



Interim Report
For the 9 Months ended September 30, 2003

November 5, 2003

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Dear Shareholder,

During the first nine months of 2003, Genmab reported a net loss of DKK 192.8 million (approx. USD 30.3 million) compared to a net loss of DKK 276.7 million (approx. USD 43.4 million) for the similar period in 2002. At the end of the period, Genmab had cash and marketable securities of DKK 1.130 billion (approx. USD 177.4 million).

Genmab's research and development costs accounted for 83.7% of operating costs and were DKK 237.6 million (approx. USD 37.3 million) in the first nine months of 2003 compared to DKK 251.5 million (approx. USD 39.5 million) in the first nine months of 2002. General and administrative expenses decreased from DKK 63.2 million (approx. USD 9.9 million) to DKK 46.2 million (approx. USD 7.3 million) for the first nine months of 2003 compared to the corresponding period of 2002.

During the first nine months of 2003, Genmab recognized revenue of DKK 68.3 million (approx. USD 10.7 million). The revenue is related to Amgen's exercise of a commercial option for products targeting the IL15 pathway and the achievement of a milestone by delivering an antibody to Amgen that targets the IL15 receptor. The revenue related to the antibody delivery was recognized during the third quarter.

Genmab is maintaining its financial guidance for the year and expects the full year operating loss to be in the range of DKK 360 to 380 million (approx. USD 56.4 to 59.6 million). Net loss for the year is expected to be in the range of DKK 325 to 365 million (approx. USD 51.0 to 57.3 million) and cash used in operations and investment activities is expected to be in the range of DKK 330 to 350 million (approx. USD 51.8 to 54.9 million). The ranges noted above are subject to possible variation based on the timing of the costs and related expenses applicable to the clinical activities.

The net loss per share for the first nine months of 2003 was DKK 8.46 (approx. USD 1.33) compared to DKK 12.48 (approx. USD 1.96) in the same period of 2002.

Highlights

During the third quarter, Genmab had a number of business and scientific achievements. This follows the success experienced during the first half of the year where Genmab recognized the first milestone payment of USD 10 million from Amgen for products targeting the IL15 pathway, achieved the first milestone in the Roche collaboration, initiated Phase II studies using HuMax-CD4 to treat lymphoma, presented new pre-clinical data on HuMax-CD20 and HuMax-EGFr, and completed the initial patient accrual in the HuMax-CD4 Phase IIb psoriasis study.

Highlights of the third quarter include the following:

- Initiating a Phase I/II trial using HuMax-EGFr to treat head and neck cancer.
- Achieving the second milestone of USD 500,000 in the license agreement with Amgen by delivering an antibody that targets the IL15 receptor.
- Expanding the pipeline with HuMax-HepC to potentially treat hepatitis C virus infections. Genmab acquired all rights to this human antibody from Connex and INSERM.

Product Pipeline

During the first nine months of 2003, we continued to build a broad portfolio of products in various stages of development. The current pipeline includes three Phase II products, two products in Phase I/II, and another product being prepared for clinical trials.

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

HuMax-CD4

HuMax-CD4 is currently in development for two indications, psoriasis and T-cell lymphoma.

Psoriasis

A Phase IIb clinical trial is underway using HuMax-CD4 to treat patients with moderate to severe psoriasis. Recruitment in this trial was completed ahead of schedule at the end of May 2003. In the previous Phase IIa study completed in 2002, a number of psoriasis patients in the trial experienced long-lasting positive effects from the treatment.

T-cell lymphoma

Genmab is currently running two concurrent Phase II studies to treat T-cell lymphoma. One study focuses on refractory patients while the other is for patients with persistent early stage disease. In both studies patients receive a 280 mg dose of HuMax-CD4 once a week for 16 weeks. Patients are normally followed for at least four weeks after the end of treatment. The objective of the studies is to determine the safety and efficacy of HuMax-CD4 in the treatment of cutaneous T-cell lymphoma (CTCL).

HuMax-IL15

HuMax-IL15 is being developed under an agreement with Amgen to treat inflammatory, autoimmune diseases. HuMax-IL15 is currently in Phase II clinical trials against rheumatoid arthritis. This study is ongoing and Amgen is adding additional patients to the 110 previously accrued by Genmab, as drug supply allows. In June 2003, Amgen exercised its commercialization options for both the HuMax-IL15 antibody and the IL15 receptor programs.

HuMax-CD20

Antibodies in Genmab's HuMax-CD20 program target the CD20 antigen on B-cells. Genmab will initially focus on using the antibody for the treatment of non-Hodgkin's lymphoma, a cancer involving B-cells. HuMax-CD20 is currently undergoing manufacturing development in the preparation for clinical trials.

HuMax-Inflam

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

HuMax-EGFr

HuMax-EGFr is a human antibody that targets the Epidermal Growth Factor Receptor, a molecule found in abundance on the surface of many cancer cells. In September 2003, Genmab announced that it initiated an open label Phase I/II clinical trial using HuMax-EGFr to treat patients suffering from head and neck cancer. The main objectives are to assess the safety of the treatment and the efficacy of HuMax-EGFr.

Financial Review

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

Unless otherwise indicated, conversion herein of financial information into USD has been made using the Danish Central Bank's spot rate on September 30, 2003, which was USD 1.00 = DKK 6.3728.

Operating Loss

The company's operating loss for the first nine months of 2003 is DKK 215.5 million, of which DKK 106.1 million relates to the third quarter.

The research and development costs of DKK 93.5 million in the third quarter of 2003 are 2% higher than the costs incurred in the corresponding period of 2002.

The general and administrative expenses of DKK 15.8 million in the third quarter of 2003 are 20% lower than in the third quarter of 2002.

Financial Income

As a result of the continued weakening of the USD against the DKK combined with a lower yield recognized on the portfolio, the company recorded net financial income of DKK 2.4 million for the third quarter of 2003. We maintain a certain portion of our cash and marketable securities in USD to cover current and anticipated USD expenses. As a result, we are subject to short-term fluctuations in the DKK value of these investments. This occurred during the third quarter as the USD continued to weaken against the DKK. In the third quarter of 2002, we recognized net financial income of DKK 20.1 million.

Net Loss

Net loss for the first nine months of 2003 is DKK 192.8 million compared to DKK 276.7 million in the first nine months of 2002.

The third quarter net loss increased by DKK 12.6 million to DKK 103.6 million in 2003. The increase is primarily attributable to lower net financial income in the third quarter of 2003 compared to the third quarter of 2002.

Cash Flow

As of September 30, 2003, the balance sheet reflects cash, cash equivalents and short-term marketable securities of DKK 1.130 billion compared to DKK 1.369 billion as of December

31, 2002. This represents a net year-to-date decrease of DKK 239 million, of which DKK 20 million was expended during the third quarter. During the third quarter, Genmab received the USD 10 million milestone payment from Amgen. Excluding the receipt of that milestone payment, the third quarter cash burn was DKK 84 million.

The year-to-date cash flow is mainly driven by the operating activities. The cash used in operating activities, which includes the payment of year-end liabilities, was DKK 220.9 million.

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

Balance Sheet

As of September 30, 2003, total assets were DKK 1.318 billion compared to DKK 1.583 billion at the end of 2002.

Shareholders equity, as of September 30, 2003, was DKK 1.220 billion compared to DKK 1.399 billion at the end of 2002. On September 30, 2003, the company's equity ratio was 92.6% compared to 88.4% at the end of 2002.

During the third quarter, Genmab elected to pay an instalment due on the Genomics Agreement in shares as opposed to paying it in cash. Genmab did this by issuing new shares at a subscription price of USD 2 million. The shares were issued at market price to GenPharm, Inc.

Subsequent Events

On October 27, 2003, Genmab announced the achievement of a second milestone in the collaboration with Roche as a human antibody generated by Genmab has reached the critical proof of concept stage. This is the second antibody program in the alliance to reach this stage.

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Key Figures

	3rd quarter of 2003	3rd quarter of 2002	9 months ended September 30, 2003	9 months ended September 30, 2002	Full year 2002	3rd quarter of 2003	3rd quarter of 2002	9 months ended September 30, 2003	9 months ended September 30, 2002	Full year 2002
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	USD'000	USD'000	USD'000	USD'000	USD'000
Income Statement										
Research and development costs	(93,541)	(91,328)	(237,605)	(251,479)	(396,234)	(14,678)	(14,331)	(37,285)	(39,461)	(62,176)
General and administrative expenses	(15,836)	(19,885)	(46,211)	(63,191)	(86,847)	(2,485)	(3,120)	(7,251)	(9,916)	(13,628)
Operating loss	(106,072)	(111,213)	(215,490)	(314,670)	(483,081)	(16,644)	(17,451)	(33,814)	(49,377)	(75,804)
Net financial income	2,427	20,142	22,654	38,497	46,985	381	3,160	3,555	6,041	7,373
Net loss	(103,645)	(91,090)	(192,836)	(276,660)	(479,329)	(16,263)	(14,294)	(30,259)	(43,413)	(75,215)
Balance Sheet										
Cash and marketable securities	1,130,471	1,466,289	1,130,471	1,466,289	1,368,735	177,390	230,085	177,390	230,085	214,778
Total assets	1,318,182	1,703,248	1,318,182	1,703,248	1,583,136	206,845	267,268	206,845	267,268	248,421
Shareholders' equity	1,220,472	1,599,514	1,220,472	1,599,514	1,399,169	191,513	250,991	191,513	250,991	219,554
Share capital	22,979	22,717	22,979	22,717	22,717	3,606	3,565	3,606	3,565	3,565
Investments in tangible fixed assets	2,917	27,724	21,452	83,081	111,038	458	4,350	3,366	13,037	17,424
Cash Flow Statement										
Cash flow from operating activities	(19,782)	(74,532)	(220,919)	(220,126)	(308,316)	(3,104)	(11,695)	(34,666)	(34,541)	(48,380)
Cash flow from investing activities	(11,870)	91,990	246,524	343,952	238,552	(1,863)	14,435	38,684	53,972	37,433
Cash flow from financing activities	274	(405)	(1,704)	156,888	156,849	43	(64)	(268)	24,618	24,612
Cash and cash equivalents	276,847	446,575	276,847	446,575	252,946	43,442	70,075	43,442	70,075	39,692
Financial Ratios (in DKK / USD)										
Basic and diluted net loss per share	(4.52)	(4.01)	(8.46)	(12.48)	(21.46)	(0.71)	(0.63)	(1.33)	(1.96)	(3.37)
Period-end share market price	59.38	30.36	59.38	30.36	24.33	9.32	4.76	9.32	4.76	3.82
Share market price / equity value	1.12	0.43	1.12	0.43	0.40	1.12	0.43	1.12	0.43	0.40
Shareholders' equity per share	53.11	70.40	53.11	70.40	61.59	8.33	11.05	8.33	11.05	9.66
Average number of employees	202	175	200	150	157	202	175	200	150	157
Number of employees at the end of the period	204	189	204	189	192	204	189	204	189	192

Additional information:

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The forward-looking statements contained in this Interim Report are subject to risks and uncertainties, so that the actual results may differ materially from those anticipated by the

statements. These and certain other important factors affecting the business of Genmab A/S are described in the company's previously issued Annual Report and Offering Circular.

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Income Statement for the Third Quarter of 2003

	Note	3rd quarter of 2003 DKK'000	3rd quarter of 2002 DKK'000	3rd quarter of 2003 USD'000	3rd quarter of 2002 USD'000
Revenue		3,305	-	519	-
Research and development costs	2	(93,541)	(91,328)	(14,678)	(14,331)
General and administrative expenses	2	(15,836)	(19,885)	(2,485)	(3,120)
Operating loss		(106,072)	(111,213)	(16,644)	(17,451)
Financial income		15,634	40,571	2,453	6,366
Financial expenses		(13,207)	(20,429)	(2,072)	(3,206)
Loss before tax		(103,645)	(91,071)	(16,263)	(14,291)
Corporate tax		-	(19)	-	(3)
Net loss		(103,645)	(91,090)	(16,263)	(14,294)
Basic and diluted net loss per share (in DKK / USD)		(4.52)	(4.01)	(0.71)	(0.63)
Weighted average number of ordinary shares outstanding during the period - basic and diluted		22,905,969	22,716,620	22,905,969	22,716,620

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	Note	9 months ended September 30, 2003 DKK'000	9 months ended September 30, 2002 DKK'000	9 months ended September 30, 2003 USD'000	9 months ended September 30, 2002 USD'000
Revenue		68,326	-	10,722	-
Research and development costs	2	(237,605)	(251,479)	(37,285)	(39,461)
General and administrative expenses	2	(46,211)	(63,191)	(7,251)	(9,916)
Operating loss		(215,490)	(314,670)	(33,814)	(49,377)
Financial income		64,962	79,036	10,194	12,402
Financial expenses		(42,308)	(40,539)	(6,639)	(6,361)
Loss before tax		(192,836)	(276,173)	(30,259)	(43,336)
Corporate tax		-	(487)	-	(77)
Net loss		(192,836)	(276,660)	(30,259)	(43,413)
Basic and diluted net loss per share (in DKK / USD)		(8.46)	(12.48)	(1.33)	(1.96)
Weighted average number of ordinary shares outstanding during the period - basic and diluted		22,780,430	22,163,187	22,780,430	22,163,187

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Balance Sheet – Assets

	Note	September 30, 2003 DKK'000	December 31, 2002 DKK'000	September 30, 2002 DKK'000	September 30, 2003 USD'000	December 31, 2002 USD'000	September 30, 2002 USD'000
Licenses and rights	2	41,480	64,600	72,225	6,509	10,137	11,333
Total intangible fixed assets		41,480	64,600	72,225	6,509	10,137	11,333
Leasehold improvements	2	20,360	27,012	26,007	3,195	4,239	4,081
Equipment, furniture and fixtures	2	58,112	41,033	52,396	9,119	6,439	8,222
Fixed assets under construction	2	1,402	20,199	41,159	220	3,170	6,459
Total tangible fixed assets		79,874	88,244	119,562	12,534	13,848	18,762
Other securities and equity interests	3	10,251	11,670	10,002	1,609	1,831	1,569
Total financial fixed assets		10,251	11,670	10,002	1,609	1,831	1,569
Total non-current assets		131,605	164,514	201,789	20,652	25,816	31,664
Antibody clinical trial material		16,764	34,607	-	2,631	5,430	-
Other receivables		38,165	13,272	33,551	5,988	2,082	5,265
Prepayments		1,177	2,008	1,619	184	315	254
Total receivables		39,342	15,280	35,170	6,172	2,397	5,519
Marketable securities	4	853,624	1,115,789	1,019,714	133,948	175,086	160,010
Cash and cash equivalents		276,847	252,946	446,575	43,442	39,692	70,075
Total current assets		1,186,577	1,418,622	1,501,459	186,193	222,605	235,604
Total assets		1,318,182	1,583,136	1,703,248	206,845	248,421	267,268

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Balance Sheet – Shareholders' Equity and Liabilities

	Note	September 30,	December 31,	September 30,	September 30,	December 31,	September 30,
		2003	2002	2002	2003	2002	2002
		DKK'000	DKK'000	DKK'000	USD'000	USD'000	USD'000
Share capital		22,979	22,717	22,717	3,606	3,565	3,565
Share premium		2,088,089	2,074,324	2,074,363	327,656	325,496	325,503
Revaluation surplus		4,519	4,407	2,044	709	692	321
Unearned compensation		-	-	-	-	-	-
Accumulated deficit		(895,115)	(702,279)	(499,610)	(140,458)	(110,199)	(78,398)
Shareholders' equity		1,220,472	1,399,169	1,599,514	191,513	219,554	250,991
Payable technology rights		-	12,942	13,570	-	2,031	2,129
Lease liability		13,409	10,625	-	2,104	1,667	-
Total non-current liabilities		13,409	23,567	13,570	2,104	3,698	2,129
Current portion of payable technology rights		12,124	13,650	29,384	1,902	2,142	4,611
Current portion of lease liability		6,347	3,150	-	996	494	-
Accounts payable		20,632	94,640	30,514	3,238	14,851	4,788
Other liabilities		45,198	48,960	30,266	7,092	7,682	4,749
Total current liabilities		84,301	160,400	90,164	13,228	25,169	14,148
Total liabilities		97,710	183,967	103,734	15,332	28,867	16,277
Total shareholders' equity and liabilities		1,318,182	1,583,136	1,703,248	206,845	248,421	267,268
Warrants	5						
Internal shareholders	6						
Reconciliation from IFRS to US GAAP	7						

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Statement of Cash Flow for the 9 Months ended September 30, 2003

	9 months ended September 30, 2003 <u>DKK'000</u>	9 months ended September 30, 2002 <u>DKK'000</u>	9 months ended September 30, 2003 <u>USD'000</u>	9 months ended September 30, 2002 <u>USD'000</u>
Loss before financial items	(215,490)	(314,670)	(33,814)	(49,377)
Adjustments for non-cash transactions:				
Depreciation and amortization	43,507	35,035	6,827	5,498
Net gain on sale of equipment	(562)	-	(88)	-
Expensed value of warrants	-	5,315	-	834
Changes in current assets and liabilities:				
Antibody clinical trial material	17,843	-	2,800	-
Other receivables	(6,879)	11,470	(1,079)	1,800
Prepayments	831	4,220	130	662
Accounts payable and other liabilities	(73,388)	7,172	(11,516)	1,125
Cash flow from operating activities before financial items	(234,138)	(251,458)	(36,740)	(39,458)
Net financial receivables	13,219	31,819	2,074	4,993
Corporate taxes paid	-	(487)	-	(76)
Cash flow from operating activities	(220,919)	(220,126)	(34,666)	(34,541)
Purchase of tangible fixed assets	(18,827)	(80,972)	(2,954)	(12,706)
Sale of tangible fixed assets	7,648	-	1,200	-
Sale of equity interests	1,743	-	274	-
Marketable securities bought	(1,521,548)	(2,837,918)	(238,757)	(445,317)
Marketable securities sold	1,777,508	3,262,842	278,921	511,995
Cash flow from investing activities	246,524	343,952	38,684	53,972
Warrants exercised by employees	734	1,355	115	213
Shares issued for cash	-	158,417	-	24,858
Cost related to issuance of shares	330	(2,884)	52	(453)
Paid installments on lease liability	(2,768)	-	(435)	-
Cash flow from financing activities	(1,704)	156,888	(268)	24,618
Increase / (decrease) in cash and cash equivalents	23,901	280,714	3,750	44,049
Cash and cash equivalents at the beginning of the period	252,946	165,861	39,692	26,026
Cash and cash equivalents at the end of the period	276,847	446,575	43,442	70,075

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Statement of Shareholders' Equity

	Number of shares	Share capital DKK'000	Share premium DKK'000	Revaluation surplus DKK'000	Unearned compensation DKK'000	Accumulated deficit DKK'000	Shareholders' equity DKK'000	Shareholders' equity USD'000
December 31, 2001	21,812,020	21,812	1,926,127	2,098	(13,062)	(225,045)	1,711,930	268,631
Exercise of warrants	24,500	25	1,330				1,355	213
Capital increase	880,100	880	157,537				158,417	24,858
Expenses related to capital increase			(2,884)				(2,884)	(453)
Reversal of unrealized gains and imputed interest on marketable securities				(2,095)		2,095	-	-
Adjustment of value of warrants granted			(7,747)		7,747		-	-
Expense recognized for warrants granted					5,315		5,315	835
Adjustment of foreign currency fluctuations on subsidiaries				2,041			2,041	320
Loss for the period						(276,660)	(276,660)	(43,413)
September 30, 2002	22,716,620	22,717	2,074,363	2,044	0	(499,610)	1,599,514	250,991
Expenses related to capital increase			(39)				(39)	(6)
Adjustment of foreign currency fluctuations on subsidiaries				2,363			2,363	371
Loss for the period						(202,669)	(202,669)	(31,802)
December 31, 2002	22,716,620	22,717	2,074,324	4,407	0	(702,279)	1,399,169	219,554
Exercise of warrants	15,000	15	719				734	115
Capital increase	246,914	247	12,716				12,963	2,033
Expenses related to capital increase			330				330	52
Adjustment of foreign currency fluctuations on subsidiaries				112			112	18
Loss for the period						(192,836)	(192,836)	(30,259)
September 30, 2003	22,978,534	22,979	2,088,089	4,519	0	(895,115)	1,220,472	191,513

Notes to the Financial Statements

1. Accounting Policies

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

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

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

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

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

Consolidated Financial Statements

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

Revenue

Revenue comprises 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 to the goods or services included in the transaction have been transferred to the buyer.

Stock-Based Compensation

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

Notes to the Financial Statements

1. Accounting Policies (continued)

Antibody Clinical Trial Material

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

Marketable Securities

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

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

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

Cash and Cash Equivalents

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

Segment Reporting

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

Reconciliation from IFRS to US GAAP

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

Interim Report
9 Months ended September 30, 2003
(November 5, 2003)

Notes to the Financial Statements

2. Intangible and Tangible Fixed Assets

	Licenses and rights DKK'000	Leasehold improvements DKK'000	Equipment, furniture and fixtures DKK'000	Fixed assets under construction DKK'000	Licenses and rights USD'000	Leasehold improvements USD'000	Equipment, furniture and fixtures USD'000	Fixed assets under construction USD'000
Cost per January 1, 2003	152,484	32,778	51,652	62,369	23,927	5,143	8,105	9,786
Exchange rate adjustment	-	(1,404)	(822)	4	-	(220)	(128)	1
Additions for the period	-	102	19,949	1,401	-	16	3,130	220
Transfers between the groups	-	-	20,202	(20,202)	-	-	3,170	(3,170)
Disposals for the period	-	(45)	(9,450)	-	-	(7)	(1,483)	-
Cost per September 30, 2003	152,484	31,431	81,531	43,572	23,927	4,932	12,794	6,837
Accumulated depreciation per January 1, 2003	(87,884)	(5,766)	(10,619)	-	(13,790)	(905)	(1,666)	-
Exchange rate adjustment	-	229	195	-	-	36	31	-
Depreciation for the period	(23,120)	(5,534)	(14,852)	-	(3,628)	(868)	(2,331)	-
Accumulated depreciation on disposals for the period	-	-	1,857	-	-	-	291	-
Accumulated depreciation per September 30, 2003	(111,004)	(11,071)	(23,419)	0	(17,418)	(1,737)	(3,675)	0
Accumulated impairment loss per January 1, 2003	-	-	-	(42,170)	-	-	-	(6,617)
Exchange rate adjustment	-	-	-	-	-	-	-	-
Impairment loss for the period	-	-	-	-	-	-	-	-
Accumulated impairment loss per September 30, 2003	0	0	0	(42,170)	0	0	0	(6,617)
Net book value per September 30, 2003	41,480	20,360	58,112	1,402	6,509	3,195	9,119	220
Net book value of assets under finance leases included above	-	-	19,354	-	-	-	3,037	-
Depreciation and amortization are included in:								
Research and development costs	(23,120)	(2,613)	(12,626)	-	(3,628)	(410)	(1,982)	-
General and administrative expenses	-	(2,921)	(2,226)	-	-	(458)	(349)	-
	(23,120)	(5,534)	(14,852)	0	(3,628)	(868)	(2,331)	0

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Notes to the Financial Statements

3. Other Securities and Equity Interests

	September 30, 2003 DKK'000 (9 months)	December 31, 2002 DKK'000 (full year)	September 30, 2002 DKK'000 (9 months)	September 30, 2003 USD'000 (9 months)	December 31, 2002 USD'000 (full year)	September 30, 2002 USD'000 (9 months)
Cost at the beginning of the period	31,755	29,916	29,916	4,983	4,694	4,694
Additions for the period	-	1,839	-	-	289	-
Disposals for the period	<u>(21,504)</u>	<u>-</u>	<u>-</u>	<u>(3,374)</u>	<u>-</u>	<u>-</u>
Cost at the end of the period	<u>10,251</u>	<u>31,755</u>	<u>29,916</u>	<u>1,609</u>	<u>4,983</u>	<u>4,694</u>
Adjustment to fair value at the beginning of the period	(20,085)	(14,227)	(14,227)	(3,152)	(2,232)	(2,232)
Adjustment to fair value for the period	<u>20,085</u>	<u>(5,858)</u>	<u>(5,687)</u>	<u>3,152</u>	<u>(920)</u>	<u>(893)</u>
Adjustment to fair value at the end of the period	<u>0</u>	<u>(20,085)</u>	<u>(19,914)</u>	<u>0</u>	<u>(3,152)</u>	<u>(3,125)</u>
Net book value at the end of the period	<u>10,251</u>	<u>11,670</u>	<u>10,002</u>	<u>1,609</u>	<u>1,831</u>	<u>1,569</u>

4. Marketable Securities

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

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

Notes to the Financial Statements

4. Marketable Securities (continued)

	September 30, 2003	December 31, 2002	September 30, 2002	September 30, 2003	December 31, 2002	September 30, 2002
	DKK'000	DKK'000 (full year)	DKK'000	USD'000	USD'000 (full year)	USD'000
Cost at the beginning of the period	1,116,313	1,432,719	1,432,719	175,168	224,818	224,818
Additions for the period	1,521,548	5,037,176	2,837,918	238,756	790,418	445,317
Disposals for the period	<u>(1,776,075)</u>	<u>(5,353,582)</u>	<u>(3,255,914)</u>	<u>(278,695)</u>	<u>(840,068)</u>	<u>(510,908)</u>
Cost at the end of the period	<u>861,786</u>	<u>1,116,313</u>	<u>1,014,723</u>	<u>135,229</u>	<u>175,168</u>	<u>159,227</u>
Adjustment to fair value at the beginning of the period	(524)	655	655	(82)	103	103
Adjustment to fair value for the period	<u>(7,638)</u>	<u>(1,179)</u>	<u>4,336</u>	<u>(1,199)</u>	<u>(185)</u>	<u>680</u>
Adjustment to fair value at the end of the period	<u>(8,162)</u>	<u>(524)</u>	<u>4,991</u>	<u>(1,281)</u>	<u>(82)</u>	<u>783</u>
Net book value at the end of the period	<u>853,624</u>	<u>1,115,789</u>	<u>1,019,714</u>	<u>133,948</u>	<u>175,086</u>	<u>160,010</u>

5. Warrants

Warrant Scheme

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

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

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

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

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

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

Notes to the Financial Statements

5. Warrants (continued)

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

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

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

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

Warrant Activity

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

At the company's Annual General Meeting on April 24, 2003, the board of directors was authorized to grant further 500,000 warrants. Accordingly, the total authorization comprises 4,771,263 warrants.

In the third quarter of 2003, no warrants were granted. A member of the board of directors has exercised 15,000 warrants during this period, leading to total proceeds to the company of DKK 734 thousand. Accordingly, as of September 30, 2003, a total of 4,367,600 warrants with a weighted average exercise price of DKK 105.32 were outstanding compared to a total of 4,236,575 warrants with a weighted average exercise price of DKK 107.48 as of September 30, 2002.

No compensation expense was recorded during the third quarter of 2003 or during the first nine months of 2003. During the comparable period of 2002, no charges were expensed during the third quarter, leaving a total expensed charge of DKK 5.3 million for the first nine months of 2002.

Notes to the Financial Statements

6. Internal Shareholders

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

members of the board of directors and the management:

	<u>Number of ordinary shares owned</u>	<u>Number of warrants held</u>
Board of directors		
Lisa N. Drakeman	307,240	505,000
Ernst Schweizer	191,840	57,000
Irwin Lerner	-	60,000
Michael Widmer	-	50,000
Karsten Havkrog Pedersen	-	25,000
	<u>499,080</u>	<u>697,000</u>
Management		
Lisa N. Drakeman, see above	-	-
Jan van de Winkel	80,000	280,000
Claus Juan Møller-San Pedro	128,375	330,000
	<u>208,375</u>	<u>610,000</u>
Total	<u>707,455</u>	<u>1,307,000</u>

Notes to the Financial Statements

7. Reconciliation from IFRS to US GAAP

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

Comprehensive income

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

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

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

Application of US GAAP would have affected net loss for the periods ended September 30, 2003 and 2002 to the extent described below. Application of US GAAP would not have affected shareholders' equity as of any date for which financial information is presented herein.

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Notes to the Financial Statements

7. Reconciliation from IFRS to US GAAP for the Third Quarter of 2003

	3rd quarter of 2003 <u>DKK'000</u>	3rd quarter of 2002 <u>DKK'000</u>	3rd quarter of 2003 <u>USD'000</u>	3rd quarter of 2002 <u>USD'000</u>
Net loss according to IFRS	(103,645)	(91,090)	(16,263)	(14,294)
Revaluation of marketable securities concerning measurement to market value	5,959	(4,459)	935	(700)
Reversed unrealized exchange rate (gain) / loss on debt concerning technology rights	-	987	-	155
Reversed unrealized exchange rate (gain) / loss on marketable securities	<u>196</u>	<u>(3,286)</u>	<u>31</u>	<u>(516)</u>
Net loss according to US GAAP	<u>(97,490)</u>	<u>(97,848)</u>	<u>(15,297)</u>	<u>(15,355)</u>
Weighted average number of ordinary shares outstanding during the period - basic and diluted	<u>22,905,969</u>	<u>22,716,620</u>	<u>22,905,969</u>	<u>22,716,620</u>
Basic and diluted net loss per share according to US GAAP (in DKK / USD)	<u>(4.26)</u>	<u>(4.31)</u>	<u>(0.67)</u>	<u>(0.68)</u>
Net loss according to US GAAP	(97,490)	(97,848)	(15,297)	(15,355)
Other Comprehensive income:				
Unrealized gain / (loss) from marketable securities	(5,959)	4,459	(935)	700
Unrealized exchange rate gain / (loss) on debt concerning technology rights	-	(987)	-	(155)
Adjustment of foreign currency fluctuations in subsidiaries	231	206	36	32
Unrealized exchange rate gain / (loss) on marketable securities	<u>(196)</u>	<u>3,286</u>	<u>(31)</u>	<u>516</u>
Comprehensive income	<u>(103,414)</u>	<u>(90,884)</u>	<u>(16,226)</u>	<u>(14,262)</u>

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Notes to the Financial Statements

7. Reconciliation from IFRS to US GAAP for the 9 months ended September 30, 2003

	9 months ended September 30, 2003 <u>DKK'000</u>	9 months ended September 30, 2002 <u>DKK'000</u>	9 months ended September 30, 2003 <u>USD'000</u>	9 months ended September 30, 2002 <u>USD'000</u>
Net loss according to IFRS	(192,835)	(276,660)	(30,259)	(43,413)
Revaluation of marketable securities concerning measurement to market value	3,837	(3,136)	602	(492)
Reversed unrealized exchange rate (gain) / loss on debt concerning technology rights	-	(3,142)	-	(493)
Reversed unrealized exchange rate (gain) / loss on marketable securities	<u>6,723</u>	<u>2,109</u>	<u>1,055</u>	<u>331</u>
Net loss according to US GAAP	<u>(182,275)</u>	<u>(280,829)</u>	<u>(28,602)</u>	<u>(44,067)</u>
Weighted average number of ordinary shares outstanding during the period - basic and diluted	<u>22,780,430</u>	<u>22,163,187</u>	<u>22,780,430</u>	<u>22,163,187</u>
Basic and diluted net loss per share according to US GAAP (in DKK / USD)	<u>(8.00)</u>	<u>(12.67)</u>	<u>(1.26)</u>	<u>(1.99)</u>
Net loss according to US GAAP	(182,275)	(280,829)	(28,602)	(44,067)
Other Comprehensive income:				
Unrealized gain / (loss) from marketable securities	(3,837)	3,136	(602)	492
Unrealized exchange rate gain / (loss) on debt concerning technology rights	-	3,142	-	493
Adjustment of foreign currency fluctuations in subsidiaries	112	2,041	18	320
Unrealized exchange rate gain / (loss) on marketable securities	<u>(6,723)</u>	<u>(2,109)</u>	<u>(1,055)</u>	<u>(331)</u>
Comprehensive income	<u>(192,723)</u>	<u>(274,619)</u>	<u>(30,241)</u>	<u>(43,093)</u>