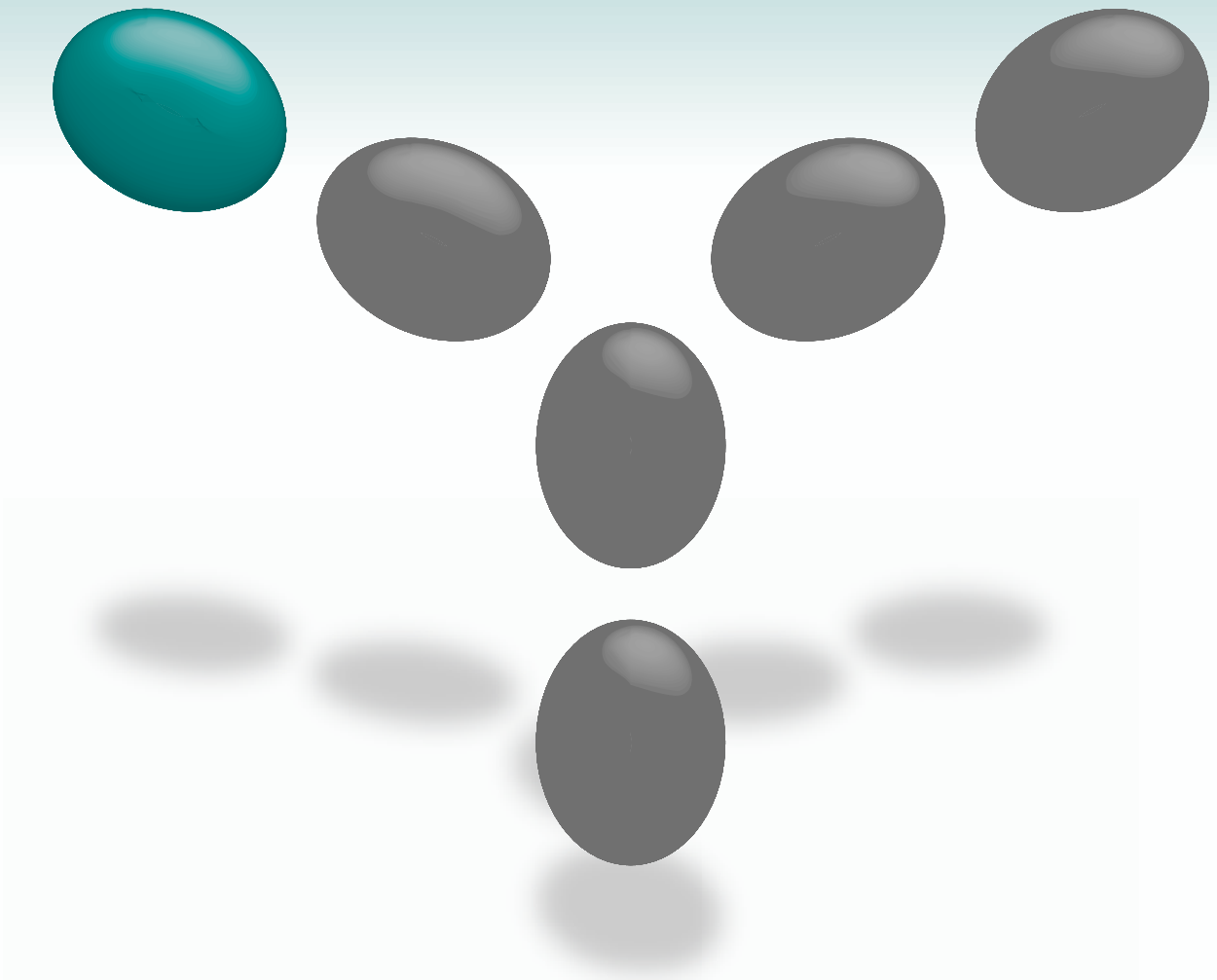


Genmab

2004 Annual Report

Global biotechnology company – locations in Europe and the US

A broad product portfolio

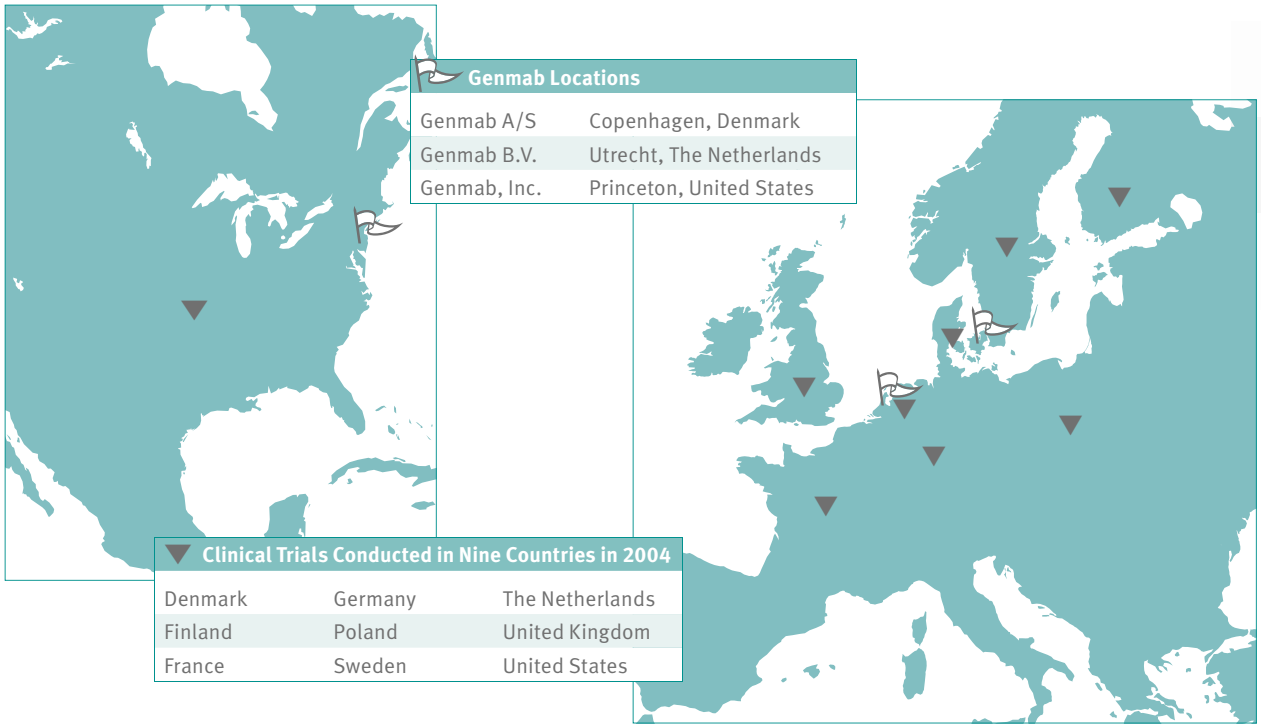
Five antibodies in clinical trials; two achieved proof of concept

More than ten product candidates in pre-clinical development

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

Strong financial position with DKK 1.158 billion (USD 212 million)

Contents



Product Pipeline

Product	Pre-Clinical	Phase I/II	Phase II	Phase III	Highlights 2004
HuMax-CD4™	Cutaneous T-Cell Lymphoma				• Awarded Fast Track status to treat CTCL • Received Orphan Drug designation to treat MF • Positive efficacy and duration of response data from extended Phase II CTCL studies • Initiated Phase II clinical trial to treat non-cutaneous T-cell lymphoma
	Non-Cutaneous T-Cell Lymphoma				
AMG 714	Rheumatoid Arthritis				• Positive interim data from Phase II RA trial
HuMax™-CD20	Non-Hodgkin's Lymphoma				• Encouraging data from Phase I/II NHL study • IND accepted and clinical trials initiated to treat CLL • Awarded Fast Track status for CLL • IND accepted to initiate RA clinical trials
	Chronic Lymphocytic Leukemia				
	Rheumatoid Arthritis				
HuMax-EGFr	Head and Neck Cancer				• Encouraging interim safety and efficacy data from Phase I/II clinical study for head and neck cancer
HuMax-Inflam	Inflammation				• Promising safety and efficacy data from Phase I/II autoimmune disease trial
HuMax-TAC	Organ Transplant Rejection				
HuMax-HepC	Hepatitis C Virus Reinfection				

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholder,

At Genmab, we are dedicated to setting high goals for ourselves and striving to achieve them. We are inspired by the opportunity to develop urgently needed therapeutic products to serve patients with serious medical needs and to build a strong, successful company at the same time.

2004 was an exciting year of productivity and growth for Genmab in every business area. We announced positive news from all five of our products in the clinic and expanded the potential indications of some existing products with new clinical studies. Our researchers published and presented important scientific data. We achieved new milestones in our corporate collaborations building upon our previous successes. Furthermore, we increased the company's financial backing to help sustain our growth and progress. As we move into 2005, we are striving to continue generating valuable clinical results, moving our antibodies forward through the development process and closer to the market.

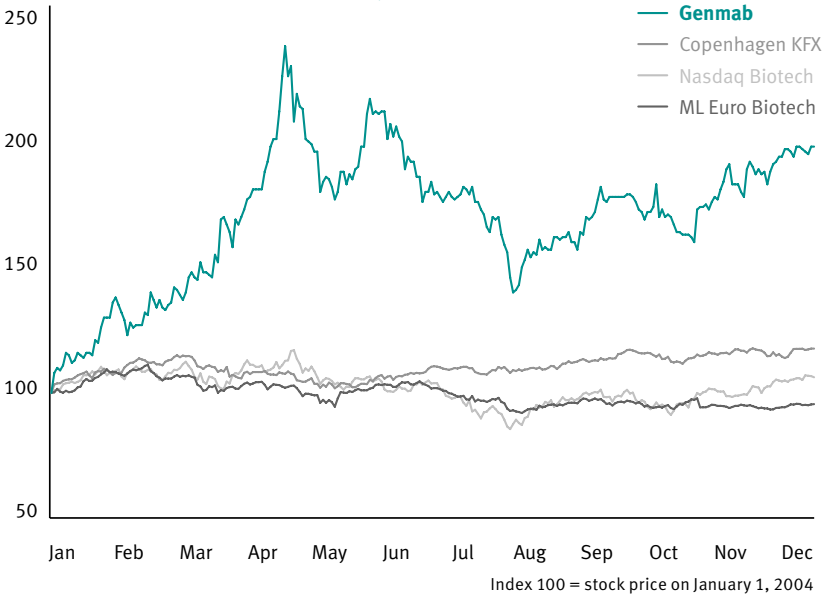
Addressing Unmet Medical Needs

Our talented scientific staff employs cutting-edge antibody technologies to generate our products. As a result, our fully human HuMax antibodies have the potential to be superior to older generations of murine or laboratory-engineered antibodies in both binding strength and immune system activation. In addition, antibodies have the advantage of being very specifically targeted to a particular disease and so can have relatively few side effects in comparison to traditional medications. We are exploiting these qualities in our quest to develop new treatments for debilitating and life-threatening diseases which will help to improve the lives of people who suffer from these illnesses.

In 2004, the United States Food and Drug Administration (FDA) granted Orphan Drug designation to our HuMax-CD4 antibody for the treatment of cutaneous T-cell lymphoma (CTCL), a disfiguring chronic disease. Currently available treatment options are poorly effective and can cause substantial side effects. In Phase II clinical studies, 55% of primary indication CTCL patients treated with the higher doses of HuMax-CD4 achieved at least a partial response. In addition, these patients have maintained their response for many months following treatment with HuMax-CD4. We are currently designing a pivotal study utilizing HuMax-CD4's award of Fast Track status.

HuMax-CD20 is another product in Fast Track clinical development to meet an urgent medical need for better cancer treatment, in this case, for chronic lymphocytic leukemia (CLL), a form of non-Hodgkin's lymphoma (NHL) and the most common leukemia in adults in the US and most of Western Europe. During 2004, we initiated a Phase I/II study utilizing HuMax-CD20 in the treatment of relapsed or refractory CLL. At the end of the year, we presented data from a separate Phase I/II trial showing encouraging clinical responses in several patients with relapsed or refractory follicular NHL treated with relatively low doses of HuMax-CD20. We are continuing to analyze data from this dose escalation trial and expect to present this in 2005. We also expect to initiate a clinical trial early in 2005, employing HuMax-CD20 in the treatment of rheumatoid arthritis (RA) patients who have failed one or more previous treatments.

2004 Stock Performance Comparison



Index 100 = stock price on January 1, 2004

LETTER FROM THE CHIEF EXECUTIVE OFFICER

In addition to targeting cancer, we are also developing products to treat autoimmune and inflammatory conditions, as well as infectious diseases. Our product pipeline currently includes more than 15 clinical and pre-clinical programs. We are continuing to create novel proprietary antibodies to interesting targets identified by our own scientific team or by our partners. An example is the exciting new membrane phosphatase cancer target we in-licensed from Ganymed during 2004.

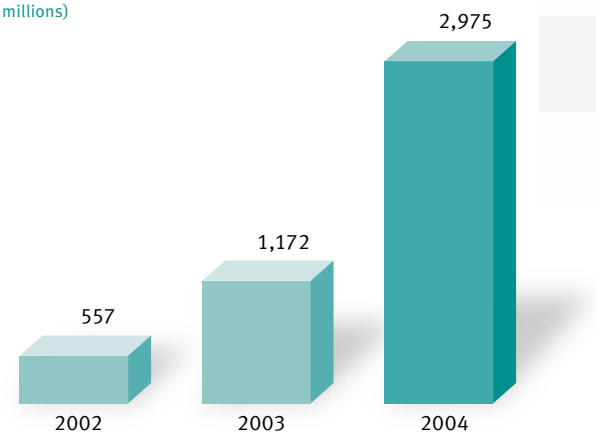
Maximizing Value in Our Business

Genmab has a multi-pronged strategy for increasing the value of our business while reducing risk. Our goal is to maximize value in our products by retaining substantial commercial or profit sharing rights. We intend to develop these products ourselves and in collaboration with our existing and prospective partners using a combination of in-house clinical development and outlicensing as appropriate for each product. We pursue new strategic collaborations with pharmaceutical and biotechnology companies to support and broaden our pipeline. We believe maintaining a broad portfolio of products increases our opportunities for success. With this strategy, we have the potential to build a diverse revenue stream in the future.

As products progress through the clinic, we intend to employ a flexible commercialization strategy, seeking marketing partners for some products, while developing our own sales and marketing force in selected territories for others. With this intention in mind, in 2004, we created a new post and appointed a Vice President of Sales and Marketing. This adds a new skill set to our current in-house competencies and complements the strong expertise of our senior management team, who have extensive experience in the biotechnology and pharmaceutical industries, in business development and licensing, and in media and investor relations.

Developing new medical therapies requires significant resources: people, time and money. At Genmab, we recognize that we must both utilize and preserve these resources to meet our goals. We have maintained our culture of cost consciousness and efficiency while continuing to effectively run numerous clinical programs throughout the year. In 2004, Genmab completed a successful international private placement generating DKK 478 million (approximately USD 87 million) in gross proceeds to support our future growth. Over the course of 2004, Genmab's stock value increased over 96%, and once again outpaced the KFX index of the Copenhagen Stock Exchange, the NASDAQ biotech index, and the Merrill Lynch European biotech index for the year. During the year, Genmab's market capitalization also grew by 154% to DKK 2.975 billion from DKK 1.172 billion at the end of 2003.

Genmab Market Capitalization
(DKK millions)



We understand that developing new therapeutic products involves risks and challenges, but the work is exciting and rewarding. Genmab is striving to serve patients in desperate need of new types of therapy. Our investors play a vital role in our success. We wish to thank you for your continuing support.

Sincerely yours,

Lisa N. Drakeman
President and Chief Executive Officer

DIRECTORS' REPORT

About Genmab

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

Genmab's strategy is to maximize the value of our business by creating value in our products. We have developed a broad product pipeline, giving ourselves numerous opportunities to succeed. We plan to continue to maintain a strong pipeline through a combination of in-house clinical efforts and outlicensing of both early and late stage programs. To move our product pipeline forward efficiently and effectively, we have assembled advanced human antibody technologies, broad development capabilities, and an experienced and knowledgeable international staff with 82% of our employees working in research and development.

Genmab has reported a 2004 operating loss of DKK 441 million and a net loss of DKK 415 million. The company ended 2004 with more cash than at the start of the year with a final total of DKK 1.158 billion in cash and marketable securities. During the year, Genmab completed an international private placement of shares resulting in gross proceeds to the company of DKK 478 million. In addition, we received proceeds of DKK 64 million from the exercise of employee warrants and a payment of DKK 4 million under our Roche collaboration.

2004 Overview

During the course of 2004, Genmab released positive data from all five of our products in clinical development, including obtaining Phase II **proof of concept** data for two products, HuMax-CD4 and AMG 714 (formerly known as HuMax-IL15 now being developed by Amgen). Genmab filed 20 Investigational New Drug (IND) and Clinical Trial Applications (CTA) in nine different countries for five clinical trials, received two **Fast Track designations** from the FDA – one for HuMax-CD4 and one for HuMax-CD20, and two **Orphan Drug designations** for HuMax-CD4 – one US and one European.

We achieved two additional milestones in our collaboration with Roche and made progress in our Amgen collaboration with the presentation of positive Phase II clinical trial data for AMG 714.

We also filed two new patent applications, two 12 month patent continuations, and one 30 month continuation. In addition, Roche filed three new patent applications and two 12 month continuations covering antibodies we created.

Proof of Concept
Proof of concept is established by gathering evidence that a candidate therapeutic product demonstrates the intended pharmacological action. Extensive *in vitro* and *in vivo* laboratory studies are conducted prior to selecting a product candidate for clinical development. Once the product has entered the clinic, Phase II human clinical trials are designed to determine whether a new therapeutic is sufficiently safe and effective to warrant further commercial development.

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

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

2004 Highlights

HuMax-CD4	• Awarded Fast Track status from FDA to treat cutaneous T-cell lymphoma (CTCL) patients who have failed previous therapy. • Presented positive efficacy and duration of response data from extended Phase II CTCL studies. • Signed agreement with DSM Biologics to produce clinical and commercial supply of antibodies. • Initiated Phase II clinical trial for treatment of non-cutaneous T-cell lymphoma. • Received Orphan Drug designations from FDA and European Medicines Agency (EMEA).
HuMax-CD20	• IND application accepted and clinical trials initiated treating patients with chronic lymphocytic leukemia (CLL). • Presented safety and efficacy data from Phase I/II non-Hodgkin's lymphoma (NHL) clinical study. • IND application accepted to initiate clinical trials treating patients with rheumatoid arthritis (RA). • Awarded Fast Track status from FDA to treat CLL patients who have failed previous therapy.
AMG 714	• Positive data from Phase II trial to treat RA presented at the American College of Rheumatology (ACR) annual meeting.
HuMax-EGFr	• Announced encouraging safety and efficacy data from Phase I/II clinical study with head and neck cancer patients.
HuMax-Inflam	• Announced encouraging safety and efficacy data from Phase I/II autoimmune disease trial.
Roche Collaboration	• Achieved two milestones in collaboration by reaching proof of concept with third and fourth antibodies to Roche targets. • Roche selected four Genmab antibodies as clinical candidates.
Ganymed Pharmaceuticals License	• Expanded product pipeline with new cancer target from Ganymed.
Financial and Business Development	• Completed successful international private placement raising DKK 478 million in gross proceeds. • Received proceeds from the exercise of warrants of DKK 64 million. • Extended contract with current Head of Business Development. • Began process to establish in-house Sales and Marketing competency with the appointment of Vice President for Sales and Marketing.

DIRECTORS' REPORT

The Genmab team published 16 scientific papers and made presentations of our scientific discoveries and business developments at 35 conferences during the year. We also deepened our product pipeline with the in-licensing of a new cancer target.

Genmab also began putting together the structure of a future sales force.

Finally, even in a difficult financial market, Genmab was able to raise additional DKK 478 million in funds to support our growing business through a successful private placement of 5,623,000 new shares to Danish and international institutional investors.

Product Pipeline

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

HuMax-CD4

HuMax-CD4 is a human antibody currently in Phase II development for the treatment of cutaneous T-cell lymphoma (CTCL) and non-cutaneous T-cell lymphoma. CTCL is a highly symptomatic, disfiguring chronic disease that is life threatening in the advanced stages. Currently available treatments for T-cell lymphoma patients can have an unfavorable side effect profile and are not particularly effective. Hence, we believe there is an urgent unmet medical need for better therapies.

Based on this urgent need, the FDA awarded HuMax-CD4 a Fast Track designation in March 2004. This designation covers patients with CTCL who have failed currently available therapy. In addition to the Fast Track designation, HuMax-CD4 has also been granted Orphan Drug status in both the US and EU for the treatment of mycosis fungoides (MF), the most common form of CTCL. Based on the Fast Track designation and the Orphan Drug status, we are currently working with the FDA to design a **pivotal clinical trial** for the treatment of refractory MF.

Pivotal Clinical Trial
A Phase III clinical study, often called a pivotal trial, is designed to gather the efficacy and tolerability or safety data necessary to present to regulatory authorities when applying for marketing approval of a new therapeutic product. The trial often involves a large number of patients and is randomized and well-controlled, but other designs may also be considered pivotal depending on the outcome of discussions with the regulatory agencies.

In April 2004, we announced positive data from our two extended Phase II CTCL trials. One study focused on early stage disease and the other on late stage disease. In both cases the patients were refractory or intolerant to previous therapies. In the primary indication, MF, 55% of the higher dose patients (10 out of 18) who received either 560 mg or 980 mg achieved at least a partial response, with two of the early stage patients achieving a complete response. In September 2004, we announced that the average response duration for these patients was more than 6.6 months. Advanced stage patients, who received either 280 or 980 mg, obtained a median response duration of 5.3 months and median time to progression of 4.8 months. In addition, median time to disease progression, of all 38 MF patients (low and high dose patients) in the two Phase II studies, was more than 5.7 months. At the end of the year, the median time to progression had still not been reached for the high dose patients, and they were still being followed in the study. We expect to be able to publish follow up data during 2005. Disease progression is defined as an increase in disease that is more than 25% above the baseline measurement taken when patients entered the study.

Of the 47 patients treated in the CTCL Phase II studies at all dose levels, only five grade three adverse events were considered potentially related to HuMax-CD4 treatment, based on judgments by the treating physicians.

In addition to the CTCL studies, we initiated an international multi-center Phase II clinical trial using HuMax-CD4 for the treatment of patients with refractory or relapsed non-cutaneous T-cell lymphoma that originates in the lymph nodes. These patients have a relatively short life expectancy and, to date, no specific therapy has been approved.

During 2004, we signed an agreement with DSM Biologics to produce clinical and commercial supplies of HuMax-CD4 in anticipation of upcoming product needs.

High-Affinity Antibody
Affinity describes the measurable binding strength an antibody has for its specific target. Low-affinity antibodies have affinities in the 10^{5}-10^{6} Molar range. A classical murine antibody has an affinity of approximately 10^{8} or 10^{9} Molar, while Genmab's HuMax antibodies can have affinities as high as 10^{11} Molar, a 100 fold increase, or even greater. Thus, they can be particularly good at finding and binding to their targets and are therefore potentially attractive as therapeutic products.

HuMax-CD20
HuMax-CD20 is a human, **high-affinity antibody** in Phase I/II development for the treatment of various forms of non-Hodgkin's lymphoma (NHL). The CD20 antigen, a clinically **validated target**, is a protein found in the cell membrane of pre-B and mature B lymphocytes, a subset of the immune system's white blood cells. In certain types of cancers, these cells can proliferate too much and treatment is needed to reduce their number. Because of the critical role of B-cells in autoimmune disorders, CD20 is also believed to be an attractive target for treating other diseases, such as rheumatoid arthritis (RA).

Forty patients with relapsed or refractory follicular NHL have been treated with HuMax-CD20 in a Phase I/II dose escalation study that used four dose levels: 300, 500, 700, or 1,000 mg. In December 2004, a partial body of safety and efficacy data from the study was presented at the American Society of Hematology (ASH) annual meeting. Eleven patients, who had been treated at either the 300 or 500 mg dose level, were evaluable at the time of the ASH meeting. Fifty-five per cent (six out of 11) achieved a clinical response following treatment, including two complete responses and one additional unconfirmed complete response. Data from the three lowest dose groups showed a profound depletion of targeted B-cells responsible for the growth of tumors in NHL patients. No dose limiting toxicity was reported with administration of HuMax-CD20 up to a dose of 1,000 mg per week, the maximum dose used in this trial. Over the course of the study, only five patients experienced severe adverse events considered related to administration of HuMax-CD20; one of these patients was withdrawn from the trial during the first infusion. The study is ongoing and efficacy and safety results for all patients are expected to be presented at a later date.

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

Also in December 2004, the FDA accepted Genmab's IND to use HuMax-CD20 to treat patients with RA. This trial is expected to be initiated in the early part of 2005.

Prior to initiating clinical trials, Genmab conducted extensive pre-clinical studies with HuMax-CD20. In these laboratory tests and animal studies, HuMax-CD20 has been shown to deplete B-cells effectively and appears to bind to a unique site on CD20 target cells in comparison to other known CD20 antibodies. Furthermore, HuMax-CD20 appeared to kill tumor cells that were resistant to rituximab, a chimeric antibody product that is currently on the market. These results were published in a peer-reviewed article

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

in the September 2004 issue of *Blood*, the Journal of the American Society of Hematology.

HuMax-EGFr

Our third cancer product in clinical development, HuMax-EGFr, is being tested in Phase I/II clinical trials for head and neck cancer. HuMax-EGFr is a high-affinity human antibody that targets the epidermal growth factor receptor (EGFr), a molecule found in abundance on the surface of many cancer cells, and it is another clinically validated target. In October 2004, clinical data for a total of 24 patients showed a favorable safety profile for HuMax-EGFr in our ongoing Phase I/II head and neck cancer study.

In December 2004, Genmab announced encouraging preliminary efficacy data. Seventeen patients who completed both the single and multiple dosing parts of the trial were evaluated with two types of scanning. A total of 15 out of 17 patients were able to be evaluated using a FDG-PET scan, which visualizes the tumor metabolism and helps detect tumors as they have a higher metabolic rate than normal tissue. Six out of the 15 showed a partial metabolic response and three patients out of the 15 showed a stable metabolic disease. All patients in the two highest dose groups obtained a partial metabolic response or showed stable metabolic disease. Using a CT scan, 16 patients out of the total 17 could be evaluated. Out of the 16, two patients showed a partial response and eight patients showed stable disease. Six out of seven patients in the two highest dose groups obtained at least a partial response.

ACR Score

The ACR score is a way of measuring the outcome of treatment of patients diagnosed with rheumatoid arthritis, i.e. an efficacy measurement. It is based on surveys performed by the American College of Rheumatology and is widely recognized. A clinical response (e.g. ACR20) is defined as 20% improvement in the number of swollen joints, together with 20% improvement in three of the following five assessments: the pain assessment of the patient, the global assessment of the patient, the global assessment of physicians, patient self-assessed disability and the acute phase reactant (C-reactive protein or erythrocyte sedimentation rate).

As no patients experienced dose limiting toxicities and a maximum tolerated dose was not reached, up to five additional patients are being added to the highest dose group, and the study is ongoing.

AMG 714

AMG 714, formerly known as HuMax-IL15, is a human monoclonal antibody that binds to interleukin-15 (IL-15), a cytokine molecule that appears early in the cascade of events that ultimately leads to inflammatory disease. In 2003, Amgen exercised its commercial option to AMG 714 and is now responsible for further development of the antibody. The antibody is currently being evaluated in Phase II clinical studies for rheumatoid arthritis (RA) patients who have previously failed other treatment. In October 2004, interim data was presented at the ACR annual meeting from the first 110 patients treated with AMG 714 in the RA Phase II trial. The data showed that at week 14, the primary endpoint, those taking the higher doses of AMG 714 had the greatest reduction in disease activity and the lowest frequency of disease flare up, while those on placebo often worsened. At week 14, 57% of patients in the highest dose group demonstrated an **ACR20 score** compared to 35% in the placebo group. At week 14, 24% of the high dose patients achieved the more favorable ACR50 score. AMG 714 was well tolerated and generated adverse events similar to that of placebo. Amgen plans to enroll a total of 180 patients in the study.

HuMax-Inflam

HuMax-Inflam is a high-affinity human antibody in clinical development for the treatment of inflammatory conditions. In December 2004, Genmab and Medarex, Inc. announced safety and efficacy data from a Phase I/II trial using HuMax-Inflam in a range of doses to treat patients suffering from an undisclosed autoimmune disease. In this non-placebo-controlled, ascending dose clinical trial, a total of 31 patients received an initial single dose in the range of 0.15 to 8 mg/kg of HuMax-Inflam. Following a satisfactory safety review, 29 patients entered a repeat dose extension study receiving four doses at weekly intervals (one patient withdrew during the initial study due to serious adverse events not considered related to the treatment, another patient withdrew due to personal reasons, and a third patient withdrew after enrollment in the repeat dose study due to disease progression). Of patients who

Transgenic Mouse (UltiMAb™)
In the transgenic mice of the UltiMAb technology platform, the mouse genes for creating antibodies have been inactivated and replaced by human antibody genes. Genes determine which proteins are made, therefore the transgenic mice make human antibody proteins rather than murine antibody proteins. Within the mouse, the antibodies proceed through the immune system's natural *in vivo* affinity maturation process. Once the desired antibodies have been created in the mice, the antibody-producing cells can be transferred into standard laboratory cell cultures to generate greater quantities.

completed the study, 57% (16 of 28) achieved a 50% or greater reduction in disease activity at one week after the final dosing. In the highest dose group, all seven patients experienced a 50% or greater reduction in disease activity. No dose limiting toxicity was reported after administration of doses up to 8 mg/kg, and it is believed that the maximum tolerated dose was not reached. Genmab is developing HuMax-Inflam in collaboration with Medarex.

Pre-Clinical
Genmab has more than ten additional antibody programs in pre-clinical development. These include HuMax-TAC, for use in the treatment of organ transplant rejection and asthma, and HuMax-HepC, to potentially treat Hepatitis C virus reinfection after liver transplantation. In April 2004, we further expanded our product pipeline by licensing a new validated membrane phosphatase cancer target, from Ganymed Pharmaceuticals AG. The target is expressed on a wide range of tumors, including melanoma, breast cancer, lung cancer, and hepatocellular carcinoma. The membrane phosphatase target is found on the cell membrane of cancer cells but not on normal tissues of any essential organ and has demonstrated a role in cell signaling. Laboratory studies conducted elsewhere have shown that inhibition of the target resulted in markedly decreased cell migration which contributes to the spread of cancer in people. It was also demonstrated that expression of the membrane phosphatase is strongly correlated with metastasis in patients with breast cancer and non-small cell lung cancer.

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

Antibody Technology and Streamlined Development

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

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

Partnerships

In support of our strategy to build a broad portfolio of products, Genmab has established a number of collaborations with pharmaceutical and biotechnology companies as well as not-for-profit organizations. Through these partnerships, Genmab gains access to promising disease targets that may be suitable for antibody therapeutic products. Genmab has also formed partnerships with major pharmaceutical and biotechnology companies to help bring products closer to the market. Two of our key collaborations are with Roche, a major healthcare group headquartered in Switzerland, and with US-based Amgen, the world's largest biotechnology company.

DIRECTORS' REPORT

In September 2004, Genmab announced that we had established proof of concept for two additional human antibodies and thereby reached two more milestones in our collaboration with Roche. These antibodies were each designed to target a different disease area and represented the third and fourth antibodies in the collaboration to reach this stage. Up to now, Roche has selected a total of four Genmab antibodies as candidates for clinical development. The antibodies had all been developed through Genmab's ongoing collaboration with Roche. Under the partnership agreement, we utilize our broad antibody expertise and development capabilities to create human antibodies to a wide range of disease targets identified by Roche. Genmab will receive milestone and royalty payments based on successful products. Under certain circumstances, Genmab may obtain rights to develop products based on disease targets identified by Roche. If all goals are reached, the value of the collaboration to Genmab could be USD 100 million, plus royalties. At the exchange rate prevailing at the end of 2004, this equals approximately DKK 547 million, plus royalties.

Genmab has previously created antibodies for Amgen under licensing agreements for its IL-15 and IL-15 receptor programs. In 2003, Amgen expanded its agreement with Genmab to include a new antibody program for a different undisclosed disease target. Under the terms of the expanded and amended agreement, if products to all three targets are successfully commercialized and certain sales levels are achieved, Genmab will be entitled to receive up to USD 135.5 million (approximately DKK 741 million based on the exchange rate prevailing at the end of 2004) in license fees and milestone payments. Genmab is also entitled to royalties on commercial sales instead of the profit sharing designated in the original agreement. Positive interim data from the first 110 patients treated with AMG 714 in the RA Phase II trial was presented in October 2004, and it was concluded that AMG 714 was well tolerated and generated adverse events similar to that of placebo. Amgen plans to enroll a total of 180 patients in the study.

Genmab continues to pursue opportunities to expand and deepen our product pipeline. In April 2004, Genmab licensed a new membrane phosphatase from Ganymed, a privately held pharmaceutical company located in Germany. The membrane phosphatase is a new cancer target that is associated with a variety of cancers, including melanoma, breast and lung cancers. Under the terms of the agreement, Ganymed will be entitled to license fees, milestones and royalties on the sale of successfully commercialized products.

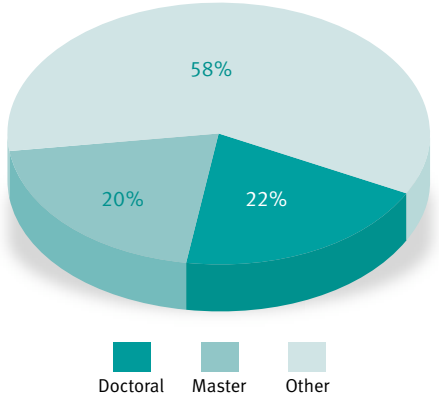
Human Resources

Our research activities and development of biotechnology products requires highly skilled, experienced and motivated employees to be involved in various technical and business areas. One of Genmab's strengths is our well trained and very experienced employees and the organization of our employees into interacting functional teams. Throughout the company, Genmab emphasizes an open and supportive professional work environment.

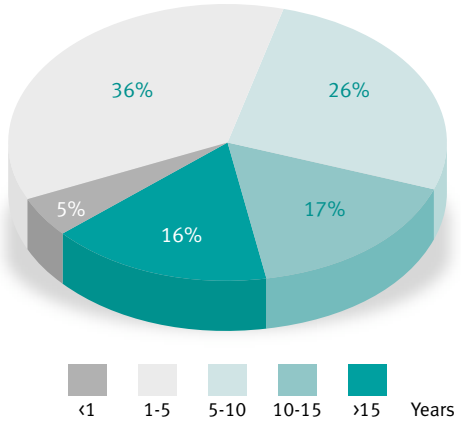
At the end of 2004, Genmab had 209 employees, a slight increase compared to the 201 employed at the end of 2003. Our workforce is concentrated in research and development. At the end of 2004, 172 people, or 82% of our employees, were employed in research and development activities. This allocation represents a modest increase compared to the 79% share reported in 2003.

In keeping with the technical demands of biotechnology, Genmab's employees are highly educated. At the end of 2004, 47 employees, or 22%, hold a Ph.D. or a doctoral degree, including four who hold both an M.D. and a Ph.D. In addition, 43 employees, or 20%, hold Master degrees. In total, at the end of 2004, 42% of employees hold advanced degrees.

Employee Education Level



Employee Experience in Pharma/Biotech Industry



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

Genmab's pre-clinical and clinical development teams have established streamlined processes and procedures to coordinate and perform the activities of all stages of the development process across our operations in Denmark, the Netherlands and the United States. During 2004, we have further added to the value chain by taking steps to establish a sales and marketing department.

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

Financial Development

The financial statements have been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) as well as the Danish Financial Statements Act. For the convenience of the reader, in the accompanying notes, a reconciliation has been provided between the reported net result under the IFRS and the corresponding net result under US Generally Accepted Accounting Principles (US GAAP).

The accounting policies have been applied consistently during the years presented. Please refer to Note 1 for a description of our accounting policies.

Result for the Year

The company's operating loss for 2004 was DKK 441 million and the net loss for 2004 was DKK 415 million. This compares to the 2003 operating loss and net loss of DKK 342 million and DKK 327 million, respectively, which were influenced by the recognition of DKK 68 million in 2003 revenues compared to DKK 4 million in 2004.

During 2004, Genmab's cash position increased by DKK 123 million, which was primarily due to the proceeds from the successfully completed international private placement and the exercise of warrants, which contributed a net total of DKK 510 million. The operations led to accumulated spending of DKK 387 million in the period. In 2003, the company's operations led to accumulated spending of DKK 334 million. The results for 2004 were in line with management's expectations for the year.

Revenues

During 2004, Genmab recognized a payment under our Roche collaboration agreement of DKK 4 million. This compares to the prior year where we recognized our first revenues since inception, DKK 68 million, from our partner Amgen. As revenues comprise milestone payments and other income from research and development agreements, recognition of revenues may vary from period to period.

Research and Development Costs

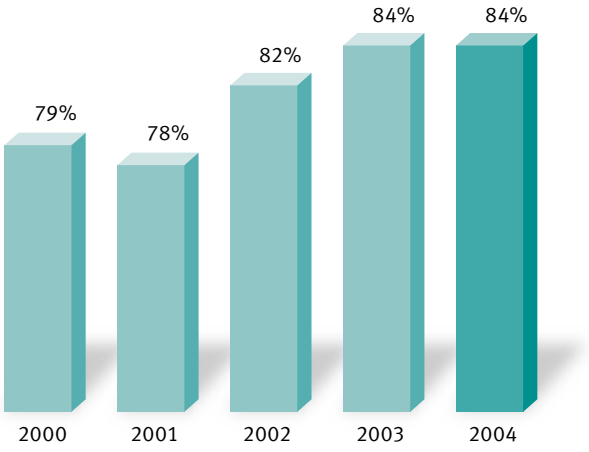
Research and development costs increased by DKK 27 million, or 8%, from DKK 346 million in 2003 to DKK 373 million for the year ended December 31, 2004. The increase is primarily attributable to increased manufacturing costs in 2004 compared to 2003 in order to supply antibodies for clinical activities.

General and Administrative Expenses

General and administrative expenses increased by DKK 7 million, or 12%, from DKK 65 million in 2003 to DKK 72 million for the year ended December 31, 2004. The increasing expenses are a reflection of the increased level of support needed for research and development activities. Overall, because of the focus on cost controls, these expenses

DIRECTORS' REPORT

R&D Share of Operating Cost



accounted for 16% of our total cost of operations in 2004, compared to an average of 17% in 2002 and 2003.

Financial Items

Financial income decreased by DKK 15 million, from DKK 84 million in 2003 to DKK 69 million for the year ended December 31, 2004. This decrease reflects the impact of lower interest rates, decreasing valuation of marketable securities, and lower exchange rate gains in 2004 compared to 2003.

Financial expenses decreased by DKK 26 million, from DKK 69 million in 2003 to DKK 43 million for the year ended December 31, 2004. Financial expenses include the impact of the weakening of the USD on our USD portfolio. However, our USD position is a natural hedge to our USD denominated expenses, and accordingly the recognized financial expenses are offset by reduced operating expenses when converted to DKK in 2004. Had the USD remained constant against the DKK throughout 2004, net financial income would have been approximately DKK 4 million higher.

Genmab has a cash position of DKK 1.158 billion, primarily invested in marketable securities, and accordingly we are sensitive to changes in interest rates and valuation of marketable securities. Our financial reporting is affected by fluctuating exchange rates, and during 2004, the USD decreased by 8% against the DKK, from 5.9576 DKK/USD at the end of 2003 to 5.4676 DKK/USD at the end of 2004. During 2003, the USD decreased by 16% against the DKK. Please refer to the section on financial risks for further details on the financial risk factors affecting the company.

Cash Flow

On December 31, 2004, cash, cash equivalents and short-term marketable securities equalled DKK 1.158 billion compared to DKK 1.036 billion on December 31, 2003.

During 2004, the company's cash flow from operating activities was DKK 368 million compared to DKK 302 million in 2003. This increase is primarily caused by increasing research and development costs and the fact that we recognized revenue of DKK 68 million in 2003 versus DKK 4 million in 2004. Cash flow from investing activities comprises investments in property, plant and equipment, but primarily reflects the cash flow from purchase and sale of marketable securities.

The net cash flow from financing activities was DKK 503 million in 2004. This reflects the cash inflow from exercise of warrants of DKK 64 million and from the international private placement of DKK 478 million, reduced by costs related to the issuance of shares totalling DKK 32 million and paid installments on lease liabilities of DKK 7 million.

Outlook

Genmab plans to continue the strategy of being a product development company into 2005. As a result, we expect to incur additional losses during the year ending December 31, 2005.

During 2005, we will continue to analyze opportunities to strengthen our existing relationships with our key partners as well as consider possible new collaborations with pharmaceutical or biotechnology companies to access additional disease targets.

In 2005, Genmab expects to be paying development costs for four products in clinical development: HuMax-CD4, HuMax-EGFr, HuMax-CD20, and HuMax-Inflam. We expect to maintain approximately the same level of discovery/pre-clinical work in 2005 as we did during 2004, developing antibodies for a variety of existing and new targets.

Due to the increasing costs of an increasing level of clinical development activities, Genmab's operating expenses are

expected to be higher in 2005 compared to 2004. In 2005, we are projecting an operating loss of DKK 495 to 535 million compared to the DKK 441 million reported for 2004. We expect the adoption of IFRS 2 on Share-Based Payment effective from January 1, 2005 to increase the operating loss by approximately DKK 20 million, which has been included in our 2005 financial guidance.

Under the conditions described above, the net loss for 2005 is expected to be in the range of DKK 465 to 505 million compared to the net loss of DKK 415 million reported for 2004.

The cash used in operations, investment and financing activities is expected to reduce the company's cash, cash equivalents and short-term marketable securities by a range of approximately DKK 360 to 400 million in 2005. The middle of this range, DKK 380 million, compares favorably to the accumulated spending of DKK 387 million in 2004. As of December 31, 2004, the total holdings equal DKK 1.158 billion. Based on the figures above, the company's projected December 31, 2005 cash position is expected to be in the range of DKK 758 to 798 million.

The above estimates are subject to possible change primarily due to the timing and variation of clinical activities and related costs. The above estimates also assume that no further agreements are entered into during 2005 that could materially affect the results. Additionally, we have assumed no significant fluctuations in foreign currency rates throughout 2005.

Cost Efficiency
Genmab focuses considerable effort on cost control procedures to ensure the effective use of our resources. These procedures are used to provide continual updates of our cost estimates and adherence to budgetary guidelines. The procedures include effective approval procedures for all costs committed and incurred and a close follow-up on realized results on a centralized and decentralized basis within the organization.

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

Unless otherwise indicated, conversion herein of financial information into USD has been made using the Danish Central Bank closing spot rate on December 31, 2004, which was USD 1.00 = DKK 5.4676.

Consolidated Key Figures

The following key figures and financial ratios have been prepared on a consolidated basis and include five years of operation. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts. Key figures comply with the requirements under the Danish Financial Statements Act and the IFRS. All key figures and financial ratios are in conformity with the current accounting policies.

The figures for operating loss for 2002 have been adjusted by DKK 43 million to include the impairment loss related to the planned manufacturing facility, which was postponed in 2002. Such figures were previously reported as a separate item in the income statement. The figures have been stated in thousands, except for the financial ratios.

DIRECTORS' REPORT

	2004 DKK'000	2004 USD'000 (Unaudited)	2003 DKK'000	2003 USD'000 (Unaudited)	2002 DKK'000	2002 USD'000 (Unaudited)	2001 DKK'000	2001 USD'000 (Unaudited)	2000 DKK'000	2000 USD'000 (Unaudited)
Income Statement										
Revenues	4,101	750	68,326	12,497	–	–	–	–	–	–
Research and development costs	(373,330)	(68,280)	(345,983)	(63,279)	(396,234)	(72,469)	(195,660)	(35,785)	(61,226)	(11,198)
General and administrative expenses	(72,044)	(13,177)	(64,552)	(11,807)	(86,847)	(15,884)	(54,939)	(10,048)	(16,440)	(3,007)
Operating loss	(441,273)	(80,707)	(342,209)	(62,589)	(525,988)	(96,201)	(250,599)	(45,833)	(77,666)	(14,205)
Net financial income	26,061	4,766	15,029	2,749	46,985	8,593	81,887	14,977	41,317	7,557
Net loss	(415,212)	(75,941)	(327,114)	(59,828)	(479,329)	(87,667)	(168,717)	(30,858)	(36,349)	(6,648)
Balance Sheet										
Cash and marketable securities	1,158,428	211,872	1,035,776	189,438	1,368,735	250,336	1,599,235	292,493	1,765,045	322,819
Total assets	1,271,908	232,626	1,180,108	215,836	1,583,136	289,549	1,811,633	331,340	1,946,066	355,927
Shareholders' equity	1,180,986	215,997	1,086,434	198,704	1,399,169	255,902	1,711,930	313,104	1,867,587	341,573
Share capital	29,752	5,442	22,981	4,203	22,717	4,155	21,812	3,989	21,812	3,989
Investments in tangible fixed assets	23,049	4,216	21,722	3,973	111,038	20,308	50,300	9,200	4,519	827
Cash Flow Statement										
Cash flow from operating activities	(367,698)	(67,250)	(302,364)	(55,302)	(308,316)	(56,390)	(126,121)	(23,067)	(8,707)	(1,592)
Cash flow from investing activities	(25,065)	(4,585)	361,905	66,191	238,552	43,630	253,683	46,398	(1,767,951)	(323,350)
Cash flow from financing activities	503,413	92,073	(3,571)	(653)	156,849	28,687	58	11	1,775,792	324,785
Cash and cash equivalents	419,566	76,737	308,916	56,499	252,946	46,263	165,861	30,335	38,241	6,994
Financial Ratios										
Basic and diluted net loss per share	(15.69)	(2.87)	(14.33)	(2.62)	(21.46)	(3.92)	(7.70)	(1.41)	(2.60)	(0.48)
Year-end share market price	99.57	18.21	50.66	9.27	24.33	4.45	169.89	31.07	181.36	33.17
Price / book value	2.51	2.51	1.07	1.07	0.40	0.40	2.16	2.16	2.12	2.12
Shareholders' equity per share	39.69	7.26	47.28	8.65	61.59	11.26	78.49	14.36	85.62	15.66
Average number of employees	206	206	199	199	157	157	70	70	16	16
Number of employees at year-end	209	209	201	201	192	192	111	111	35	35

Subsequent Events

No significant events have occurred since the balance sheet date which could significantly affect the financial statements as of December 31, 2004.

Corporate Governance

In our recent Annual Reports, we have provided an overall presentation of our efforts to live up to the recommendations on corporate governance for listed companies, including addressing specific areas of importance to the company. Our commitment to corporate governance is rooted in the aim of generating value for the company, and it forms a key element in our efforts to strengthen the confidence that existing and future shareholders, investors, partners and employees have in our company. This Annual Report forms an integral part of these efforts.

During the past year, we have carried on the work to improve our guidelines and policies in this field on the back of the most recent trends in international and domestic corporate governance requirements and expectations. Rules and recommendations in this field are not static and, when necessary, they must be adapted to our company's specific circumstances and needs, including the fact that Genmab operates in international markets.

Our shareholders face no restrictions in terms of voting rights or ownership restrictions. All of the company's shares rank equally, and the rights attached to shares cannot be changed without shareholder approval. Changes to the share capital cannot under any circumstances be implemented without the prior approval of the shareholders.

The company endeavours to accommodate shareholder needs to prepare for and decide on the issues to be considered at the Annual General Meeting (AGM). Moreover, sufficient notice is given of the time and venue of the AGM. At the company's AGM held in April 2004, we had established a wireless simultaneous interpretation service from Danish into English and vice versa. The service was provided on a trial basis, and the Board believes that the service was well received by the shareholders.

The Board of Directors has discussed the recently introduced option of holding electronic general meetings. The Board of Directors has resolved to await further experience in this field before making a final decision on the matter.

With respect to ownership, shareholder information and investor relations, we refer to the relevant sections elsewhere in this Annual Report. Genmab aims to provide reliable and transparent information about the company's business, development and results in an open and timely manner. As part of these initiatives, the company uses information technology, and the company's website contains easily accessible information about Genmab, including access to all notices made to the Copenhagen Stock Exchange both in a Danish and an English language version.

The composition of the Board of Directors is of particular importance to Genmab. Relevant knowledge and professional experience as well as independence are key parameters when electing board members. The majority of Genmab's board members are independent of the company. The majority of the members are not employed by the company, and no member has relations or interests that may be contrary to the company's business or may conflict with the professional performance of the duty as a board member.

The election system adopted a few years ago, which involves a rotation scheme for the board members with three-year election periods, has been fully implemented, ensuring continuity through the replacement of board members.

The corporate governance debate does not attach particular importance to the considerations a company must and should give to its management group. In Genmab's opinion, part of the debate should center on the company ensuring appropriate insurance coverage for possible board member liability.

To support the Board in its duties, three committees have been established, charged with preparing issues pertaining to their respective fields that are due to be considered at board meetings. These are the Compensation Committee, the Audit Committee and the Nominating and Corporate Governance Committee. In 2004, the Board of Directors adopted written guidelines (rules of procedure) for these three committees. Genmab believes that the three committees are performing well, supporting the work of the Board of Directors and, by extension, generating value for the company.

DIRECTORS' REPORT

Each year, the Board of Directors reviews its rules of procedure and in-house stock exchange regulations (e.g. on disclosure obligations and rules against insider trading).

The collaboration between the Board of Directors and the day-to-day management involves a natural element of control. This control element, however, should not distort the image of interaction and teamwork, which characterizes not only the work of the Board of Directors but also forms part of the interaction with the day-to-day management. To an innovative company such as Genmab, it is especially important for the Board of Directors to liaise actively with the day-to-day management on a trustful foundation.

During 2004, the Board of Directors held more than ten meetings including in-person and telephonic meetings as well as many electronic communications.

Risk Management

Genmab has global research and development activities with offices located in three countries and clinical trials conducted in several different countries. Through establishment of a sufficient control environment, risk assessment and control procedures, we continue to maintain and adhere to operational policies designed to minimize our risk exposure. In addition, it is our policy to establish insurance coverage to hedge residual risk derived from our operations. We are exposed to a number of specific risk areas such as development, financial, commercial, and environmental risks. Below is a summary of some of Genmab's key risk areas and how we address such risks.

Development Risk
For any company in the biotechnology and the pharmaceutical industry, the development of medicine is subject to considerable risks. Since everything is not known about the nature of disease or the way experimental therapeutic products can affect the disease process, a significant number of products do not successfully reach the marketplace in this industry.

The inherent development risk is associated with projects undergoing pre-clinical as well as clinical development, and includes risk factors such as timeliness and quality of clinical supplies, and availability of suitable patients for the trials. Further, the outcome of both pre-clinical and clinical studies is never certain and the subsequent ability to obtain regulatory approval is not guaranteed. Genmab seeks to minimize the risk by developing a broad portfolio of products, including a number of validated targets, thus increasing the opportunities for success and diversifying the development risk.

To ensure the optimal management of all projects, Genmab has both a Discovery Committee and a Development Committee. Both committees have been established to combine competence of key employees across the organization. The primary focus of these two committees is to optimize development of our projects by closely monitoring and assessing data and other information.

Financial Risk
Currency Exposure
Genmab operates with a number of different currencies. This means that an increase or decrease in the exchange rate of these currencies against our functional currency, the DKK, can affect the company negatively or positively. The most significant cash flow positions of the company are, in descending order, DKK, EUR, USD and GBP.

The company keeps certain amounts invested in USD in order to hedge future expenses in USD for a period of up to 12-18 months. Approximately 6.5% of marketable securities are invested in USD-denominated securities. This exposes Genmab to a risk of foreign currency fluctuation in the short term. No financial instruments, such as options or futures contracts, have been entered into to reduce the exposure to short-term changes in foreign currency exchange rates as the open position will be offset by planned expenses that we expect to incur in USD. Based upon the amount of assets and liabilities denominated in USD as of December 31, 2004, a 10% change in the USD to DKK exchange rate will impact our net financial items by approximately DKK 5 million. Accordingly, significant changes in exchange rates could also cause our operating loss and net financial income to fluctuate significantly.

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

Interest Rate Risk
The interest rate risk of the company is primarily ascribable to the positions of cash, cash equivalents and marketable securities. The primary objective of Genmab's investment activities is to preserve capital while at the same time maximizing the income derived from security investments without significantly increasing risk. Currently, a portfolio of cash, cash equivalents and marketable securities is maintained by investing primarily in DKK denominated notes issued by the Danish government as well as USD denominated notes issued by the US government, mortgage bonds and corporate bonds. Some of the securities in which the company has invested bear interest rate risk, as a change in market derived interest rates may cause the fair value of the principal amount of the investment to fluctuate.

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

Commercial Risk
Genmab continuously assesses commercial risks, to evaluate and minimize risk derived from this aspect of our operations. Commercial risk factors have a diverse nature, and include, among others, market size and competition, the ability to attract interest of potential partners, development time and cost of our development programs and patent protection.

We attempt to control these commercial risks by continually monitoring and evaluating current market conditions and patent positions. During 2004, we have further strengthened our efforts in this area by taking steps to establish a sales and marketing department for conducting further analyses of market potential and similar activities. We have also further expanded our patent department.

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

Ownership and Shareholder Information

On December 31, 2004, the share capital of Genmab A/S comprised 29,752,363 shares of DKK 1 each. All shares have the same rights. The number of registered shareholders totalled 9,286 shareholders holding a total of 28,991,385 shares, which represented 97% of the share capital. Genmab is listed at the Copenhagen Stock Exchange under the symbol GEN.

In 2004, Genmab A/S completed an international private placement, thereby issuing a total of 5,623,000 shares at a price of DKK 85.00 per share. The shares were subscribed by Danish and international institutional investors.

Also, 1,148,829 new shares were subscribed at a price of DKK 33.70 to 59.70 per share by the exercise of a total of 1,148,829 warrants.

The costs incurred in connection with the capital increases in 2004 amounted to approximately DKK 32 million and were primarily incurred in connection with the private placement.

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

- GenPharm International, Inc., 2350 Qume Drive, San Jose, CA 95131, USA (25%)
- Biotech Turnaround Fund, Kenaupark 3, 2011 MP Haarlem, the Netherlands (6%)

Distribution of Year's Result

It is proposed that the year's loss of DKK 415 million be carried forward by transfer to accumulated deficit.

DIRECTORS' AND MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Board of Directors and management have today considered and adopted the Annual Report of Genmab A/S for the financial year January 1 through December 31, 2004.

The Annual Report is prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, the Danish Financial Statements Act, Danish Accounting Standards and the requirements from the Copenhagen Stock Exchange on financial reporting of listed companies.

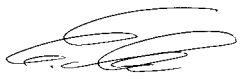
We consider the applied accounting policies to be appropriate and, in our opinion, the Annual Report gives a true and fair view of the assets and liabilities, financial position, results of operation and cash flows of the Group and the parent company.

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

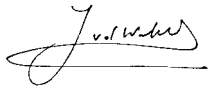
Copenhagen, February 8, 2005

Management

Lisa N. Drakeman



Claus Juan Møller-San Pedro

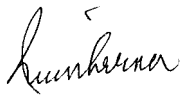


Jan van de Winkel

Board of Directors

Michael B. Widmer
(Chairman)

Lisa N. Drakeman



Irwin Lerner

Anders Gersel Pedersen

Karsten Havkrog Pedersen

Ernst H. Schweizer

AUDITORS' REPORT

To the Shareholders of Genmab A/S

We have audited the Annual Report of Genmab A/S for the financial year January 1 through December 31, 2004, prepared in accordance with the International Financial Reporting Standards (IFRS), the Danish Financial Statements Act and the additional Danish financial reporting requirements.

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

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

Our audit has not resulted in any qualification.

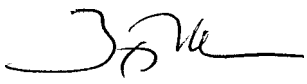
Opinion
In our opinion, the Annual Report gives a true and fair view of the financial position at December 31, 2004, of the Group and the parent company and of the results of the Group's and the parent company's operations and cash flows for the financial year January 1 through December 31, 2004, in accordance with International Financial Reporting Standards (IFRS), the Danish Financial Statements Act and the additional Danish financial reporting requirements.

Copenhagen, February 8, 2005

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab

Jens Røder
State Authorized Public Accountant

Deloitte
Statsautoriseret Revisionsaktieselskab



Jørgen Holm Andersen
State Authorized Public Accountant

INCOME STATEMENT

	Note	Genmab Group 2004 DKK'000	Genmab Group 2003 DKK'000	Genmab Group 2004 USD'000 (Unaudited)	Genmab Group 2003 USD'000 (Unaudited)	Parent Company 2004 DKK'000	Parent Company 2003 DKK'000
Revenues		4,101	68,326	750	12,497	4,101	68,326
Research and development costs	2, 3	(373,330)	(345,983)	(68,280)	(63,279)	(380,174)	(349,115)
General and administrative expenses	2, 3	(72,044)	(64,552)	(13,177)	(11,807)	(68,537)	(64,142)
Operating loss		**(441,273)**	**(342,209)**	**(80,707)**	**(62,589)**	**(444,610)**	**(344,931)**
Financial income	4	68,581	83,707	12,543	15,310	70,597	87,280
Profit / (loss) in subsidiaries	9	–	–	–	–	809	(1,572)
Financial expenses	5	(42,520)	(68,678)	(7,777)	(12,561)	(42,008)	(67,957)
Loss before tax		**(415,212)**	**(327,180)**	**(75,941)**	**(59,840)**	**(415,212)**	**(327,180)**
Corporate tax	6	–	66	–	12	–	66
Net loss		**(415,212)**	**(327,114)**	**(75,941)**	**(59,828)**	**(415,212)**	**(327,114)**
Basic and diluted net loss per share (in DKK/USD)		(15.69)	(14.33)	(2.87)	(2.62)	(15.69)	(14.33)
Weighted average number of ordinary shares outstanding during the period - basic and diluted		26,470,014	22,830,818	26,470,014	22,830,818	26,470,014	22,830,818

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

BALANCE SHEET – ASSETS

	Note	Genmab Group 2004 DKK'000	Genmab Group 2003 DKK'000	Genmab Group 2004 USD'000 (Unaudited)	Genmab Group 2003 USD'000 (Unaudited)	Parent Company 2004 DKK'000	Parent Company 2003 DKK'000
Licenses and rights	7	10,725	33,773	1,962	6,177	10,725	33,773
Total intangible fixed assets		**10,725**	**33,773**	**1,962**	**6,177**	**10,725**	**33,773**
Leasehold improvements	8	15,506	18,086	2,836	3,308	7,596	10,923
Equipment, furniture and fixtures	8	36,236	50,068	6,627	9,157	5,124	8,336
Fixed assets under construction	8	5,611	5,006	1,026	916	–	–
Total tangible fixed assets		**57,353**	**73,160**	**10,489**	**13,381**	**12,720**	**19,259**
Equity interests in subsidiaries	9	–	–	–	–	17,308	16,736
Other securities and equity interests	10	5,726	5,726	1,047	1,047	5,726	5,726
Non-current receivables		5,950	–	1,088	–	5,950	–
Total financial fixed assets		**11,676**	**5,726**	**2,135**	**1,047**	**28,984**	**22,462**
Total non-current assets		**79,754**	**112,659**	**14,586**	**20,605**	**52,429**	**75,494**
Receivables from subsidiaries		–	–	–	–	19,192	19,898
Other receivables	11	24,173	29,466	4,421	5,389	15,331	26,582
Prepayments		9,553	2,207	1,747	404	6,608	1,736
Total receivables		**33,726**	**31,673**	**6,168**	**5,793**	**41,131**	**48,216**
Marketable securities	12	**738,862**	**726,860**	**135,135**	**132,939**	**738,862**	**726,860**
Cash and cash equivalents	17	**419,566**	**308,916**	**76,737**	**56,499**	**408,718**	**297,790**
Total current assets		**1,192,154**	**1,067,449**	**218,040**	**195,231**	**1,188,711**	**1,072,866**
Total assets		**1,271,908**	**1,180,108**	**232,626**	**215,836**	**1,241,140**	**1,148,360**

BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

	Note	Genmab Group 2004 DKK'000	Genmab Group 2003 DKK'000	Genmab Group 2004 USD'000 (Unaudited)	Genmab Group 2003 USD'000 (Unaudited)	Parent Company 2004 DKK'000	Parent Company 2003 DKK'000
Share capital		29,752	22,981	5,442	4,203	29,752	22,981
Share premium		2,591,311	2,088,080	473,939	381,901	2,591,311	2,088,080
Equity reserve		4,528	4,766	828	871	4,528	4,766
Accumulated deficit		(1,444,605)	(1,029,393)	(264,212)	(188,271)	(1,444,605)	(1,029,393)
Shareholders' equity		**1,180,986**	**1,086,434**	**215,997**	**198,704**	**1,180,986**	**1,086,434**
Lease liability	8, 17	20,960	18,568	3,833	3,396	18,267	6,856
Total non-current liabilities		**20,960**	**18,568**	**3,833**	**3,396**	**18,267**	**6,856**
Current portion of payable technology rights	13	–	11,495	–	2,102	–	11,495
Current portion of lease liability	8, 17	8,044	5,569	1,471	1,019	5,251	1,648
Payable to subsidiaries		–	–	–	–	2,406	–
Accounts payable		15,768	24,033	2,884	4,396	7,521	21,239
Other liabilities		46,150	34,009	8,441	6,219	26,709	20,688
Total current liabilities		**69,962**	**75,106**	**12,796**	**13,736**	**41,887**	**55,070**
Total liabilities		**90,922**	**93,674**	**16,629**	**17,132**	**60,154**	**61,926**
Total shareholders' equity and liabilities		**1,271,908**	**1,180,108**	**232,626**	**215,836**	**1,241,140**	**1,148,360**

STATEMENT OF CASH FLOW

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Operating loss	**(441,273)**	**(342,209)**	**(80,707)**	**(62,589)**	**(444,610)**	**(344,931)**
Adjustments for non-cash transactions:						
Depreciation and amortization	53,663	63,670	9,815	11,645	30,158	38,532
Net gain on sale of equipment	(1,243)	(402)	(227)	(74)	(70)	115
Genomics payment	(12,228)	–	(2,236)	–	(12,228)	–
Changes in current assets and liabilities:						
Antibody clinical trial material	–	34,607	–	6,329	–	34,607
Other receivables	6,921	26	1,266	5	4,207	(2,362)
Prepayments	(7,355)	(216)	(1,345)	(40)	(4,872)	(75)
Accounts payable and other liabilities	1,995	(77,133)	365	(14,108)	(6,247)	(74,972)
Cash flow from operating activities before financial items	**(399,520)**	**(321,657)**	**(73,069)**	**(58,831)**	**(433,662)**	**(349,086)**
Net financial receivables	31,822	19,227	5,819	3,517	32,809	23,464
Corporate taxes paid	–	66	–	12	–	–
Cash flow from operating activities	**(367,698)**	**(302,364)**	**(67,250)**	**(55,302)**	**(400,853)**	**(325,622)**
Purchase of property, plant and equipment	(8,266)	(14,702)	(1,512)	(2,689)	(1,475)	(1,309)
Sale of property, plant and equipment	388	1,579	71	289	190	801
Capital increase in subsidiaries	–	–	–	–	–	(5,958)
Receivables from subsidiaries	–	–	–	–	24,208	22,404
Investment in other securities and equity interests	–	1,743	–	319	–	1,743
Non-current receivables	(5,947)	–	(1,088)	–	(5,947)	–
Marketable securities bought	(1,163,346)	(1,676,845)	(212,771)	(306,688)	(1,163,346)	(1,676,845)
Marketable securities sold	1,152,106	2,050,130	210,715	374,960	1,152,106	2,050,130
Cash flow from investing activities	**(25,065)**	**361,905**	**(4,585)**	**66,191**	**5,736**	**390,966**
Warrants exercised	64,389	801	11,776	146	64,389	801
Shares issued for cash	477,955	–	87,416	–	477,955	–
Costs related to issuance of shares	(32,342)	256	(5,914)	47	(32,342)	256
Paid installments on lease liabilities	(6,589)	(4,628)	(1,205)	(846)	(3,957)	(1,254)
Cash flow from financing activities	**503,413**	**(3,571)**	**92,073**	**(653)**	**506,045**	**(197)**
Increase in cash and cash equivalents	**110,650**	**55,970**	**20,238**	**10,236**	**110,928**	**65,147**
Cash and cash equivalents at the beginning of the period	308,916	252,946	56,499	46,263	297,790	232,643
Cash and cash equivalents at the end of the period	**419,566**	**308,916**	**76,737**	**56,499**	**408,718**	**297,790**
Cash and cash equivalents include:						
Bank deposits and petty cash	391,839	253,992	71,666	46,453	384,037	246,809
Restricted bank deposits	27,727	24,242	5,071	4,434	24,681	20,299
Short term marketable securities	–	30,682	–	5,612	–	30,682
	419,566	**308,916**	**76,737**	**56,499**	**408,718**	**297,790**

STATEMENT OF SHAREHOLDERS' EQUITY

The statement of shareholders' equity applies to the parent company as well as to the consolidated financial statements for the Group.

	Number of shares	Share capital	Share premium	Equity reserve	Accumulated deficit	Shareholders' equity	Shareholders' equity
		DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	USD'000 (Unaudited)
December 31, 2002	**22,716,620**	**22,717**	**2,074,324**	**4,407**	**(702,279)**	**1,399,169**	**255,902**
Capital increase	246,914	247	12,716			12,963	2,371
Exercise of warrants	17,000	17	784			801	146
Expenses related to capital increase			256			256	47
Adjustment of foreign currency fluctuations on subsidiaries				359		359	66
Loss for the period					(327,114)	(327,114)	(59,828)
December 31, 2003	**22,980,534**	**22,981**	**2,088,080**	**4,766**	**(1,029,393)**	**1,086,434**	**198,704**
Capital increase	5,623,000	5,623	472,332			477,955	87,416
Exercise of warrants	1,148,829	1,148	63,241			64,389	11,776
Expenses related to capital increase			(32,342)			(32,342)	(5,914)
Adjustment of foreign currency fluctuations on subsidiaries				(238)		(238)	(44)
Loss for the period					(415,212)	(415,212)	(75,941)
December 31, 2004	**29,752,363**	**29,752**	**2,591,311**	**4,528**	**(1,444,605)**	**1,180,986**	**215,997**

STATEMENT OF SHAREHOLDERS' EQUITY

	Number of shares	Share capital DKK'000	Share capital USD'000 (Unaudited)
June 1998, Inception of the parent company	125,000	125	23
December 31, 1998	**125,000**	**125**	**23**
February 1999, Issuance of shares for licenses	187,500	187	34
February 1999, Issuance of shares for cash	187,500	188	34
May 1999, Issuance of shares for licenses	85,846	86	16
May 1999, Issuance of shares for cash	85,846	86	16
December 31, 1999	**671,692**	**672**	**123**
March 2000, Issuance of shares for licenses	136,274	136	25
March 2000, Issuance of shares for cash	165,474	165	30
May 2000, Exercise of warrants	3,140	3	1
June 2000, Issuance of shares for cash	576,646	577	106
August 2000, Issuance of shares for licenses	27,976	28	5
August 2000, Issuance of bonus shares	14,230,818	14,231	2,603
October 2000, Issuance of shares at initial public offering	6,000,000	6,000	1,097
December 31, 2000	**21,812,020**	**21,812**	**3,990**
December 31, 2001	**21,812,020**	**21,812**	**3,990**
January 2002, Exercise of warrants	14,500	15	3
February 2002, Exercise of warrants	10,000	10	2
June 2002, Issuance of shares for cash	880,100	880	161
December 31, 2002	**22,716,620**	**22,717**	**4,156**
July 2003, Issuance of shares by debt conversion	246,914	247	44
August 2003, Exercise of warrants	15,000	15	3
October 2003, Exercise of warrants	2,000	2	0
December 31, 2003	**22,980,534**	**22,981**	**4,203**
February 2004, Exercise of warrants	253,599	253	47
March 2004, Exercise of warrants	44,000	44	8
April 2004, Exercise of warrants	12,750	13	2
May 2004, Exercise of warrants	463,124	463	85
June 2004, Exercise of warrants	77,125	77	14
July 2004, Issuance of shares for cash	5,623,000	5,623	1,028
July 2004, Exercise of warrants	290,826	291	54
November 2004, Exercise of warrants	7,405	7	1
December 31, 2004	**29,752,363**	**29,752**	**5,442**

STATEMENT OF SHAREHOLDERS' EQUITY

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

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

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

In June 2000, Genmab completed a private offering where it received approximately DKK 321 million from Medarex, the BankInvest Group and new investors who subscribed to a total of 576,646 new shares. In August 2000, a total of 27,976 new shares were issued to Medarex in connection with the Genomics Agreement and the grant of an option of up to four antibodies obtained through an agreement with EOS Biotechnology. In August 2000, Genmab's shareholders approved a conversion of all existing classes of shares to one class of ordinary shares and a bonus share issuance of nine ordinary shares for each ordinary share. Following the issuance of the additional shares to Medarex and the bonus shares, Genmab had 15,812,020 outstanding ordinary shares.

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

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

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

In July 2003, the company issued 246,914 ordinary shares to Medarex, pursuant to the Genomics Agreement entered into in August 2000. The shares were issued through GenPharm International, Inc.

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

On December 31, 2004, the total number of outstanding shares was 29,752,363. Each share has a nominal value of DKK 1 and one vote.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and effective for 2004, the provisions of the Danish Financial Statements Act for listed companies in accounting class D, the Danish Accounting Standards, and the Copenhagen Stock Exchange's financial reporting requirements for listed companies. The new and improved International Financial Reporting Standards effective from January 1, 2005, have not been adopted but will be adopted in 2005.

The accounting policies have been applied consistently during the years presented.

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

Solely for convenience of the reader, the financial statements contain a conversion of certain DKK amounts into US Dollars (USD) at a specified rate. This conversion has been made at the exchange rate in effect at the balance sheet date. These converted amounts should not be construed as representations that the DKK amounts actually represent such USD amounts or could be converted into USD at the rate indicated or at any other rate. Only the consolidated financial statements have been converted to USD. Accordingly, financial statements for the parent company are disclosed only in DKK, except for certain disclosures in the notes.

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

Management's Judgments under IFRS and the Danish Financial Statements Act

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

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

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

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

General Recognition and Measurement Criteria

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

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

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

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

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

Consolidated Financial Statements

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

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

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

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

Foreign Currency

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

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

Income Statement

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

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

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

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

1. Accounting Policies (continued)

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

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

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

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

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

Balance Sheet

Non-Current Assets

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

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

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

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

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

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

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

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

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.

Equity Interests in Subsidiaries
Equity interests in subsidiaries are recognized and measured under the equity method.

The item "Profit/(loss) in subsidiaries" in the income statement includes the proportionate share of the profit or loss before tax of

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

the subsidiaries, while the proportionate share of the subsidiaries' tax is included in the item "Corporate tax".

The item "Equity interests in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the subsidiaries stated in accordance with the accounting policies of the parent company after adjustment for unrealized intercompany gains and losses.

Any undistributed profits in subsidiaries are allocated to "Reserve for net revaluation under the equity method", which is included in "Equity reserve" under equity in the financial statements of the parent company.

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

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

Current Assets

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

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

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

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

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

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

The company's portfolio of investments has been classified as "Available-for-sale" since we do not actively trade these securities except for the replacement of investments at maturity or to balance the portfolio.

Marketable securities are measured at fair value, which equals the listed price. Realized and unrealized gains and losses (including unrealized foreign exchange rate gains and losses) are recognized in the income statement as financial items. Transactions are recognized at trade date.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash, bank deposits and marketable securities with a maturity of three months or less on the date of acquisition. Cash and cash equivalents are measured at fair value.

Shareholders' Equity

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

Share premium reserve comprises the amount received in excess of the nominal amount of the shares issued at the company's

1. Accounting Policies (continued)

offerings, reduced by external expenses directly attributable to the offerings.

Equity reserve is made up of non-distributed profits in subsidiaries and exchange rate adjustments of equity investments in subsidiaries. This reserve cannot be used for distribution.

Non-Current Liabilities

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

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

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

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

Current Liabilities

Payable Technology Rights
Payable technology rights comprise the future payments regarding acquired rights to technology. The liability is measured at amortized cost and allocated between non-current and current liabilities.

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

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

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

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

Cash Flow Statement

The cash flow statement is presented using the indirect method with basis in the loss before financial items.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

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

Segment Reporting

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

Reconciliation from IFRS to US GAAP

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

Definition of Financial Ratios

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

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

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

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

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

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

New International Financial Reporting Standards

During 2004, a number of new standards have been issued by the International Accounting Standards Board, who also carried out their Improvement Project resulting in updates to the existing standards and withdrawal of parts of or entire standards. The majority of the new standards and the changes arising from the Improvement Project are effective as of January 1, 2005. The financial reporting of Genmab is expected to be affected by such new or improved standards to the extent described below.

The primary changes to the financial reporting of Genmab are expected to arise from the new IFRS 2, *"Share-Based Payment"*, and the revised IAS 27, *"Consolidated Financial Statements and Accounting for Investments in Subsidiaries"*.

IFRS 2 requires an entity to recognize share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. The standard requires compensation costs with respect to such share-based payment transactions to be recognized as an expense in the income statement. The standard will have a significant impact on Genmab's accounting for warrants.

The revised IAS 27 will affect the accounting of the parent company, Genmab A/S. This revised standard prohibits the application of the equity method in the separate financial statements of a parent company and prescribes investments in subsidiaries to be accounted for either at cost or at fair value in accordance with IAS 39. Application of this revised standard will change the measurement of subsidiaries in the separate financial statements of Genmab A/S, as such items are currently measured by use of the equity method. The revised standard will not affect the consolidated financial statements of the Genmab Group.

Other new or revised standards are expected to influence the disclosures in the financial statements of Genmab, primarily the revised IAS 1, *"Presentation of Financial Statements"*, which requires additional disclosures of management judgments, key assumptions and key sources of estimation uncertainty, and the revised IAS 32, *"Financial Instruments: Disclosure and*

1. Accounting Policies (continued)

Presentation", which comprise new disclosure requirements, including information about use of valuation techniques and sensitivities on estimates, comparison of fair value and carrying value for various classes of financial assets and financial liabilities, and other extensive disclosures. Further, the revised IAS 8, *"Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies"* requires disclosure of impending changes in accounting policies for standards or interpretations issued but not yet come to effect, and the revised IAS 24, *"Related Party Disclosures"* requires disclosure of related party transactions and outstanding balances with other entities within a group of companies, although such items are eliminated in the consolidated financial statements for the Group. The revised standard also includes additional disclosure requirements with respect to key personnel compensation.

Finally, the revised standards, IAS 36, *"Impairment of Assets"*, IAS 38, *"Intangible Assets"*, and IAS 39, *"Financial Instruments: Recognition and Measurement"* may impact the financial reporting of Genmab.

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

Genmab will adopt all the new standards effective for 2005.

2. Depreciation and Amortization

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Licenses and rights	23,048	30,827	4,215	5,638	23,048	30,827
Leasehold improvements	6,949	7,125	1,271	1,304	3,795	3,742
Equipment, furniture and fixtures	23,666	25,718	4,329	4,703	3,315	3,963
	53,663	**63,670**	**9,815**	**11,645**	**30,158**	**38,532**
Depreciation and amortization are included in:						
Research and development costs	47,999	56,888	8,779	10,405	27,386	35,388
General and administrative expenses	5,664	6,782	1,036	1,240	2,772	3,144
	53,663	**63,670**	**9,815**	**11,645**	**30,158**	**38,532**

NOTES TO THE FINANCIAL STATEMENTS

3. Staff

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Wages and salaries	113,799	103,534	20,813	18,936	62,507	58,681
Pension contributions	9,700	6,917	1,774	1,265	5,167	3,400
Other social security costs	5,662	5,168	1,036	945	394	368
	129,161	**115,619**	**23,623**	**21,146**	**68,068**	**62,449**
Personnel costs are expensed as follows:						
Research and development costs	99,020	88,215	18,110	16,134	54,655	46,696
General and administrative expenses	30,141	27,404	5,513	5,012	13,413	15,753
	129,161	**115,619**	**23,623**	**21,146**	**68,068**	**62,449**
Remuneration to management and the Board of Directors:						
Management	17,468	13,756	3,195	2,516	6,005	7,079
Board of Directors	1,640	1,205	300	220	1,640	1,205
	19,108	**14,961**	**3,495**	**2,736**	**7,645**	**8,284**
Average number of employees	206	199	206	199	91	95

In addition to the above remuneration, two members of management have company cars. Management and the Board of Directors participate in the company's warrant program. Please refer to Notes 14 and 15 for further details.

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

4. Financial Income

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Interest and other financial income	38,625	36,362	7,064	6,650	38,478	36,296
Interest from subsidiaries	–	–	–	–	2,276	3,724
Gains on marketable securities	12,853	13,996	2,351	2,560	12,853	13,996
Exchange rate gains	17,103	33,349	3,128	6,100	16,990	33,264
	68,581	**83,707**	**12,543**	**15,310**	**70,597**	**87,280**

5. Financial Expenses

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Interest and other financial expenses	1,370	911	251	167	892	243
Imputed interest on payable technology rights	432	1,136	79	208	432	1,136
Loss on marketable securities	19,276	8,434	3,525	1,543	19,276	8,434
Impairment loss on other securities and equity interests	–	4,525	–	828	–	4,525
Exchange rate losses	21,442	53,672	3,922	9,815	21,408	53,619
	42,520	**68,678**	**7,777**	**12,561**	**42,008**	**67,957**

6. Corporate Tax

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Current tax on result	–	(66)	–	(12)	–	(66)
Adjustment to deferred tax	(126,298)	(96,423)	(23,099)	(17,635)	(123,841)	(97,409)
Adjustment to valuation allowance	126,298	96,423	23,099	17,635	123,841	97,409
Total corporate tax expense	**0**	**(66)**	**0**	**(12)**	**0**	**(66)**

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

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Net result before tax	(415,212)	(327,180)	(75,941)	(59,840)	(415,212)	(327,180)
Computed 30% tax on result	**(124,564)**	**(98,154)**	**(22,782)**	**(17,952)**	**(124,564)**	**(98,154)**
Tax effect of:						
Profit/(loss) in subsidiaries	–	–	–	–	(243)	471
Non-deductible costs	172	1,710	31	313	146	208
Additional tax deductions	(4,994)	(45)	(913)	(8)	(2,268)	–
Expired tax losses	3,088		565		3,088	
Change in deferred tax asset	126,298	96,423	23,099	17,635	123,841	97,409
Total corporate tax	**0**	**(66)**	**0**	**(12)**	**0**	**(66)**
Effective tax rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

NOTES TO THE FINANCIAL STATEMENTS

6. Corporate Tax (continued)

On December 31, 2004, the parent company had net tax loss carry-forwards of approximately DKK 1,379,360 thousand for income tax purposes of which DKK 189,253 thousand expires in 2005 and 2006. DKK 1,190,107 thousand can be carried forward without limitation. In addition, the parent company had deductible temporary differences of approximately DKK 41,397 thousand. For local tax purposes, the subsidiaries had net tax loss carry-forwards and deductible temporary differences totaling DKK 9,443 thousand.

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

Significant components of the deferred tax asset are as follows:

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Tax deductible losses	1,386,099	970,886	253,511	177,571	1,379,360	967,653
Licenses and rights	35,411	35,431	6,476	6,480	35,411	35,431
Leasehold improvements	(1,624)	(4,514)	(297)	(826)	(593)	(799)
Equipment, furniture and fixtures	4,309	2,781	788	509	2,034	1,117
Securities and equity interests	4,525	4,525	828	828	4,525	4,525
Other temporary differences	1,480	97	270	18	20	27
Total temporary differences	**1,430,200**	**1,009,206**	**261,576**	**184,580**	**1,420,757**	**1,007,954**
Deferred tax asset at 30%	429,060	302,762	78,473	55,374	426,227	302,386
Valuation allowance	(429,060)	(302,762)	(78,473)	(55,374)	(426,227)	(302,386)
Recorded deferred tax asset	**0**	**0**	**0**	**0**	**0**	**0**

7. Licenses and Rights

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Cost per January 1	152,484	152,484	27,889	27,889	152,484	152,484
Cost per December 31	**152,484**	**152,484**	**27,889**	**27,889**	**152,484**	**152,484**
Accumulated amortization per January 1	(118,711)	(87,884)	(21,712)	(16,074)	(118,711)	(87,884)
Amortization for the year	(23,048)	(30,827)	(4,215)	(5,638)	(23,048)	(30,827)
Accumulated amortization per December 31	**(141,759)**	**(118,711)**	**(25,927)**	**(21,712)**	**(141,759)**	**(118,711)**
Net book value per December 31	**10,725**	**33,773**	**1,962**	**6,177**	**10,725**	**33,773**

8. Property, Plant and Equipment – Genmab Group

	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction
	DKK'000	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Cost per January 1, 2004	30,195	84,222	47,176	5,523	15,404	8,628
Exchange rate adjustment	(968)	(627)	(5)	(177)	(115)	(1)
Additions for the year	3,310	14,893	4,846	605	2,724	887
Transfers between the classes	1,766	2,470	(4,236)	323	452	(775)
Disposals for the year	(1,619)	(32,765)	–	(296)	(5,993)	–
Cost per December 31, 2004	**32,684**	**68,193**	**47,781**	**5,978**	**12,472**	**8,739**
Accumulated depreciation per January 1, 2004	(12,109)	(34,154)	–	(2,215)	(6,247)	–
Exchange rate adjustment	381	346	–	70	64	–
Depreciation for the year	(6,949)	(23,666)	–	(1,271)	(4,329)	–
Accumulated depreciation on disposals for the year	1,499	25,517	–	274	4,667	–
Accumulated depreciation per December 31, 2004	**(17,178)**	**(31,957)**	**0**	**(3,142)**	**(5,845)**	**0**
Accumulated impairment loss per January 1, 2004	–	–	(42,170)	–	–	(7,713)
Accumulated impairment loss per December 31, 2004	**0**	**0**	**(42,170)**	**0**	**0**	**(7,713)**
Net book value per December 31, 2004	**15,506**	**36,236**	**5,611**	**2,836**	**6,627**	**1,026**
Net book value of assets under finance leases included above	–	23,347	5,010	–	4,270	916

NOTES TO THE FINANCIAL STATEMENTS

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

	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction	Leasehold improvements	Equipment, furniture and fixtures	Fixed assets under construction
	DKK'000	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Cost per January 1, 2004	16,941	16,228	42,170	3,098	2,968	7,713
Additions for the year	588	888	–	108	162	–
Disposals for the year	(120)	(1,737)	–	(22)	(317)	–
Cost per December 31, 2004	**17,409**	**15,379**	**42,170**	**3,184**	**2,813**	**7,713**
Accumulated depreciation per January 1, 2004	(6,018)	(7,892)	–	(1,101)	(1,443)	–
Depreciation for the year	(3,795)	(3,315)	–	(694)	(606)	–
Accumulated depreciation on disposals for the year	–	952	–	–	174	–
Accumulated depreciation per December 31, 2004	**(9,813)**	**(10,255)**	**0**	**(1,795)**	**(1,875)**	**0**
Accumulated impairment loss per January 1, 2004	–	–	(42,170)	–	–	(7,713)
Accumulated impairment loss per December 31, 2004	**0**	**0**	**(42,170)**	**0**	**0**	**(7,713)**
Net book value per December 31, 2004	**7,596**	**5,124**	**0**	**1,389**	**938**	**0**
Net book value of assets under finance leases included above	–	1,393	–	–	255	–

9. Equity Interests in Subsidiaries

	Parent Company		Parent Company	
	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)
Cost per January 1	22,244	8,097	4,068	1,481
Capital increases during the year	–	14,147	–	2,587
Cost per December 31	**22,244**	**22,244**	**4,068**	**4,068**
Adjustment of value per January 1	(5,508)	(4,361)	(1,008)	(798)
Profit/(loss) in subsidiaries	809	(1,572)	150	(288)
Corporate tax in subsidiaries	–	66	–	12
Exchange rate adjustment	(237)	359	(44)	66
Adjustment of value per December 31	**(4,936)**	**(5,508)**	**(902)**	**(1,008)**
Net book value per December 31	**17,308**	**16,736**	**3,166**	**3,060**

9. Equity Interests in Subsidiaries (continued)

Equity interests in subsidiaries are specified as follows:

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

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

10. Other Securities and Equity Interests

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Cost per January 1	10,251	31,755	1,875	5,808	10,251	31,755
Additions for the year	–	–	–	–	–	–
Disposals for the year	–	(21,504)	–	(3,933)	–	(21,504)
Cost per December 31	**10,251**	**10,251**	**1,875**	**1,875**	**10,251**	**10,251**
Adjustment to fair value per January 1	(4,525)	(20,085)	(828)	(3,673)	(4,525)	(20,085)
Adjustment to fair value for the year	–	15,560	–	2,845	–	15,560
Adjustment to fair value per December 31	**(4,525)**	**(4,525)**	**(828)**	**(828)**	**(4,525)**	**(4,525)**
Net book value per December 31	**5,726**	**5,726**	**1,047**	**1,047**	**5,726**	**5,726**

Other securities and equity interests consist of investments in strategic partners of Genmab. As per December 31, 2004, such investments comprise equity shares in Scancell Ltd. and Paradigm Therapeutics Ltd., both privately held British biotech companies. Until 2003, other securities and equity interests also included equity shares in Oxford GlycoSciences Plc., a publicly held British biotech company. During 2003, Oxford GlycoSciences was acquired by Celltech and our shares were sold.

11. Other Receivables

Included in other receivables are current and non-current deposits for operational leases. The non-current part of deposits amounts to DKK 2,502 thousand for the Group of which DKK 2,497 thousand relates to the parent company.

NOTES TO THE FINANCIAL STATEMENTS

12. Marketable Securities

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

We consider the credit risk to be immaterial, since only investments with a long term rating of at least A or similar assessment are selectable for our portfolios. Since all securities are traded in established markets, we consider the liquidity risk to be immaterial. Some of the securities in which the company has invested bear interest rate risk, as a change in market derived interest rates may cause the fair value of the investment to fluctuate. The portfolio has an average duration of less than two and no securities have more than four, which means that a change in the interest rates of 1% point will cause the fair value of the securities to change by approximately 2%.

Approximately 6% of the portfolio is invested in USD, and accordingly Genmab is exposed to a foreign exchange risk in the short term. The position is used to hedge future expenses in USD, and no financial instruments, such as options or futures contracts, have been entered into to reduce the exposure to short-term changes in foreign currency exchange rates. A 10% change in the USD to DKK exchange rate will cause our USD denominated securities to impact our net financial items by approximately DKK 5 million.

The DKK portfolio has generated a yield of 3.5% to be recognized in 2004, and the USD portfolio generated a corresponding 1.2% yield during the year.

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

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Cost per January 1	744,584	1,116,313	136,181	204,169	744,584	1,116,313
Additions for the year	1,163,346	1,676,845	212,771	306,688	1,163,346	1,676,845
Disposals for the year	(1,158,771)	(2,048,574)	(211,934)	(374,676)	(1,158,771)	(2,048,574)
Cost per December 31	**749,159**	**744,584**	**137,018**	**136,181**	**749,159**	**744,584**
Adjustment to fair value per January 1	(17,724)	(524)	(3,242)	(96)	(17,724)	(524)
Adjustment to fair value for the year	7,427	(17,200)	1,359	(3,146)	7,427	(17,200)
Adjustment to fair value per December 31	**(10,297)**	**(17,724)**	**(1,883)**	**(3,242)**	**(10,297)**	**(17,724)**
Net book value per December 31	**738,862**	**726,860**	**135,135**	**132,939**	**738,862**	**726,860**

12. Marketable Securities (continued)

Specification of the portfolio per December 31, 2004

	Genmab Group and Parent Company			
	Cost	Cost	Market Value	Market Value
	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)
Kingdom of Denmark bonds	454,302	83,090	454,520	83,130
Other Danish securities	238,057	43,539	236,637	43,280
	692,359	**126,629**	**691,157**	**126,410**
US Government and Federal Agency Notes	28,714	5,252	25,006	4,573
US Corporate Notes	28,086	5,137	22,699	4,152
	56,800	**10,389**	**47,705**	**8,725**
Total portfolio	**749,159**	**137,018**	**738,862**	**135,135**

Scheduled maturities per December 31, 2004

	Genmab Group and Parent Company			
	Cost	Cost	Market Value	Market Value
	DKK'000	USD'000 (Unaudited)	DKK'000	USD'000 (Unaudited)
Maturity within one year	151,045	27,625	144,028	26,342
Maturity from one to three years	598,114	109,393	594,834	108,793
Total portfolio	**749,159**	**137,018**	**738,862**	**135,135**

13. Payable Technology Rights

In 2000, Genmab entered into the Genomics Agreement with Medarex, Inc. See Note 16 for additional details. Under this agreement, Genmab was required to pay USD 2 million annually for four consecutive years beginning on August 26, 2001. The company calculated the net present value of these payments using an interest rate of 5.71% per annum and capitalized this amount as licenses and rights. A corresponding amount was recorded as a liability in the balance sheet. The company recognized imputed interest on the outstanding payment. In August 2004, the final payment under the Genomics Agreement was paid to Medarex.

NOTES TO THE FINANCIAL STATEMENTS

14. Warrants

Warrant Scheme
Since inception, Genmab A/S has established warrant schemes, which have the primary objective of giving those who help build the company an opportunity to share in the value of the business that they are helping to create. The warrant schemes are meant to provide an incentive for all company employees, including those in our subsidiaries, members of the Board of Directors and members of the executive management as well as certain external consultants with a long-term relationship with us.

All employees to date have been granted warrants in connection with their employment.

Warrants are granted by our Board of Directors in accordance with authorizations given to it by the company's shareholders. The most recent warrant scheme was adopted by the Board of Directors in August 2004.

Under the terms of the recent warrant schemes, warrants are granted at an exercise price equal to the share price on the grant date. According to the company's Articles of Association, the exercise price cannot be fixed at a lower price than the market price at the grant date.

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

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

Warrants Granted Prior to August 2004
Half of the warrants granted under these warrant schemes can be exercised one year after the grant date with the other half exercisable two years after the grant date. The exercise period lasts for three years from the date when a warrant first becomes exercisable. If the warrants are not exercised within these periods, they lapse.

The exercise of warrants is not conditional upon continued employment or affiliation with Genmab. However, if the warrant holder exercises warrants, then upon the conclusion of employment or affiliation, the holder is obligated to offer to sell a specified percentage of shares issued back to the company. The sell back clause is not applicable in the event of termination as a result of the company's breach of the employment or affiliation contract. The sell back clause defines the percentage of shares that the holder is required to offer to sell back to the company in accordance with the following schedule:

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

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

Warrant Activity
In February 1999, the company's shareholders authorized the Board of Directors to grant 250,000 warrants. In January 2000, the company's shareholders authorized the Board of Directors to grant an additional 600,000 warrants. The number of warrants authorized was increased by an additional 1,257,730 warrants in June 2000 and 2,163,533 in August 2000. In April 2003, the Board of Directors was authorized to grant an additional 500,000 warrants by the company's shareholders and in April 2004, this number of warrants authorized was increased by an additional 1,250,000 warrants. Accordingly, as per December 31, 2004, the Board of Directors has been authorized to grant a total of 6,021,263 warrants.

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

14. Warrants (continued)

	Genmab Group and Parent Company					
	Number of warrants granted to employees	Number of warrants granted to the Board of Directors	Number of warrants granted to non-employee consultants	Total outstanding warrants	Weighted average exercise price DKK	Weighted average exercise price USD (Unaudited)
Granted February 11, 2000	259,500	175,000	45,000	479,500	48.90	8.94
Granted March 15, 2000	75,000			75,000	48.90	8.94
Granted June 26, 2000	205,500	85,000	35,000	325,500	59.70	10.92
Granted July 31, 2000	590,500	300,000	210,000	1,100,500	59.70	10.92
Granted December 6, 2000	203,500	70,000	35,000	308,500	300.00	54.87
Exercised in 2000	–	–	–	–	–	–
Outstanding at December 31, 2000	**1,334,000**	**630,000**	**325,000**	**2,289,000**	**89.47**	**16.36**
Granted March 6, 2001	207,500		5,000	212,500	148.00	27.07
Granted July 30, 2001	553,500		10,000	563,500	165.00	30.18
Granted November 7, 2001	253,300	1,000		254,300	117.50	21.49
Granted December 5, 2001	79,000		5,000	84,000	116.00	21.22
Exercised in 2001	–	–	–	–	–	–
Outstanding at December 31, 2001	**2,427,300**	**631,000**	**345,000**	**3,403,300**	**108.38**	**19.82**
Granted February 15, 2002	139,100			139,100	190.00	34.75
Granted March 7, 2002		75,000		75,000	196.00	35.85
Granted March 20, 2002	18,750			18,750	183.00	33.47
Granted June 28, 2002	204,000	1,000	5,000	210,000	139.50	25.51
Granted September 26, 2002	409,925	5,000		414,925	33.70	6.16
Exercised in January 2002	(14,500)	–	–	(14,500)	59.70	10.92
Exercised in February 2002	(10,000)	–	–	(10,000)	48.90	8.94
Outstanding at December 31, 2002	**3,174,575**	**712,000**	**350,000**	**4,236,575**	**107.48**	**19.66**
Granted June 25, 2003	146,025			146,025	37.00	6.77
Granted October 10, 2003	57,600			57,600	62.50	11.43
Granted November 11, 2003		25,000		25,000	59.00	10.79
Granted December 4, 2003	7,250			7,250	51.50	9.42
Exercised in July 2003	–	(15,000)	–	(15,000)	48.90	8.94
Exercised in October 2003	(2,000)	–	–	(2,000)	33.70	6.16
Outstanding at December 31, 2003	**3,383,450**	**722,000**	**350,000**	**4,455,450**	**104.45**	**19.10**
Granted April 1, 2004	68,750			68,750	86.00	15.73
Granted August 3, 2004	375,550	355,000		730,550	86.00	15.73
Granted September 22, 2004	33,575			33,575	89.50	16.37
Granted December 1, 2004	81,750			81,750	97.00	17.74
Exercised in February 2004	(123,599)	(122,500)	(7,500)	(253,599)	50.45	9.23
Exercised in March 2004	(44,000)	–	–	(44,000)	47.27	8.65
Exercised in April 2004	(12,750)	–	–	(12,750)	59.19	10.83
Exercised in May 2004	(388,124)	(75,000)	–	(463,124)	58.27	10.66
Exercised in June 2004	(67,125)	–	(10,000)	(77,125)	58.06	10.62
Exercised in July 2004	(93,326)	(97,500)	(100,000)	(290,826)	58.61	10.72
Exercised in November 2004	(7,405)	–	–	(7,405)	33.70	6.16
Expired in 2004	(110,200)	(35,000)	(45,000)	(190,200)	253.38	46.34
Outstanding at December 31, 2004	**3,096,546**	**747,000**	**187,500**	**4,031,046**	**107.29**	**19.62**

NOTES TO THE FINANCIAL STATEMENTS

14. Warrants (continued)

Weighted Average Exercise Price

The weighted average exercise price of outstanding warrants can be summarized as:

		Warrants outstanding						Warrants exercisable		
Exercise price	Warrants exercisable from	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price DKK	Weighted average exercise price USD (Unaudited)	Value of outstanding warrants at year end DKK	Value of outstanding warrants at year end USD (Unaudited)	Number of warrants exercisable	Weighted average exercise price DKK	Weighted average exercise price USD (Unaudited)
Preceding Warrant Scheme										
DKK 33.70	September 26, 2003	377,395	2.28	33.70	6.16	69.35	12.68	377,395	33.70	6.16
DKK 37.00	June 25, 2004	142,775	2.99	37.00	6.77	67.85	12.41	69,763	37.00	6.77
DKK 48.90	February 11, 2001	212,250	0.13	48.90	8.94	51.31	9.38	212,250	48.90	8.94
DKK 51.50	December 4, 2004	7,250	3.43	51.50	9.42	58.70	10.74	3,625	51.50	9.42
DKK 59.00	November 11, 2004	25,000	3.36	59.00	10.79	53.90	9.86	12,500	59.00	10.79
DKK 59.70	June 26, 2001	582,751	0.56	59.70	10.92	41.93	7.67	582,751	59.70	10.92
DKK 62.50	October 10, 2004	57,600	3.28	62.50	11.43	51.59	9.44	28,800	62.50	11.43
DKK 86.00	April 1, 2005	68,750	3.75	86.00	15.73	42.28	7.73	-	-	-
DKK 116.00	December 5, 2002	84,000	1.43	116.00	21.22	16.56	3.03	84,000	116.00	21.22
DKK 117.50	November 7, 2002	254,300	1.35	117.50	21.49	15.39	2.81	254,300	117.50	21.49
DKK 139.50	June 28, 2003	210,000	1.99	139.50	25.51	15.06	2.75	210,000	139.50	25.51
DKK 148.00	March 6, 2002	212,500	0.68	148.00	27.07	3.82	0.70	212,500	148.00	27.07
DKK 165.00	July 30, 2002	563,500	1.08	165.00	30.18	4.69	0.86	563,500	165.00	30.18
DKK 183.00	March 20, 2003	18,750	1.72	183.00	33.47	6.79	1.24	18,750	183.00	33.47
DKK 190.00	February 15, 2003	139,100	1.63	190.00	34.75	5.66	1.03	139,100	190.00	34.75
DKK 196.00	March 7, 2003	75,000	1.68	196.00	35.85	5.44	1.00	75,000	196.00	35.85
DKK 300.00	December 6, 2001	154,250	0.93	300.00	54.87	0.13	0.02	154,250	300.00	54.87
Current Warrant Scheme										
DKK 86.00	August 3, 2005	730,550	9.59	86.00	15.73	49.79	9.11	–	–	–
DKK 89.50	September 22, 2005	33,575	9.73	89.50	16.37	49.10	8.98	–	–	–
DKK 97.00	December 1, 2005	81,750	9.92	97.00	17.74	47.39	8.67	–	–	–
DKK 33.70 to DKK 300.00		**4,031,046**	**3.10**	**107.29**	**19.62**	**33.24**	**6.08**	**2,998,484**	**115.85**	**21.19**

Compensation Costs Relating to Warrants

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

Until 2002, the warrant program included a repurchase condition with an interest element and accordingly, the warrants were considered variable. The cost relating to warrants granted to employees was based on the intrinsic value of the outstanding warrants at each balance sheet date. Once the compensation costs had been expensed, they were not reversed, even if the intrinsic value of the warrants decreased. In 2002, employees and board members accepted a modification to the existing warrant program. This changed the repurchase condition and, accordingly, the outstanding warrants are no longer considered variable for accounting purposes. Therefore, the warrants to employees and the Board of Directors are not revalued at each balance sheet date.

No costs have been recognized in the income statement in 2004 or in 2003 for warrants granted to employees and the Board of Directors.

The costs relating to warrants granted to non-employee consultants are based on the fair value of the outstanding warrants

14. Warrants (continued)

at each balance sheet date, and are calculated using the Black Scholes pricing model.

Once the compensation costs have been expensed, they are not reversed, even if the fair value of the warrants decreases. No compensation costs have been recognized for non-employee consultants for 2004 or for 2003.

Total expenses of DKK 20,039 thousand have been recognized in the income statement since the company's inception.

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

	2004	2003
Expected dividend yield	0%	0%
Expected stock price volatility	44%	54%
Risk-free interest rate	3.25%	3.73%
Expected life of warrants - preceding warrant schemes	4 years	4 years
Expected life of warrants - current warrant scheme	6 years	–

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

15. Internal Shareholders

	Number of ordinary shares owned	Number of warrants held
Board of Directors		
Lisa N. Drakeman	448,540	492,500
Ernst H .Schweizer	234,340	74,500
Irwin Lerner	25,000	40,000
Michael B. Widmer	–	70,000
Karsten Havkrog Pedersen	–	35,000
Anders Gersel Pedersen	–	35,000
	707,880	**747,000**
Management		
Lisa N. Drakeman, see above	–	–
Jan van de Winkel	117,500	270,000
Claus Juan Møller-San Pedro	332,415	142,500
	449,915	**412,500**
Total	**1,157,795**	**1,159,500**

NOTES TO THE FINANCIAL STATEMENTS

16. Related Party Disclosures

Medarex, Inc. and GenPharm International, Inc.
On December 31, 2004, Medarex, Inc. owned approximately 25% of the outstanding shares of the company through its wholly owned subsidiary, GenPharm International, Inc.

During 1999 and 2000, Medarex granted 16 fully paid-up exclusive licenses to the company to use its HuMAb-Mouse® and to produce human monoclonal antibodies for 16 antigens to be specified by Genmab. Furthermore, Genmab also has the right to access the TC Mouse™ technology on commercial terms. In addition, Medarex granted Genmab a non-exclusive license to use the HuMAb technology to produce human monoclonal antibodies for an unlimited number of antigens, subject to availability and the payment of fees, milestones and royalties. The licenses contributed to Genmab by Medarex have been recorded at their value on the date of contribution, and are supported by independent valuation studies. These licenses are amortized using the straight-line method over an estimated useful life of five years.

In 2000, Genmab entered into the Genomics Agreement, pursuant to which Medarex granted the company the exclusive rights to market its transgenic mouse technologies for certain multi-target (five or more targets) European genomics partnerships. Genmab's territory includes companies with European headquarters that have either developed or gained access to genomics or other novel targets. The company may also conduct business with any company it may choose for non multi-target (less than five targets) agreements. In exchange for the rights granted to Genmab by Medarex under the Genomics Agreement, the company issued 27,976 shares at a value of DKK 16,702 thousand, equal to USD 2 million to Medarex. Beginning in 2001, the Genomics Agreement states that the company will pay Medarex USD 2 million per year for four years. In 2001 and 2002, Medarex was paid in cash. However, Genmab had the option to pay these amounts in either cash or by issuance of shares. In 2003, Genmab exercised its option to pay the amount of USD 2 million that would otherwise become payable in cash, through the issuance of shares to GenPharm. A total of 246,914 shares at a price of DKK 52.50 per share were subscribed by GenPharm by conversion of debt in the amount of DKK 12,963 thousand, pursuant to the Genomics Agreement. In 2004, the final payment of USD 2 million was made to Medarex in cash.

Licenses and rights contributed to Genmab in connection with the Genomics Agreement have been recorded at historic cost for the initial fee and the net present value for the remaining four payments. The amortization is based on the straight-line method over its estimated useful life of five years. The obligation related to the net present value of the remaining payments is included in liabilities and has been recorded to include imputed interest.

The partnering model entered into between Medarex and Genmab in the Genomics Agreement is based on collaboration, cost sharing and shared commercial rights. In a typical collaboration, the target company will contribute five or more targets to the alliance. Genmab and Medarex will jointly contribute the antibody products to the targets. For each product to be developed the target company will pay half the development costs and Genmab and Medarex together will pay equally the other half. Genmab and Medarex together may also make their full repertoire of antibody development capabilities available to the collaborations, including pre-clinical and clinical research and manufacturing capacity.

In June 2001, Genmab and Medarex entered into a collaboration agreement to develop HuMax-Inflam. Under the agreement, the parties will share the costs associated with the pre-clinical and clinical development of the product and will share the commercialization rights and royalties. In 2004, the development activities led to recognition of net cost reimbursement of DKK 4,480 thousand, which reduced our development expenses. The comparative net cost reimbursement for 2003 was DKK 5,374 thousand.

The company has paid Medarex for manufacturing services, licenses and the reimbursement of administrative expenses. For 2004 and 2003, the company has recorded transactions totalling DKK 7,309 thousand and DKK 15,335 thousand, respectively.

As per December 31, 2004, the company has recorded payables to Medarex of DKK 547 thousand compared to DKK 645 thousand as of December 31, 2003. Further, as per end of December 2003, the company had recorded payable technology rights of DKK 11,495 thousand.

IPC-Nordic A/S
IPC-Nordic A/S is considered a related party, as the company is controlled by a member of management of Genmab. During the past years, Genmab has purchased drug supply distribution services from IPC-Nordic, as the services were not available elsewhere in Denmark. The fees for the services are determined following an arms length principle and the total fees paid for such services were DKK 599 thousand in 2004 compared to DKK 1,663 thousand in 2003. As per December 31, 2004, the company has recorded payables to IPC-Nordic of DKK 16 thousand.

16. Related Party Disclosures (continued)

The Company's Board of Directors and Officers

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

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

Other Parties

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

17. Commitments

One of the parent company's bank accounts has been registered as collateral for the Group's finance lease obligations. The account is included in cash and cash equivalents at an amount of DKK 18,668 thousand. In addition, the Group has established bank guarantees totaling DKK 9,059 thousand, the details of which have been described below.

Operating Leases

The company and the Group lease office space under operating leases, which are non-cancelable for various periods up to 2010. For the years ended December 31, 2004 and 2003, the Group recorded lease expenses of DKK 17,123 thousand and DKK 12,235 thousand, respectively.

Further, the company and the Group has entered into minor agreements with respect to operating leases for cars and office equipment. The total commitments under operating leases of cars and office equipment amount to DKK 2,960 thousand for the parent company and DKK 4,173 thousand for the Group.

The Group has established a bank guarantee of DKK 3,046 thousand towards a lessor of an office building.

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

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Payment due in						
2004	–	18,892	–	3,455	–	5,864
2005	16,973	16,898	3,104	3,091	6,292	4,201
2006	13,460	13,126	2,462	2,401	860	624
2007	8,992	11,599	1,645	2,121	–	–
2008	8,992	9,000	1,645	1,646	–	–
2009	8,992	9,000	1,645	1,646	–	–
Thereafter	8,992	8,999	1,645	1,646	–	–
Total	**66,401**	**87,514**	**12,146**	**16,006**	**7,152**	**10,689**

NOTES TO THE FINANCIAL STATEMENTS

17. Commitments (continued)

Finance Leases

The company and the Group have entered into finance lease contracts with respect to cars and laboratory equipment. The majority of the lease contracts in the Dutch subsidiary have been entered through Genmab A/S in order to take advantage of the financial strength of the parent company by obtaining lower prices. This arrangement is neutral to the parent company, as all terms and conditions of the lease agreement are passed on to the subsidiary on the same terms as from the external lessor. As a result, Genmab A/S has lease receivables from the subsidiary totaling DKK 22,104 thousand, which are included in the net receivable from subsidiaries in the balance sheet of the parent company. Due to the nature of the lease arrangement, including immateriality and neutrality, management does not consider the parent company to be a finance lessor for accounting purposes. Accordingly, the disclosure requirements for finance lease receivables have not been completely fulfilled for the parent company. The lease liability regarding these contracts has been recognized in the balance sheet and covers various periods up to 2009. The average effective interest rate in the parent company's and the Group's lease arrangements is approximately 4.1%. Future minimum lease payments under such finance leases and the net present value are as follows:

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Minimum lease payments						
Within 1 year	8,773	5,897	1,605	1,079	5,767	1,686
From 1 to 5 years	22,210	17,969	4,062	3,286	19,454	7,342
	30,983	23,866	5,667	4,365	25,221	9,028
Future finance charges	(2,112)	(1,891)	(387)	(346)	(1,853)	(753)
Total	**28,871**	**21,975**	**5,280**	**4,019**	**23,368**	**8,275**
Net present value of future payments						
Within 1 year	8,611	5,774	1,575	1,056	5,673	1,650
From 1 to 5 years	20,260	16,201	3,705	2,963	17,695	6,625
Total	**28,871**	**21,975**	**5,280**	**4,019**	**23,368**	**8,275**

One of the parent company's bank accounts has been registered as collateral for a part of the Group's finance lease obligations. The balance of this account is included in cash and cash equivalents as per December 31, 2004, at an amount of DKK 18,668 thousand. In addition, the parent company has established a bank guarantee of DKK 6,013 thousand towards a lessor of Genmab B.V.

Other Purchase Obligations

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

17. Commitments (continued)

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Payment due in						
2004	–	48,508	–	8,872	–	34,200
2005	91,565	1,159	16,747	212	86,500	1,000
2006	6,200	1,000	1,134	183	6,200	1,000
2007	1,500	200	274	37	1,500	200
2008	750	–	137	–	750	–
2009	450	–	82	–	450	–
Thereafter	566	–	104	–	566	–
Total	**101,031**	**50,867**	**18,478**	**9,304**	**95,966**	**36,400**

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

18. Contingent Assets and Contingent Liabilities

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

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

19. Fees to Auditors Appointed at the Annual General Meeting

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
PricewaterhouseCoopers						
Audit	966	791	177	145	542	361
Other services	2,694	1,035	492	189	1,828	214
	3,660	**1,826**	**669**	**334**	**2,370**	**575**
Deloitte						
Audit	126	115	23	21	126	115
Other services	605	–	111	–	605	–
	731	**115**	**134**	**21**	**731**	**115**
Total fees	**4,391**	**1,941**	**803**	**355**	**3,101**	**690**

NOTES TO THE FINANCIAL STATEMENTS

20. Reconciliation from IFRS to US GAAP

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

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, *"Reporting Comprehensive Income"*, establishes US GAAP for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income, which is a component of shareholders' equity, includes all unrealized gains and losses (including exchange rate gains and losses) on debt and equity securities classified as "Available-for-sale." Such securities would be classified as marketable securities in the financial statements under US GAAP and such unrealized gains and losses would be included in a separate statement in order to determine comprehensive income.

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

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

Application of US GAAP would have affected net loss for the periods ended December 31, 2004 and 2003 to the extent described below. Application of US GAAP would not have affected shareholders' equity as of any date for which financial information is presented herein.

	Genmab Group		Genmab Group		Parent Company	
	2004	2003	2004	2003	2004	2003
	DKK'000	DKK'000	USD'000 (Unaudited)	USD'000 (Unaudited)	DKK'000	DKK'000
Net loss according to IFRS	**(415,212)**	**(327,114)**	**(75,941)**	**(59,828)**	**(415,212)**	**(327,114)**
Revaluation of marketable securities concerning measurement to market value	(2,236)	6,774	(409)	1,239	(2,236)	6,774
Reversed unrealized exchange rate loss on marketable securities	(4,599)	10,063	(841)	1,840	(4,599)	10,063
Net loss according to US GAAP	**(422,047)**	**(310,277)**	**(77,191)**	**(56,748)**	**(422,047)**	**(310,277)**
Weighted average number of ordinary shares outstanding during the period - basic and diluted	26,470,014	22,830,818	26,470,014	22,830,818	26,470,014	22,830,818
Basic and diluted net loss per share according to US GAAP (in DKK/USD)	(15.94)	(13.59)	(2.92)	(2.49)	(15.94)	(13.59)
Net loss according to US GAAP	**(422,047)**	**(310,277)**	**(77,191)**	**(56,748)**	**(422,047)**	**(310,277)**
Other Comprehensive income:						
Unrealized loss from marketable securities	2,236	(6,774)	409	(1,239)	2,236	(6,774)
Adjustment of foreign currency fluctuations in subsidiaries	(238)	359	(44)	66	(238)	359
Unrealized exchange rate loss on marketable securities	4,599	(10,063)	841	(1,840)	4,599	(10,063)
Comprehensive income	**(415,450)**	**(326,755)**	**(75,985)**	**(59,761)**	**(415,450)**	**(326,755)**

2004 COPENHAGEN STOCK EXCHANGE RELEASES

Feb. 5 Genmab Announces Year End 2003 Financial Results

Feb. 5 Preliminary Annual Report 2003

Feb. 18 Genmab to Present HuMax-CD4 Data at the Society for Investigative Dermatology Conference

Mar. 8 Timing of Publication of Genmab's Annual Report 2003

Mar. 10 Genmab A/S Summons Annual General Meeting

Mar. 16 Genmab's Annual Report 2003

Mar. 19 Roche Selects Two Genmab Antibodies as Clinical Candidates

Mar. 23 Amgen Announces Positive HuMax-IL15 Interim Phase II Data

Mar. 23 Genmab's HuMax-CD4 to Treat Lymphoma Awarded Fast Track Status from FDA

Apr. 1 Passing of Genmab A/S' Annual General Meeting – Subsequent Grant of Warrants

Apr. 26 Genmab Licenses Cancer Target from Ganymed

Apr. 28 Genmab Announces Positive HuMax-CD4 Phase II Lymphoma Data

May 4 Genmab Announces 2004 First Quarter Results

May 25 Genmab's HuMax-CD4 Receives EU Orphan Drug Designation

Jun. 1 Genmab Signs Agreement with DSM Biologics to Produce Clinical and Commercial Supply of HuMax-CD4

Jun. 18 Genmab Announces Private Placement Memorandum in Connection with a Private Placement

Jun. 21 Supplement to Preliminary Private Placement Memorandum

Jun. 21 US FDA Accepts Genmab's IND for HuMax-CD20 to Treat CLL

Jun. 30 Additional Supplement to Preliminary Private Placement Memorandum

Jul. 1 Genmab Announces the Placing of its Private Placement

Jul. 1 Genmab Announces Over-Allotment Option Fully Exercised

Jul. 5 Genmab Announces Final Private Placement Memorandum

Aug. 3 Genmab Announces 2004 First Half Year Results

Aug. 11 Genmab to Present HuMax-CD4 Phase II Duration of Response Data

Aug. 13 Genmab Initiates HuMax-CD4 Study in Non-Cutaneous T-Cell Lymphoma

Aug. 23 Genmab's HuMax-CD4 Receives US Orphan Drug Designation

Sep. 1 T-Cell Lymphoma Patients Achieve Long Lasting Responses with Genmab's HuMax-CD4

Sep. 10 Phase II AMG 714 Data to be Presented at the American College of Rheumatology Annual Scientific Meeting

Sep. 14 Genmab Achieves Two Milestones in Roche Collaboration

Sep. 22 Dr. Ernst Schweizer Extends his Contract as Genmab's Head of Business Development

Oct. 4 Genmab Announces Positive Phase I/II HuMax-EGFr Safety Data

Oct. 18 Additional Data Presented at ACR from AMG 714 Phase II Trial to Treat Rheumatoid Arthritis

Nov. 2 Genmab Announces Results for the First Nine Months of 2004

Nov. 4 Genmab Appoints Vice President Sales and Marketing

Nov. 5 Genmab to Present Data from Phase I/II HuMax-CD20 Study at ASH Conference

Dec. 1 Genmab Announces Encouraging Efficacy Data from Humax-EGFr Phase I/II Trial in Head and Neck Cancer

Dec. 5 Genmab's HuMax-CD20 Shows Favorable Clinical Responses in NHL

Dec. 9 Genmab A/S Financial Calendar for 2005

Dec. 13 US FDA Accepts Genmab's IND for Humax-CD20 to Treat Active Rheumatoid Arthritis

Dec. 16 Genmab's HuMax-CD20 to Treat CLL Awarded Fast Track Status from FDA

Dec. 17 Roche Selects Two Genmab Antibodies as Clinical Candidates

Dec. 21 Genmab A/S and Medarex Announce Positive Safety and Efficacy Data in Phase I/II Trial with HuMax-Inflam/MDX-018

Insiders' Holdings of Genmab Shares and Employee Warrant Releases

Quarterly Reporting of Insiders' Share Holdings
Mar. 22, Jun. 17, Sep. 15, Dec. 15

Report on Changes to Insiders' Share Holdings
Feb. 5, Feb. 11, Feb. 16, Feb. 20, Feb. 23, Mar. 2, Mar. 9, Mar. 16, Mar. 17, Mar. 19, May 6, May 12, May 17, May 28, Jun. 4, Jul. 7, Jul. 29, Aug. 5, Aug. 11, Nov. 17

Capital Increase as a Result of Employees' Warrant Exercise
Feb. 5, Feb. 11, Mar. 9, Apr. 20, May 6, May 11, May 14, Jun. 3, Jul. 28, Nov. 15

Grant of Warrants
Aug. 3, Sep. 22, Dec. 1

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

INVESTOR RELATIONS

Genmab is committed to achieving effective communication with the financial community. Transparency and accessibility are key factors in Genmab's investor relations strategy and the company has a dedicated department to Investor & Public Relations.

Genmab is listed on the Copenhagen Stock Exchange (CSE). In accordance with disclosure regulations all important stock price relevant information is released first to the CSE via a stock exchange notice in the form of a press release. Information about the company which is not price relevant but could still be of interest is communicated by using the CSE's InvestorService release channel. Once company news is disclosed by the CSE we publish the release on our website and distribute it to our own mailing lists of investors, analysts, journalists and other contacts across the world. Genmab also communicates with investors by using conference calls, investor meetings and industry conferences.

Website
Genmab's Investor & Public Relations department works actively to provide a high level of service online on the company's website.

As well as stock exchange announcements, information concerning the company's product pipeline, partners and Genmab's warrant program is available at www.genmab.com. Other services include stock information, financial calendar, IR contact information, a list of relevant conferences and events and a list of the analysts covering Genmab.

Financial Reporting
Genmab is committed to a high standard of financial reporting. All published financial reports are available on the company's website.

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

Corporate Information

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Amagerbrogade 25
DK-2300 Copenhagen S

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Independent Auditors
PricewaterhouseCoopers
Strandvejen 44
DK-2900 Hellerup

Deloitte
H.C. Andersens Boulevard 2
DK-1780 Copenhagen V

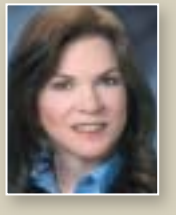
Annual General Meeting
The Annual General Meeting of Genmab will be held on April 20, 2005, at 2:00 p.m. local time at:

Hilton Copenhagen Airport
Ellehammersvej 20
DK-2770 Kastrup

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

Board of Directors and Executive Officers

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



Lisa N. Drakeman, Ph.D. – American
President, Chief Executive Officer &
Board Member
Dr. Drakeman has been a member of our Board and our President and CEO since the inception. Dr. Drakeman has over 15 years' experience working in the biotechnology industry, including leading Genmab's successful financing transactions and establishing corporate partnerships with major pharmaceutical companies. Formerly, Dr. Drakeman served as Senior Vice President and Head of Business Development at Medarex from 1989 to 2000. Dr. Drakeman was named "Advocate of the Year" by the Biotechnology Industry Organization in 1995 and "Industry Woman of the Year" by the Biotechnology Council of New Jersey in 1996. She was inducted into the New Jersey High Technology Hall of Fame in 2000. Dr. Drakeman serves on the Boards of the Emerging Biopharmaceutical Enterprises section of the European Federation of Pharmaceutical Industries and Associations, the Biotechnology Council of New Jersey and the Cancer Institute of New Jersey Leadership Council.

Irwin Lerner, M.B.A. – American
Board Member
Mr. Lerner has been a member of our Board since July 2000. Mr. Lerner has been a board member of Medarex since 1995 and Chairman of the Board of Medarex since 1997. Mr. Lerner served as Chairman of the Board and executive committee of Hoffmann-La Roche, Inc., a pharmaceuticals, fine chemicals and diagnostic products and services company from January 1993 until his retirement in September 1993, and served as its Chairman, President and CEO from 1980 through 1992 in a 32 year career with Roche. He served for 12 years on the Board of the Pharmaceutical Manufacturers Association (now PhRMA) where he chaired the association's FDA Issues Committee and initiated and led the pharmaceutical industry's effort that culminated in the enactment of the Prescription Drug User Fee Act (PDUFA) in 1990. He is currently a Distinguished Executive in Residence at the Rutgers University Business School. Mr. Lerner is on the Boards of Covance Inc., Vitex Inc., and Nektar Therapeutics, all public US corporations.

Anders Gersel Pedersen, M.D., D.M.Sc.
– Danish
Board Member
Dr. Pedersen has been a member of our Board since November 2003. Dr. Pedersen is Senior Vice President, Development at H. Lundbeck A/S. Following his degree in medicine and Research Fellow positions at Copenhagen hospitals, he worked for Eli Lilly for 11 years; ten of these as a director overseeing worldwide clinical research in oncology, before joining Lundbeck in 2000. At Lundbeck, Dr. Pedersen is responsible for the development of the product pipeline including the clinical research. He is a member of the European Society of Medical Oncology, the International Association for the Study of Lung Cancer, the American Society of Clinical Oncology, the Danish Society of Medical Oncology and the Danish Society of Internal Medicine and serves on the Board of TopoTarget A/S.

Karsten Havkrog Pedersen, Attorney-at-Law
– Danish
Board Member
Mr. Pedersen has been a member of our Board since March 2002. He has more than 25 years experience as an attorney within Danish corporate law and corporate governance. Mr. Pedersen has been a partner in the law firm Hjejle, Gersted & Mogensen since 1981. He was admitted as barrister to the Supreme Court of Justice in 1983. Mr. Pedersen was a member of the Danish Appeal Board from 2000 to 2003 and is a member of the Danish Bar and Law Society, Committee of Legal Affairs. From 1991 to 2004, he was a member of the Editorial Committee of the Danish legal magazine "Lov & Ret." Mr. Pedersen is a member of the Board for BIG Fonden and eight of its subsidiaries and API Property Fund Denmark P/S.

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

Claus Juan Møller-San Pedro, M.D., Ph.D.
– Danish
Executive Vice President &
Chief Operating Officer
Dr. Møller has served as our COO since our inception. He has extensive experience in the biotechnology industry and in overseeing product development, manufacturing, clinical trials activities, and human resources. Previous posts include Executive Vice President and Chief Medical and Operating Officer of Oxigene, Inc., President of IPC-Nordic A/S, and Medical Director for Synthélabo Scandinavia A/S. Dr. Møller is Chairman of the Board at IPC-Nordic A/S.

Jan G. J. van de Winkel, Ph.D. – Dutch
Executive Vice President &
Chief Scientific Officer
Prof. van de Winkel has served as our CSO since our inception. Previously he was Vice President and Scientific Director of Medarex Europe. He is the author of over 240 scientific publications and has been responsible for a number of patents and pending patent applications. Prof. van de Winkel is one of the leading scientists in the study of antibodies and their interaction with the human immune system. Prof. van de Winkel is a part-time Professor of Immunology at Utrecht University and also a member of the scientific advisory board for Biotech Turnaround Fund.

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