63,750	157,500	86,873	82,625	390,748	51.16
Outstanding at January 1, 2013	**711,675**	**1,380,000**	**930,310**	**3,654,068**	**6,676,053**	**192.59**
Granted (5 grants)	100,000	192,000	204,250	-	496,250	220.59
Exercised	(5,000)	(265,000)	(65,915)	(1,111,915)	(1,447,830)	107.46
Cancelled	-	-	(15,875)	(48,750)	(64,625)	71.85
Transfers	(361,000)	-	(53,350)	414,350	-	-
Outstanding at December 31, 2013	**445,675**	**1,307,000**	**999,420**	**2,907,753**	**5,659,848**	**218.16**
Exercisable at year end	269,050	811,250	645,359	2,849,253	4,574,912	238.30
Exercisable warrants in the money at year end	136,250	481,250	247,996	752,931	1,618,427	124.55

›› Please see note 5.1 for further information about the number of warrants held by the Executive Management and the Board of Directors.

As of December 31, 2013, the Board of Directors has been authorized to grant a total of 13,071,263 (2012: 12,471,263) warrants since Genmab's inception. As of December 31, 2013, the 5,659,848 outstanding warrants amounted to 11% of the share capital (2012: 13%).

For exercised warrants in 2013 the weighted average share price at the exercise date amounted to DKK 171.06 (2012: DKK 74.30).

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.6 – Warrants – Continued

Outstanding Warrants at December 31, 2013

Exercise price	Warrants exercisable from	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Number of warrants exercisable
DKK				
26.75	December 8, 2012	3,187	7.94	1,312
31.75	October 14, 2012	41,475	7.79	17,597
40.41	June 22, 2012	268,800	7.47	106,800
45.24	April 25, 2013	21,125	5.32	875
46.74	June 2, 2011	182,250	6.42	101,000
55.85	April 6, 2012	39,750	7.30	23,000
66.60	December 9, 2011	81,700	6.94	54,200
67.50	October 14, 2011	28,975	6.79	19,600
68.65	April 21, 2011	42,938	6.30	32,750
77.00	December 9, 2010	8,000	5.94	8,000
79.25	October 9, 2013	24,750	5.77	4,875
80.55	December 5, 2013	289,000	5.93	72,250
86.00	August 3, 2005	67,887	0.59	67,887
89.50	September 22, 2005	4,000	0.73	4,000
97.00	December 1, 2005	12,375	0.92	12,375
98.00	January 31, 2014	3,250	6.08	-
101.00	August 10, 2006	66,812	1.61	66,812
114.00	June 7, 2006	188,375	1.43	188,375
116.00	April 20, 2006	6,439	1.30	6,439
129.75	October 8, 2010	125,000	5.77	125,000
130.00	December 1, 2006	9,625	1.92	9,625
147.50	April 17, 2014	28,000	6.29	-
173.00	June 21, 2007	365,532	2.47	365,532
174.00	June 17, 2010	210,500	5.46	210,500
184.00	March 2, 2007	85,321	2.16	85,321
199.00	June 12, 2014	3,000	6.45	-
210.50	April 25, 2007	34,302	2.31	34,302
224.00	September 19, 2007	118,833	2.72	118,833
225.90	December 6, 2014	428,500	6.93	-
231.50	October 10, 2014	32,500	6.78	-
234.00	April 15, 2010	68,350	5.29	68,350
234.75	December 17, 2009	36,250	4.96	36,250
246.00	June 4, 2009	187,750	4.50	187,750
254.00	April 24, 2009	640,025	4.34	640,025
272.00	October 8, 2009	487,313	4.77	487,313
326.50	October 4, 2008	151,100	3.76	151,100
329.00	December 13, 2008	90,705	3.95	90,705
330.00	December 13, 2007	61,500	2.95	61,500
352.50	June 27, 2008	784,946	3.49	784,946
364.00	April 19, 2008	329,708	3.30	329,713
218.16		**5,659,848**	**4.51**	**4,574,912**

IV Section 4 – Capital Structure, Financial Risk and Related Items

4.6 – Warrants – Continued

Outstanding Warrants at December 31, 2012

Exercise price	Warrants exercisable from	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Number of warrants exercisable
DKK				
26.75	December 8, 2012	3,750	8.94	938
31.75	October 14, 2012	47,750	8.79	11,936
40.41	June 22, 2012	347,000	8.47	86,750
45.24	April 25, 2013	27,000	6.32	-
46.74	June 2, 2011	333,000	7.42	166,750
55.85	April 6, 2012	50,000	8.30	13,625
66.60	December 9, 2011	113,250	7.94	56,750
67.50	October 14, 2011	37,250	7.79	18,500
68.65	April 21, 2011	49,250	7.30	28,374
77.00	December 9, 2010	9,500	6.94	7,125
79.25	October 9, 2013	29,500	6.77	-
80.55	December 5, 2013	325,000	6.93	-
86.00	August 3, 2005	484,537	1.59	484,537
89.50	September 22, 2005	12,650	1.73	12,650
97.00	December 1, 2005	27,125	1.92	27,125
101.00	August 10, 2006	186,266	2.61	186,266
114.00	June 7, 2006	390,050	2.43	390,050
115.00	September 21, 2006	1,975	2.72	1,975
116.00	April 20, 2006	22,314	2.30	22,314
129.75	October 8, 2010	145,496	6.77	113,813
130.00	December 1, 2006	14,813	2.92	14,813
173.00	June 21, 2007	573,970	3.47	573,970
174.00	June 17, 2010	332,000	6.46	249,250
184.00	March 2, 2007	119,820	3.16	119,820
210.50	April 25, 2007	34,300	3.31	34,300
224.00	September 19, 2007	118,833	3.72	118,833
234.00	April 15, 2010	68,350	6.29	51,315
234.75	December 17, 2009	36,251	5.96	36,251
246.00	June 4, 2009	187,751	5.50	187,751
254.00	April 24, 2009	640,025	5.34	640,025
272.00	October 8, 2009	489,313	5.77	489,313
326.50	October 4, 2008	151,100	4.76	151,100
329.00	December 13, 2008	90,705	4.95	90,705
330.00	December 13, 2007	61,500	3.95	61,500
352.50	June 27, 2008	784,944	4.49	784,944
364.00	April 19, 2008	329,715	4.30	329,715
192.59		**6,676,053**	**4.98**	**5,563,083**

V Section 5 – Other Disclosures

This section is comprised of various statutory disclosures or notes that are of secondary importance for the understanding of the Genmab group's financials. This section also includes various notes with information only related to financial statements of the Parent Company.

5.1 – Remuneration of the Board of Directors and Executive Management

The total remuneration of the Board of Directors and Executive Management is as follows:

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
Wages and salaries	18,638	17,283	3,467	4,041
Warrant compensation expenses	8,352	8,305	2,818	3,147
Defined contribution plans	1,010	930	-	-
Total	**28,000**	**26,518**	**6,285**	**7,188**

The remuneration packages for the Board of Directors and Executive Management are described below in further detail. Overall the remuneration packages are designed with the view to be and are considered to be competitive compared with other similar international biotech companies. The remuneration packages are denominated in DKK, EUR or USD. The Compensation Committee performs an annual review of the remuneration packages. All incentive and variable remuneration shall be considered and adopted at the company's annual general meeting.

In accordance with Genmab's accounting policies, cf. note 2.3 to the financial statements, warrant compensation is included in the income statement and reported in the remuneration tables in this note. Such warrant compensation expense represents a calculated theoretical value of warrants granted and does not represent actual cash compensation received by the board members. ›› Please refer to note 4.6 for information about Genmab's warrant program.

V Section 5 – Other Disclosures

5.1 – Remuneration of the Board of Directors and Executive Management – Continued

REMUNERATION TO THE BOARD OF DIRECTORS

	Purpose and link to strategy	Performance Metrics	Opportunity	Changes compared to 2012
Annual board base fee and fees for committee work	Ensure Genmab can attract qualified individuals to the Board of Directors	Any increase based on benchmarks for other similar international biotech companies	Basic board fee of USD 45,000 – Chairman of the board receives triple Committee membership fees range from USD 7,500 to USD 25,000 plus a fee per meeting of USD 1,000	Board chairman fee increased from two to three times basic fee
Warrant Compensation	Incentivize members of the Board of Directors over the longer term aligned to strategy and creation of shareholder value	Linked to Genmab's financial and strategic priorities as an incentive to increase the future value of the company but also in recognition of past contributions and accomplishments	A new member of the Board of Directors is granted up to 25,000 warrants upon election. In addition, the members of the Board of Directors may be granted up to 20,000 warrants on an annual basis dependent on the financial results of the year in question, the progress of our product pipeline, as well as specific major important events. The warrant compensation expense for 2013 of DKK 2 million shown below includes the amortization of the non-cash warrant expense relating to warrants granted over several periods, including a portion of the warrants granted in the year of the report. **›› Please refer to the "Number of warrants held" overview on page 81 for further details.**	None

	Base board fee	Fee committees	Warrant compensation expenses	2013	Base board fee	Fee committees	Warrant compensation expenses	2012
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Mats Pettersson**	561	117	613	1,291	-	-	-	-
Anders Gersel Pedersen	378	122	421	921	454	86	330	870
Burton G. Malkiel	251	162	273	686	259	202	319	780
Karsten Havkrog Pedersen***	64	29	120	213	259	112	319	690
Michael B. Widmer***	64	20	251	335	323	75	626	1,024
Hans Henrik Munch-Jensen	251	130	273	654	259	127	319	705
Toon Wilderbeek***	64	17	(165)	(84)	259	72	253	584
Daniel J. Bruno***	64	-	(79)	(15)	259	-	136	395
Tom Vink*	251	-	248	499	259	-	136	395
Nedjad Losic*	251	-	248	499	259	-	136	395
Total	**2,199**	**597**	**2,203**	**4,999**	**2,590**	**674**	**2,574**	**5,838**

* Employee elected board member.
** Elected by the Annual General Meeting in April 2013.
*** Stepped down from the Board of Directors on the Annual General Meeting in April 2013.

›› For further information about the Board of Directors please refer to the section "Board of Directors" in the Directors' Report.

V Section 5 – Other Disclosures

5.1 – Remuneration of the Board of Directors and Executive Management – Continued

REMUNERATION TO THE EXECUTIVE MANAGEMENT

	Purpose and link to strategy	Performance Metrics	Opportunity	Changes compared to 2012
Base Salary	Reflect the individual's skills and experience, role and responsibilities	Any increase based both on individual and company performance as well as benchmark analysis	Fixed	Base salary increased by 3% in local currency (2012: 3%) in line with the average increase given across the group.
Pension and other benefits	Provide a framework to save for retirement Provide customary benefits including car and telephone allowance	None	Fixed amount or percentage of base salary	None
Annual Cash Bonus	Incentivize executives to achieve key objectives on an annual basis	Achievement of predetermined and well-defined annual milestones	Maximum 60% to 100% of annual gross salaries dependent on their position. Extraordinary bonus of a maximum up to 15% of their annual gross salaries, based on the occurrence of certain special events or achievements. The bonus programs may enable the Executive Management members to earn a bonus per calendar year of up to an aggregate amount of approximately DKK 7 million (annual) and DKK 1 million (extraordinary). In 2013, the current Executive Management team received a total cash bonus of DKK 8 million (2012: DKK 6 million).	None
Warrant Compensation	Incentivize executives over the longer term aligned to strategy and creation of shareholder value	Linked to Genmab's financial and strategic priorities as an incentive to increase the future value of the company but also in recognition of past contributions and accomplishments	A new member of Executive Management is usually granted warrants upon engagement. In addition, the members of Executive Management may be granted a maximum of 150,000 warrants annually. The warrant compensation expense for 2013 of DKK 6 million shown below includes the amortization of the non-cash warrant expense relating to warrants granted over several periods, including a portion of the warrants granted in the year of the report. **›› Please refer to the "Number of warrants held" overview on page 81 for further details.**	None

V Section 5 – Other Disclosures

5.1 – Remuneration of the Board of Directors and Executive Management – Continued

	Base salary	Defined contribution plans	Other Benefits	Cash bonus	Warrant compen-sation expenses	Total Genmab Group	Parent Company*
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
2013							
Jan van de Winkel	5,065	866	243	5,653	3,482	15,309	855
David A. Eatwell	2,854	144	-	2,027	2,667	7,692	431
Total	**7,919**	**1,010**	**243**	**7,680**	**6,149**	**23,001**	**1,286**
2012							
Jan van de Winkel	4,925	787	243	4,483	3,239	13,677	816
David A. Eatwell	2,829	143	-	1,539	2,492	7,003	534
Total	**7,754**	**930**	**243**	**6,022**	**5,731**	**20,680**	**1,350**

* Included base salary and other remuneration of DKK 0.7 million (2012: DKK 0.8 million) and warrant compensation expenses of DKK 0.6 million (2012: DKK 0.6 million).

›› For further information about the Executive Management, please refer to the section "Senior Leadership Team" in the Directors' Report.

Severance Payments:
In the event Genmab terminates the service agreements with each member of the Executive Management team without cause, Genmab is obliged to pay the Executive Officer his existing salary for one or two years after the end of the one year notice period. In case of the termination of the service agreements of the Executive Management without cause, the total impact on our financial position is estimated to approximately DKK 29 million as of December 31, 2013 (2012: DKK 26 million).

The severance payments follows the Committee on Corporate Governance's recommendations of May 2013 which recommend that termination payments should not amount to more than two years' annual remuneration.

›› Please refer to note 5.6 regarding the potential impact in the event of change of control of Genmab.

NUMBER OF ORDINARY SHARES OWNED AND WARRANTS HELD

Number of ordinary shares owned	December 31, 2012	Acquired	Sold	December 31, 2013	Market value DKK'000*
Board of Directors					
Mats Pettersson	-	-	-	-	-
Anders Gersel Pedersen	-	-	-	-	-
Burton G. Malkiel	-	5,000	-	5,000	1,060
Hans Henrik Munch-Jensen	300	-	-	300	64
Tom Vink	-	-	-	-	-
Nedjad Losic	800	-	-	800	170
	1,100	**5,000**	**-**	**6,100**	**1,294**
Executive Management					
Jan van de Winkel	230,000	265,000	-	495,000	104,940
David A. Eatwell	-	-	-	-	-
	230,000	**265,000**	**-**	**495,000**	**104,940**
Total	**231,100**	**270,000**	**-**	**501,100**	**106,234**

* Market value is based on the closing price of the parent company's shares on the NASDAQ OMX Copenhagen at the balance sheet date or the last trading day prior to the balance sheet date.

V Section 5 – Other Disclosures

5.1 – Remuneration of the Board of Directors and Executive Management – Continued

Number of warrants held	December 31, 2012	Granted	Exercised	Transfers	December 31, 2013	Black & Scholes value warrants granted in 2013	Weighted average exercise price outstanding warrants
						DKK	DKK
Board of Directors							
Mats Pettersson	-	45,000	-	-	45,000	3,459,550	182.34
Anders Gersel Pedersen	107,500	10,000	-	-	117,500	937,900	164.68
Burton G. Malkiel	88,500	10,000	(5,000)	-	93,500	937,900	245.22
Karsten Havkrog Pedersen	98,500	-	-	(98,500)	-	-	-
Michael B. Widmer	188,000	-	-	(188,000)	-	-	-
Hans Henrik Munch-Jensen	88,500	10,000	-	-	98,500	937,900	234.82
Toon Wilderbeek	34,000	-	-	(34,000)	-	-	-
Daniel J. Bruno	40,500	-	-	(40,500)	-	-	-
Tom Vink	29,425	10,000	-	-	39,425	937,900	107.63
Nedjad Losic	36,750	15,000	-	-	51,750	1,406,850	112.29
	711,675	**100,000**	**(5,000)**	**(361,000)**	**445,675**	**8,618,000**	**187.73**
Executive Management							
Jan van de Winkel	930,000	120,000	(265,000)	-	785,000	11,254,800	186.52
David A. Eatwell	450,000	72,000	-	-	522,000	6,752,880	134.10
	1,380,000	**192,000**	**(265,000)**	**-**	**1,307,000**	**18,007,680**	**165.58**
Total	**2,091,675**	**292,000**	**(270,000)**	**(361,000)**	**1,752,675**	**26,625,680**	**171.22**

In March, May and August 2013, Dr. Jan van de Winkel acquired 100,000, 115,000, and 50,000 shares, respectively, in connection with an exercise of warrants. This brought Jan van de Winkel's personal holding of shares in Genmab A/S from 230,000 to 495,000 shares. In addition, board member Burton G. Malkiel acquired 5,000 shares in connection with an exercise of warrants. Following the warrant exercise Burton G. Malkiel's personal holding of shares in Genmab A/S consists of 5,000 shares.

Following Genmab A/S' Annual General Meeting on April 17, 2013, the Board of Directors is comprised of 4 independent directors and 2 employee-elected directors. Dr. Anders Gersel Pedersen and Dr. Burton G. Malkiel were re-elected to the Board of Directors for a one year period. Mats Pettersson was elected to the Board of Directors for a one year period. The employee-elected board members Tom Vink and Nedjad Losic were re-elected to the Board of Directors for a three year period. The Board of Directors convened and constituted itself with Mr. Pettersson as Chairman and Dr. Pedersen as Deputy Chairman. Upon election to the Board of Directors Mats Pettersson was granted 25,000 warrants.

Michael Widmer, Toon Wilderbeek, Karsten Havkrog Pedersen and Daniel Bruno (employee-elected) stepped down from the Board of Directors. The reclassification of their shares and warrants is shown in the transfer column in the table above.

V Section 5 – Other Disclosures

5.2 – Related Party Disclosures

Genmab's related parties are:

- the parent company's subsidiaries
- companies in which members of the parent company's Board of Directors, Executive Management, and close members of the family of these persons exercise significant influence
- the parent company's Board of Directors, Executive Management, and close members of the family of these persons.

THE PARENT COMPANY'S TRANSACTIONS WITH SUBSIDIARIES

Genmab B.V. and Genmab US, Inc. are 100% owned subsidiaries of Genmab A/S and are included in the consolidated financial statements. They primarily perform research and development activities on behalf of the parent company. All intercompany transactions have been eliminated in the consolidated financial statements of the Genmab group.

	PARENT COMPANY	
	2013	**2012**
	DKK'000	DKK'000
Transactions with subsidiaries:		
Income statement:		
Income related to transfer of license	-	33,572
Service fee income	1,601	-
Service fee costs	(162,489)	(166,502)
Financial income	11,930	75,698
Balances with subsidiaries:		
Non-current receivables:		
Nominal value	-	879,053
Impairment*	-	(877,161)
Non-current receivables	**-**	**1,892**
Current receivables:		
Nominal value	1,892	658,003
Impairment*	-	(651,497)
Current receivables	**1,892**	**6,506**
Other current payables	(48,138)	(34,559)

* Following the sale of the manufacturing facility, the loans granted to Genmab MN, Inc. (now Genmab US, Inc.) were contributed to capital. The previous impairments related to the loans have been transferred to the equity investment. ›› Please refer to note 5.3 for further details.

Genmab A/S have placed at each subsidiary's disposal a credit facility (denominated in local currency) that the subsidiary may use to draw from in order to secure the necessary funding of its activities.

COMPANIES IN WHICH MEMBERS OF THE PARENT COMPANY'S BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT, AND CLOSE MEMBERS OF THE FAMILY OF THESE PERSONS EXERCISE SIGNIFICANT INFLUENCE

In 2010 we entered into a collaboration with Lundbeck under which Genmab will create novel human antibodies to three targets identified by Lundbeck. As Deputy Chairman Anders Gersel Pedersen is a member of Lundbeck's executive management, Lundbeck is considered a related party.

Under the terms of the agreement, Genmab received an upfront payment of EUR 7.5 million (DKK 56 million at the date of the agreement) in 2010. The upfront payment was deferred and recognized in the income statement as revenue on a straight line basis over a three year period.

Lundbeck is funding the development of the antibodies and during 2013 and 2012, the income (reimbursement of costs and milestone payments) from the collaboration was DKK 18 million and DKK 36 million, respectively. The amount is included in revenue.

As of December 31, 2013, Lundbeck owed Genmab DKK 15 million (2012: DKK 13 million). The amount is included in receivables.

THE GROUP'S TRANSACTIONS WITH THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Genmab has not granted any loans, guarantees, or other commitments to or on behalf of any of the members in the Board of Directors or Executive Management.

Other than the remuneration and other transactions relating to the Board of Directors and Executive Management described in note 5.1, no other significant transactions have taken place with the Board of Directors or the Executive Management during 2012 and 2013.

V Section 5 – Other Disclosures

5.3 – Equity Interests in Subsidiaries

Genmab A/S (parent company) holds investments in the following subsidiaries:

Name	Domicile	Ownership and votes 2013	Ownership and votes 2012
Genmab B.V.	Utrecht, the Netherlands	100%	100%
Genmab US, Inc.*	New Jersey, USA	100%	-
Genmab MN, Inc.*	Minnesota, USA	-	100%
Genmab, Inc.*	New Jersey, USA	-	100%

* Following the sale of our manufacturing facility, Genmab merged its two US subsidiaries, Genmab, Inc. and Genmab MN, Inc., into one legal entity, effective April 1, 2013. The surviving legal entity was named Genmab US, Inc. and all future business operations in the US will be conducted under this name.

In 2012, an impairment of DKK 429 million related to the manufacturing facility owned by Genmab MN, Inc. (now Genmab US, Inc.) was recognized mainly due to a change of the fair value of the manufacturing facility. The impairments were allocated to intercompany loans with Genmab US, Inc. The investment related to the subsidiary was written down in 2009, and in 2011 it was written down to zero. The facility was sold in 2013.

Investments in subsidiaries are subject to a yearly assessment by the group's management for impairment indications and, if necessary, an impairment test is carried out. As mentioned in note 5.2 the loans granted to Genmab US, Inc. were contributed to capital. The previous impairments related to the loans have been transferred to the equity investment. The total net impact in 2013 is DKK 26 million (income) following the sale of the facility.

The impairment and income are included in discontinued operation in the financial statements of the parent company.

	PARENT COMPANY	
	2013	2012
	DKK'000	DKK'000
Cost per January 1	506,856	466,557
Additions for the year	1,561,708	40,299
Cost per December 31	**2,068,564**	**506,856**
Impairment per January 1	(426,285)	(426,123)
Impairment for the year	(1,502,483)	(162)
Impairment per December 31	**(1,928,768)**	**(426,285)**
B/S **Carrying amount per December 31**	**139,796**	**80,571**

§ ACCOUNTING POLICIES

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. The cost is written down to the recoverable amount if this is lower.

Distributions from the investment are recognized as income when declared, if any. An impairment test is performed if a distribution exceeds the current period's comprehensive income or the subsidiary exceeds the carrying amount of the net assets of the subsidiary in the consolidated financial statements. ■

V Section 5 – Other Disclosures

5.4 – Assets Held for Sale and Discontinued Operation

In November 2009, we announced a reorganization plan which included the intention to sell Genmab's manufacturing facility located in Brooklyn Park, Minnesota, USA. The facility was sold in 2013.

	2013	2012
	DKK'000	DKK'000
Net result of discontinued operation		
Expenses	(10,260)	(44,740)
	(10,260)	**(44,740)**
Gain on disposal of asset held for sale	52,489	-
Impairments to fair value less cost to sell	-	(330,913)
Operating result	**42,229**	**(375,653)**
Financial income, net	7	11
Net result before tax	**42,236**	**(375,642)**
Corporate tax	(29)	(28)
I/S **Net result**	**42,207**	**(375,670)**
Basic net result per share discontinued operation	0.82	(8.16)
Diluted net result per share discontinued operation	0.81	(8.16)
Net cash flows from discontinued operation		
Net cash flows from operating activities	(18,887)	(42,025)
Net cash flows from investing activities	52,489	-
Net cash flows from discontinued operation	**33,602**	**(42,025)**
Assets and liabilities classified as held for sale		
Receivables	-	1,364
Cash and cash equivalents	-	12,005
B/S **Assets classified as held for sale**	**-**	**13,369**
Other payables	-	(9,712)
B/S **Liabilities classified as held for sale**	**-**	**(9,712)**
Net assets in discontinued operation	**-**	**3,657**

In December 2012, the fair value of the facility less cost to sell was reduced from USD 58 million to zero, resulting in the recognition of a non-cash impairment charge of approximately DKK 331 million. The above was included in the result of the discontinued operation. The total impairment was allocated on a pro rata basis on the respective carrying amounts of the facility's non-current assets and was allocated as follows:

MDKK	2013	2012
Land and buildings	-	270
Manufacturing equipment	-	57
Equipment, furniture, and fixtures	-	4
Total impairment	**-**	**331**

›› Please refer to note 5.3 for information regarding the impairment related to the financial statements of the parent company.

The facility was sold in February 2013 to Baxter for USD 10 million (approximately DKK 57 million) in cash less sales related costs, resulting in a gain of DKK 52 million, which was recognized in 2013.

After a short transition period, following the sale of the manufacturing facility, Baxter offered employment to the 23 employees who had supported the facility. The transition period was completed at the end of March 2013, and all transition costs were paid by Baxter.

The remaining cash position within the discontinued operations has been included in continuing operations since the second quarter of 2013.

V Section 5 – Other Disclosures

5.4 – Assets Held for Sale and Discontinued Operation – Continued

ACCOUNTING POLICIES

ASSETS HELD FOR SALE

Assets or disposal groups comprising assets and liabilities, which upon initial recognition, are expected to be recovered primarily through sale within 12 months rather than through continuing use, are classified as held for sale.

Events or circumstances may extend the period to complete the sale beyond 12 months. An extension of the period required to complete a sale does not preclude an asset or disposal groups from being classified as held for sale if the delay is caused by events or circumstances beyond Genmab's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset.

Immediately before classification as held for sale, the assets or components of a disposal group are re-measured in accordance with the group's accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

Assets classified as held for sale are not amortized or depreciated.

Any impairment loss on a disposal group is initially allocated to goodwill and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, or deferred tax assets that continue to be measured in accordance with the group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the income statement and are disclosed in the notes.

Assets classified as held for sale and related liabilities are presented separately in the balance sheet as current assets and liabilities. Comparative figures are not represented.

DISCONTINUED OPERATION

A discontinued operation is a component of the group's business that represents a separate major line of business that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the results of the discontinued operation are presented separately from continuing operations in the income statement. The comparative income statement information is re-classified for discontinued operations in a separate line item as if the operation had been discontinued from the start of the comparative period.

Additional information regarding discontinued operations is disclosed in the notes and includes among other items a split into revenue, expenses and pre-tax profit or loss of discontinued operations, the impairment, and the gain or loss recognized on the measurement to fair value less cost to sell or on the disposal. In addition, related cash flow information is disclosed. ■

MANAGEMENT'S JUDGMENTS AND ESTIMATES

As mentioned above, the facility was sold for USD 10 million less sales related costs in February 2013. As of December 31, 2012, the fair value less cost to sell was zero and determined based on uncertain market conditions. As no binding sales agreements were entered into and as the Brooklyn Park facility was not considered to be traded in an active market due to its very specialized nature, the fair value less cost to sell was associated with a certain amount of uncertainty and judgment. The fair value less cost to sell and impairment was based on the best information available.

As of December 31, 2012, the sale process was active and Genmab therefore classified the facility as held for sale and as a discontinued operation in accordance with IFRS. ■

V Section 5 – Other Disclosures

5.5 – Commitments

GUARANTEES AND COLLATERALS

The group has, through a bank deposit, established a bank guarantee of DKK 3 million (2012: DKK 3 million) relating to the lease of an office building. In the separate financial statements of the parent company, no such guarantees have been established.

OPERATING LEASES

The group has entered into operating lease agreements with respect to office space and office equipment. The leases are non-cancelable for various periods up to 2017.

Future minimum payments under our operating leases as of December 31, 2013, are as follows:

	GENMAB GROUP		PARENT COMPANY	
	2013	**2012**	**2013**	**2012**
	DKK'000	DKK'000	DKK'000	DKK'000
Payment due				
Within 1 year	11,864	13,937	2,578	2,537
From 1 to 5 years	24,820	36,374	6,407	9,456
Total	**36,684**	**50,311**	**8,985**	**11,993**
Expenses recognized in the income statement	12,459	19,427	2,402	8,090

FINANCE LEASES

The parent company and the group have entered into finance lease contracts, primarily with respect to laboratory equipment. A part of the finance lease contracts in the Dutch subsidiary (lessee) have been entered into by Genmab A/S (lessor).

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 2 million (2012: DKK 6 million). 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.

The average effective interest rate in the parent company's and the group's lease arrangements is approximately 4% (2012: 4%).

Future minimum lease payments under such finance leases and the net present value are as follows:

	GENMAB GROUP		PARENT COMPANY	
	2013	**2012**	**2013**	**2012**
	DKK'000	DKK'000	DKK'000	DKK'000
Minimum lease payments				
Within 1 year	2,148	3,946	1,911	3,946
From 1 to 5 years	356	1,911	-	1,911
	2,504	**5,857**	**1,911**	**5,857**
Future finance charges	(19)	(197)	(19)	(197)
Total	**2,485**	**5,660**	**1,892**	**5,660**
Net present value of future payments				
B/S Within 1 year	2,129	3,768	1,892	3,768
B/S From 1 to 5 years	356	1,892	-	1,892
Total	**2,485**	**5,660**	**1,892**	**5,660**

V Section 5 – Other Disclosures

5.5 – Commitments – Continued

FINANCIAL OBLIGATIONS UNDER COLLABORATION AGREEMENTS

In December 2006, we granted exclusive worldwide rights to co-develop and commercialize ofatumumab to GSK. In July 2010, GSK and Genmab announced an amendment to the ofatumumab agreement. Under the terms of the amendment, GSK has taken responsibility for developing ofatumumab in autoimmune indications whilst continuing to jointly develop ofatumumab with Genmab in oncology indications.

Genmab's funding obligations for the development of ofatumumab in oncology indications is capped at a total of GBP 145 million (DKK 1,314 million at the date of the agreement), including a yearly cash funding cap of GBP 17 million (DKK 154 million at the date of the agreement) for the six year period beginning January 1, 2010 and ending December 31, 2015. As of December 31, 2013, Genmab had funded in total GBP 87 million.

OTHER PURCHASE OBLIGATIONS

The parent company and the group have entered into a number of agreements primarily related to research and development activities carried out by Genmab. Under the current development plans, the contractual obligations amounted to DKK 103 million (2012: DKK 112 million). In the parent company, the contractual obligations amounted to DKK 103 million (2012: DKK 112 million).

§ ACCOUNTING POLICIES

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 over the lease term. The total lease commitment under operating leases is disclosed in the notes to the financial statements. ■

5.6 – Contingent Assets, Contingent Liabilities and Subsequent Events

CONTINGENT ASSETS AND LIABILITIES

License and Collaboration Agreements

We are entitled to potential milestone payments and royalties on successful commercialization of products developed under license and collaboration agreements with our partners. Since the size and timing of such payments are uncertain until the milestones are reached, the agreements may qualify as contingent assets. However, it is impossible 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 Genmab has entered into, once a product is developed and commercialized, Genmab may be required to make milestone and royalty payments e.g. to Medarex/Bristol-Myers Squibb. It is impossible to measure the value of such future payments, but Genmab expects to generate future income from such products which will exceed any milestone and royalty payments due, and accordingly no such liabilities have been recognized.

Derivative Financial Instruments

Genmab has entered into various derivative financial instruments – see note 4.2 – under an International Swaps and Derivatives Association master agreement. The master agreement with Genmab's financial institution counterparty also includes a credit support annex which contains provisions that require Genmab to post collateral should the value of the derivative liabilities exceed DKK 50 million (2012: DKK 26 million). As of December 31, 2013 and 2012, Genmab has not been required to post any collateral.

In addition, the agreement requires Genmab to maintain a cash position of DKK 258.5 million at all times or the counterparty has the right to terminate the agreement. Upon termination, the DKK 50 million (2012: DKK 26 million) threshold amount is no longer applicable and the value of the derivative liability, if any, could be due to the counterparty upon request.

Change of Control

In the event of a change of control, change of control clauses are included in the some of our collaboration, development and license agreements as well as in service agreements for certain employees.

COLLABORATION, DEVELOPMENT AND LICENSE AGREEMENTS

We have entered into collaboration, development and license agreements with external parties, which may be subject to renegotiation in case of a change of control event in Genmab A/S. However, any changes in the agreements are not expected to have significant influence on our financial position.

SERVICE AGREEMENTS WITH EXECUTIVE MANAGEMENT AND EMPLOYEES

The service agreements with each member of the Executive Management may be terminated by Genmab with no less than 12 months' notice and by the member of the Executive Management with no less than six months' notice. In the event of a change of control of Genmab, the termination notice due to the member of the Executive Management is extended to 24 months. In the event of termination by

V Section 5 – Other Disclosures

5.6 – Contingent Assets, Contingent Liabilities and Subsequent Events – Continued

Genmab (unless for cause) or by a member of Executive Management as a result of a change of control of Genmab, Genmab is obliged to pay a member of Executive Management a compensation equal to his existing total salary (including benefits) for up to two years in addition to the notice period. In case of a change of control event and the termination of service agreements of the Executive Management, the total impact on our financial position is estimated to approximately DKK 67 million as of December 31, 2013 (2012: DKK 60 million).

In addition, Genmab has entered into service agreements with 26 (2012: 26) current employees according to which Genmab may become obliged to compensate the employees in connection with a change of control of Genmab. If Genmab as a result of a change of control terminates the service agreement without cause, or changes the working conditions to the detriment of the employee, the employee shall be entitled to terminate the employment relationship without further cause with one month's notice in which case Genmab shall pay the employee a compensation equal to one or two times the employee's existing annual salary (including benefits).

In case of the change of control event and the termination of all 26 service agreements the total impact on our financial position is estimated to approximately DKK 64 million as of December 31, 2013 (2012: DKK 62 million).

With respect to change of control clauses related to warrants granted to the Executive Management and employees, please refer to note 4.6. As of December 31, 2013, a change of control event and the termination of all impacted service agreements are, in relation to warrants, not expected to have a significant impact on our financial position.

Declaratory Relief Complaint for Patent Infringement under Patent Based on Manufacture, Marketing and Sale of Arzerra

The US Court of Appeals for the Federal Circuit upheld the US District Court's judgment in favor of GSK in a patent infringement case involving Arzerra brought against GSK by Genentech and Biogen Idec. Subsequently, Genentech and Biogen Idec filed a request for a re-hearing en banc (i.e. before all judges in the court). This request was denied by the US Court of Appeals and the lawsuit is now over as Genentech and Biogen Idec have not requested further review by the Supreme Court.

SUBSEQUENT EVENTS

Subsequent to the balance sheet date, in January 2014, Genmab raised gross proceeds of DKK 998 million from a private placement of 4,600,000 new shares.

No other events that could significantly affect the financial statements as of December 31, 2013 have occurred.

§ ACCOUNTING POLICIES

CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are assets and liabilities that arose from past events but whose existence will only be confirmed by the occurrence or non-occurrence of future events that are beyond Genmab's control.

Contingent assets and liabilities are not to be recognized in the financial statements, but are disclosed in the notes. ■

5.7 – Fees to Auditors Appointed at the Annual General Meeting

	GENMAB GROUP		PARENT COMPANY	
	2013	2012	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000
PricewaterhouseCoopers				
Audit services	1,230	1,208	833	881
Audit-related services	162	609	162	609
Tax and VAT services	1,209	333	1,072	185
Other services	32	-	32	-
Total	**2,633**	**2,150**	**2,099**	**1,675**

V Section 5 – Other Disclosures

5.8 – Adjustments to Cash Flow Statement

		GENMAB GROUP		PARENT COMPANY	
	Note	2013	2012	2013	2012
		DKK'000	DKK'000	DKK'000	DKK'000
Adjustments for non-cash transactions:					
Depreciation and amortization	3.1, 3.2	11,664	15,111	2,126	4,022
Impairment loss	5.4	-	330,913	-	-
Impairment of Genmab MN, Inc. (now Genmab US, Inc.)	5.3	-	-	(26,173)	429,403
Net loss (gain) on sale of equipment		(52,367)	(229)	-	(190)
Warrant compensation expenses	2.3, 4.6	11,566	11,999	4,580	5,271
Provisions		(350)	5,159	(350)	5,624
Total		**(29,487)**	**362,953**	**(19,817)**	**444,130**
Changes in working capital:					
Receivables		(917)	(47,033)	(1,814)	(56,088)
Provisions paid		(861)	(25,403)	(861)	(25,258)
Deferred income		(272,873)	227,145	(272,873)	227,145
Other payables		34,494	20,743	37,974	24,430
Total		**(240,157)**	**175,452**	**(237,574)**	**170,229**

Directors' and Management's Statement on the Annual Report

Today the Board of Directors and Executive Management have discussed and approved the annual report of Genmab A/S for the financial year 1 January to 31 December 2013.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2013 and of the results of the group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2013.

In our opinion the Directors' Report includes a true and fair review about the development in the group's and the parent company's operations and financial matters, the results for the year and the parent company's financial position, and the position as a whole for the entities included in the consolidated financial statements, as well as a review of the more significant risks and uncertainties faced by the group and the parent company.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, March 4, 2014

EXECUTIVE MANAGEMENT

Jan van de Winkel
(President & CEO)

David A. Eatwell
(Executive Vice President & CFO)

BOARD OF DIRECTORS

Mats Pettersson
(Chairman)

Anders Gersel Pedersen
(Deputy Chairman)

Burton G. Malkiel

Hans Henrik Munch-Jensen

Tom Vink
(Employee elected)

Nedjad Losic
(Employee elected)

Independent Auditor's Report

TO THE SHAREHOLDERS OF GENMAB A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the parent company financial statements of Genmab A/S for the financial year 1 January to 31 December 2013 pages 38-89, which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and Notes, including summary of significant accounting policies, for the group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of the consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the consolidated financial statements and the parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2013 and of the results of the group's and parent company's operations and cash flows for the financial year 1 January to 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on Directors' Report

We have read the Directors' Report pages 2-37 in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit performed of the consolidated financial statements and the parent company financial statements. On this basis, in our opinion, the information provided in the Directors' Report is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, March 4, 2014

PRICEWATERHOUSECOOPERS
Statsautoriseret Revisionspartnerselskab

Torben Jensen
State Authorized
Public Accountant

Allan Knudsen
State Authorized
Public Accountant

Glossary

ADC	Antibody-drug conjugate. Monoclonal antibodies with potent cytotoxic agents (toxins) coupled to them.
Antigen	Immunogen. Any substance that is specifically bound by an antibody.
B-cell	White blood cell type also known as a B-Lymphocyte.
Bispecific antibody	An antibody in which the two binding regions are not identical, with each region directed against a different molecule or different site on the same molecule.
BLA	Biologic License Application. A submission to apply for marketing approval from the FDA which contains specific information on the manufacturing processes, chemistry, pharmacology, clinical pharmacology and the medical effects of a biologic product.
Breakthrough Therapy Designation	FDA program intended to expedite development of drugs to treat serious and life-threatening medical conditions when preliminary clinical evidence demonstrates that a drug may have substantial improvement over available therapies.
Cytotoxicity	The ability to kill cells.
Epitope	The surface portion of an antigen capable of eliciting an immune response and of combining with an antibody produced to counter that response.
Fast Track Designation	FDA designation intended to facilitate development and expedite review of therapeutics for treatment of a serious life threatening condition and to address unmet medical needs.
Lymphoma	Cancer of white blood cells.
Monoclonal	Derived from a single cell.
Monotherapy	Treatment of a medical condition by use of a single drug.
Orphan Drug Designation	Special regulations established by FDA and EMA for drugs being developed to treat rare diseases or conditions affecting relatively low numbers of patients. Orphan Drug Designation provides access to protocol assistance from regulatory agencies and up to seven years of market exclusivity in the US, or ten years in the EU after the drug is approved.
PDUFA	Prescription Drug User Fee Act. US legislation authorizing FDA to collect fees from companies that produce certain drugs. A PDUFA date is the date by which the FDA aims to complete its review of a drug application.
Phase I, Phase II, Phase III, Phase IV Study	Types of clinical studies to investigate new drugs, with Phase I being a small study with healthy patients, Phase II intending to treat a larger number of patients with a specific disease and Phase III being a larger study potentially used as a basis for obtaining drug approval. Phase IV studies are conducted following drug approval.
Placebo	Compound having no pharmacological effect.
Priority Review	FDA designation is used for drugs that, if approved, would be significant improvements in the safety or effectiveness of the treatment, diagnosis, or prevention of serious conditions when compared to standard applications.
Target	A substance identified as potentially of interest for use in the creation of an antibody.
Transgenic mouse	A mouse carrying a transgene, a gene introduced into replicating cells, so that it is transmitted across future generations of replicating cells.

Forward Looking Statement

This annual report contains forward looking statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward looking statements. Actual results or performance may differ materially from any future results or performance expressed or implied by such statements. The important factors that could cause our actual results or performance to differ materially include, among others, risks associated with 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. For a further discussion of these risks, please refer to the section “Risk Management” in this annual report. Genmab does not undertake any obligation to update or revise forward looking statements in this annual report nor to confirm such statements in relation to actual results, unless required by law.

Design and graphic production: meyer & bukdahl as

About Genmab A/S

Genmab is a publicly traded, international biotechnology company specializing in the creation and development of differentiated human antibody therapeutics for the treatment of cancer. Founded in 1999, the company's first marketed antibody, ofatumumab (Arzerra®), was approved to treat chronic lymphocytic leukemia in patients who are refractory to fludarabine and alemtuzumab after less than eight years in development. Genmab's validated and next generation antibody technologies are expected to provide a steady stream of future product candidates. Partnering of innovative product candidates and technologies is a key focus of Genmab's strategy and the company has alliances with top tier pharmaceutical and biotechnology companies.
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