Genmab

2001 Annual Report

OUR MISSION

Genmab is a product development company focused on a broad portfolio of human antibody products to treat a variety of diseases. Our lead product, HuMax™-CD4, is currently in Phase III clinical trials to treat rheumatoid arthritis. We are among a very limited number of biotechnology companies with a product in every phase of development from pre-clinical through Phase III studies. We have accomplished this in less than three years.

To move this deep pipeline forward efficiently and effectively, we have assembled broad development capabilities, with more than 85% of our 130 staff employed in Research and Development. Our pre-clinical group operates in new state-of-the-art facilities in Utrecht, The Netherlands, where we conduct extensive testing to identify the optimal product candidates – the antibodies we believe have the best set of characteristics to fight a particular disease.

Our clinical trials team is highly experienced and organized to deliver streamlined, rapid development. For example, we moved HuMax-CD4 from Phase I/II to Phase III clinical trials in under two and a half years. This team includes specialists in clinical development, regulatory affairs and data management, giving us the opportunity for quality assurance and speed. This staff is headquartered in Copenhagen, Denmark, with an additional U.S. clinical trial team located in Princeton, New Jersey.

We are building a broad portfolio of products to increase our chances for success. To access some of the exciting new targets that are being discovered in the biotechnology and pharmaceutical industry, we have signed ten partnerships, including ones with Roche and Immunex.

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2001 HIGHLIGHTS

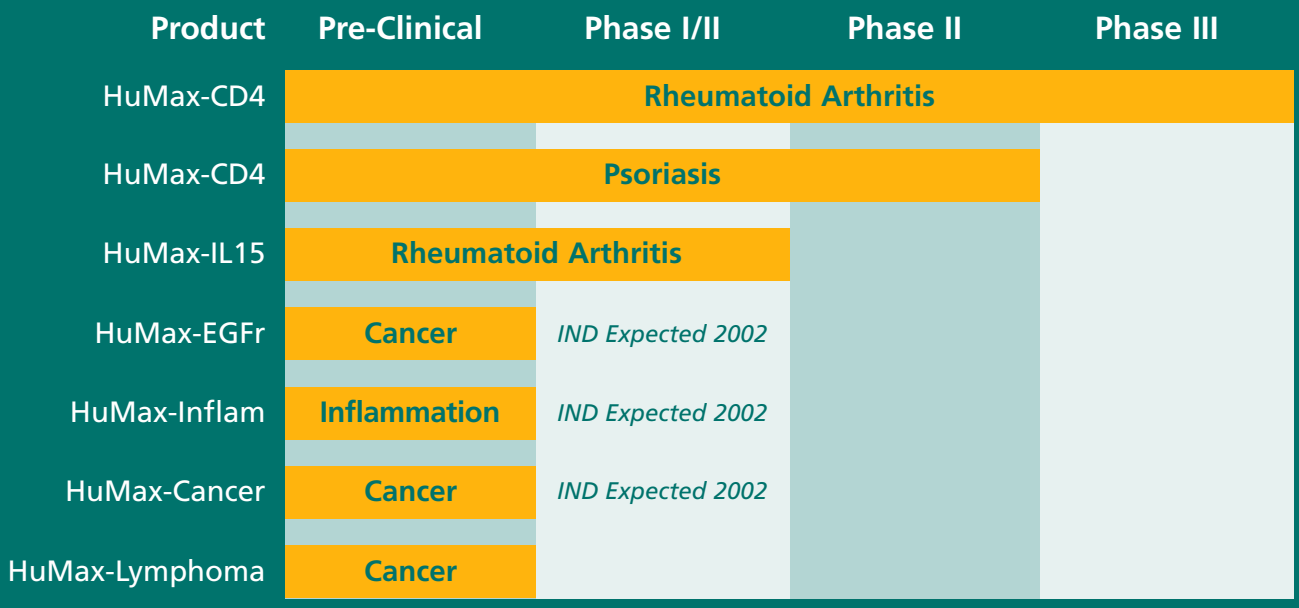
Product Development

- HuMax-CD4 received FDA approval to enter Phase III clinical study.
- HuMax-CD4 showed statistically significant dose response in Phase II psoriasis study.
- HuMax-IL15 entered Phase I/II clinical trials for rheumatoid arthritis.
- HuMax-EGFr eradicated established tumors in mouse cancer studies.
- New pre-clinical products added to pipeline: HuMax-Inflam, HuMax-Cancer and HuMax-Lymphoma.

Partnering Development

- Roche – broad antibody development agreement
- Immunex Corporation – second antibody collaboration for HuMax-Lymphoma
- Scancell Ltd. – cancer antibody collaboration agreement
- deCODE genetics ehf. – multi-target alliance
- Glaucus Proteomics B.V. – multi-target alliance
- Medarex, Inc. – collaboration for HuMax-Inflam

Product Pipeline



LETTER FROM THE CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDER,

2001 was a year of significant progress for Genmab. We exceeded many of the milestones we had set for ourselves at the beginning of the year. We accelerated the clinical development of our HuMax-CD4 product by initiating Phase III clinical trials, doubled the size of our antibody product pipeline, and established six new alliances for product development including partnerships with Roche and Immunex. We believe we are now among a very limited number of biotechnology companies in Europe with a product in every stage of development from pre-clinical through Phase III. We accomplished this in less than three years through a combination of experience, teamwork, proven technology and careful planning.

ADVANCED PRE-CLINICAL & CLINICAL DEVELOPMENT

Genmab has quickly become a late-stage product development company. We moved HuMax-CD4 from Phase I/II to Phase III clinical trials in under two and a half years. At the same time, we have two Phase II studies with HuMax-CD4 and a Phase I/II study with HuMax-IL15 underway. We have built a strong in-house clinical development team with international experience in regulatory affairs, clinical study management and data management. We believe this allows us to move our products through development more effectively and efficiently and with better quality control.

Before our antibody products enter human clinical trials, they undergo rigorous testing to ensure that the best product candidate is selected for further development. Our stringent pre-clinical assessment capability is one of Genmab's distinguishing strengths. In our state-of-the-art laboratories, we believe we have assembled an unsurpassed collection of functional assays and animal disease models that ensures we have the right antibody with the qualities that will work best in patients. We believe that such thorough pre-clinical testing and validation increases our chances of success once we enter the clinic.

THE PORTFOLIO APPROACH

We are maximizing our opportunities for success by deepening our portfolio of products through our partnering efforts. For example, we are making antibodies for the entire Roche organization. In some circumstances, Genmab will have the opportunity to develop the antibodies that are raised against targets identified by Roche. In addition, our new breast cancer initiative, in collaboration with Oxford GlycoSciences and Medarex, has identified seven exciting targets to provide multiple novel therapy alternatives to women with breast cancer. Finally, we have a validated target program in which we use our advanced technology to create "second generation" antibodies which we anticipate will have a higher probability of improved therapeutic success.

SOLID FOUNDATION

Genmab maintains a strong financial position and continues to be one of the best-financed biotechnology companies in Europe. We have the fiscal resources needed to move our

programs forward without delay. Our solid funding allows us to build value in our products by developing them ourselves and gives us the freedom to choose if and when we might out-license them.

However, Genmab's most valuable resources are our highly skilled and highly motivated employees. Our scientific and clinical staff are committed to providing important therapeutic products to treat patients suffering from life-threatening and debilitating diseases. More than 85% of our employees are involved in research and development. Genmab also has an exceptionally talented and capable senior management team with diversified strengths and expertise in the biotechnology and pharmaceutical industries, business development and licensing, public and private financing, and media and investor relations.

LOOKING AHEAD

As we look forward to 2002, we expect continuing clinical progress for our products currently in development, further expansion of our pre-clinical product pipeline, and the addition of a number of new target partnerships. We expect to have results from several of our clinical trials currently underway. Moreover, we plan to file Investigational New Drug applications to move three more products into clinical trials. Our state-of-the-art laboratories in Utrecht will be expanded, doubling them in size, to accommodate the increasing number of projects being generated by existing partners and new collaborations. We also have plans to purchase land to build a manufacturing facility capable of producing the larger quantities of antibody products we will need for our growing number of clinical trials.

In summary, Genmab is now a late-stage product development company with the resources, the infrastructure and the talent to rapidly move our programs forward. Our goal remains to develop urgently needed therapeutic products for patients who are waiting for them and to build a business that rewards the investors who make this possible.

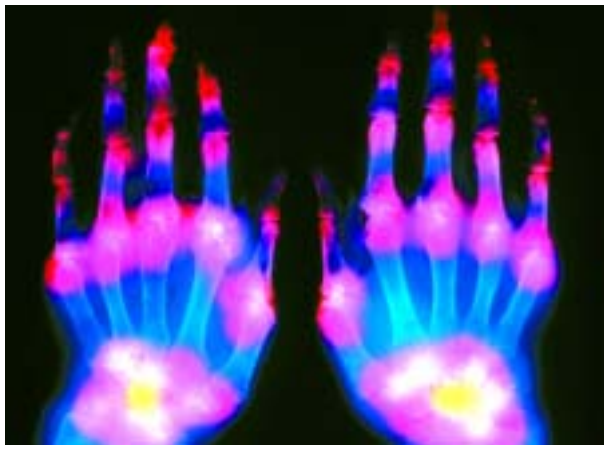
Sincerely yours,

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

EXPANDING PIPELINE OF THERAPEUTIC PRODUCTS

Genmab is building a deep pipeline of HuMax™ fully human antibody products and we believe we are among a very limited number of biotechnology companies in Europe that have products in every stage of development, from pre-clinical through Phase III studies. This portfolio strategy maximizes our opportunities for success.

Initially, we have chosen to focus on products to treat chronic inflammatory conditions, such as rheumatoid arthritis and psoriasis, as well as cancer. Human antibodies are expected to be particularly useful in these conditions as they lend themselves to long-term therapy without the risk of immune system rejection. Meanwhile, in partnership with international pharmaceutical and biotechnology companies, we are evaluating numerous additional disease targets for future product development in our constantly expanding product portfolio.



A colored X-ray of the hands of a rheumatoid arthritis patient. Currently available treatments are often ineffective in severe and crippling cases such as this one.

BREAKING THE CYCLE OF AUTOIMMUNE DISORDERS

Rheumatoid arthritis and psoriasis are two examples of autoimmune diseases characterized by chronic, painful inflammation. Immune system white blood cells known as T-cells, particularly those carrying the CD4 receptor, are thought to be responsible for initiating the inflammation. As the inflammatory cascade continues, additional T-cells are recruited to the inflamed site by the cytokine Interleukin-15 (IL-15). Due to the important role T-cells play in these autoimmune diseases, we anticipate that inactivating these cells with a monoclonal antibody can prevent or minimize the cascade of events leading to inflammation and tissue destruction. Since a significant portion of patients do not respond to any of the currently available treatments, we believe there is a great need for new approaches to the treatment of these autoimmune conditions. Because inherent genetic differences between individuals lead to different responses to the same therapy, we are pursuing multiple approaches to treating these disorders, which afflict millions of people worldwide.

HuMax-CD4 is a high-affinity, fully human antibody designed to interfere with an early step in the inflammation process. A multi-national Phase III clinical trial is currently underway using HuMax-CD4 to treat rheumatoid arthritis patients who have failed to respond to TNFα inhibitors and other currently available therapies. As these patients do not currently have any alternative treatment, we believe this is a major unmet medical need which can potentially offer a pathway to accelerated approval of HuMax-CD4. Concurrently, an ongoing Phase II study is evaluating the safety and efficacy of using HuMax-CD4 to treat patients with moderate to severe arthritis. In a Phase I/II rheumatoid arthritis study, 50% of the patients treated in

Anne R. was diagnosed with rheumatoid arthritis (RA) at the age of 24. Twenty-nine years later she says: "If I imagine life without RA, I think of being able to turn my head without pain, of having energy again, of being able to lead a normal working life."

Claus Juan Møller-San Pedro, M.D., Ph.D.
Senior Vice President,
Chief Operating Officer

Rachel C. Gravesen, M.A.
Vice President,
Public and Investor
Relations

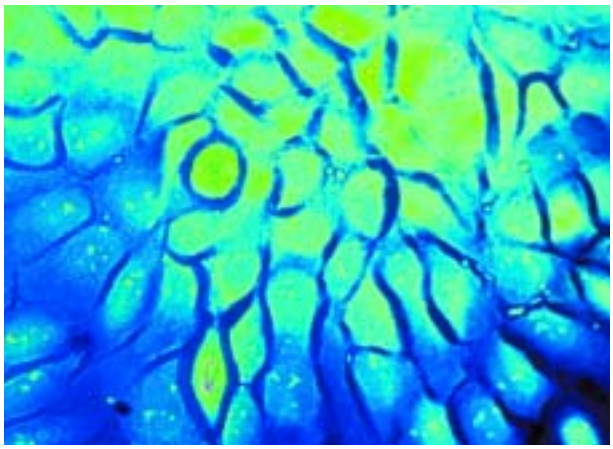
the highest four dose groups showed objectively measured favorable responses to the antibody. Also, we have recently completed a Phase II study to evaluate the safety and efficacy of using HuMax-CD4 to treat patients with severe psoriasis. In completed trials, HuMax-CD4 was found to be safe and well tolerated. We expect to initiate clinical Phase IIb trials for HuMax-CD4 to treat patients with severe psoriasis in 2002.

HuMax-IL15 is being developed in collaboration with Immunex Corporation to treat inflammatory, autoimmune diseases. A Phase I/II clinical trial is being conducted with rheumatoid arthritis patients. HuMax-IL15 is a fully human, high-affinity neutralizing antibody against IL-15, a cytokine molecule involved in the inflammatory cascade at a very early stage.

HuMax-Inflam is a fully human antibody in development to treat chronic inflammatory conditions. We expect to file an Investigational New Drug (IND) application for HuMax-Inflam in 2002.

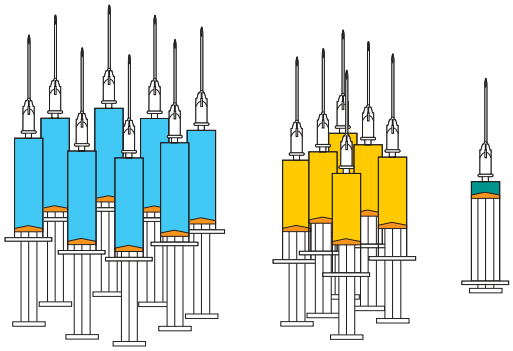
TARGETING CANCER CELLS

Cancer is a severe progressive disease whereby normal cells mutate and proliferate in an uncontrolled manner causing severe damage to tissue and organs, which leads to extreme pain and ultimately can be fatal. Due to their accelerated growth rate, cancer cells are susceptible to molecules that disrupt or interfere with the molecular pathways controlling growth.



Breast cancer cells have lost the normal cellular growth regulation, allowing the tumor cells to proliferate rapidly.

HuMax-EGFr is a fully human antibody that targets the Epidermal Growth Factor Receptor (EGFr), a molecule found in abundance on the surface of many cancer cells, including colorectal and head and neck tumors. *In vivo* mouse studies have shown that HuMax-EGFr is capable of blocking the activation of EGFr and thereby inhibiting tumor growth as well as eradicating established tumors. We expect to file an IND application for HuMax-EGFr in 2002.



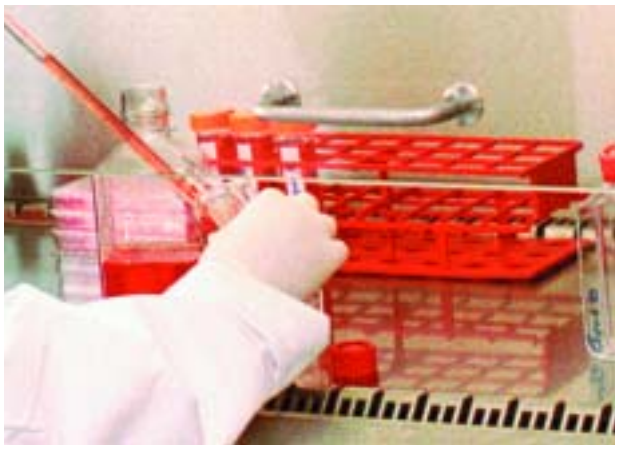
EGFr Antibodies Comparison *In vivo* cancer studies demonstrated that HuMax-EGFr is capable of dramatically reducing established tumors in mice at much lower dosages and with fewer dosings than other anti-EGFr antibody products. HuMax-EGFr did not require any concomitant treatments, such as chemotherapy or radiotherapy. Sources: *Cancer Research 53: 4637-42*, 1993; *Cancer Research 59:1236-43*, 1999.

HuMax-Cancer is currently in pre-clinical development to treat multiple tumor types, including breast cancer. HuMax-Cancer targets Heparanase I to interfere with neo-vascularization, the production of new blood vessels into a tumor. We expect to file an IND application for HuMax-Cancer in 2002.

HuMax-Lymphoma is undergoing pre-clinical studies in preparation for human clinical trials. HuMax-Lymphoma is being developed through a second collaboration with Immunex to treat lymphoma, multiple myeloma and other forms of cancer.

ANTIBODIES – FROM THE LABORATORY INTO THE CLINIC

Antibodies are one of the body's most important natural defenses, directing the immune system to fight disease by seeking out and binding to disease targets, viruses and other organisms. Each antibody binds to a particular target and is specific to that target, like a key fitting into a lock. This specificity makes antibodies far less likely to cause toxic side effects than traditional drugs, such as cancer chemotherapy, for example, which attacks both diseased and healthy parts of the body. Antibodies are useful in the treatment of many types of disease. However, our immune systems do not normally make antibodies to our own cells, including cancer cells. Consequently, there are diseases, like cancer, that require the creation of special antibodies to guide the immune system. In the case of autoimmune disease, when the body is attacking itself, we may need to create antibodies to slow down or interfere with an overactive immune system.



Genmab's scientists work in state-of-the-art laboratory facilities, employing a wide range of functional assays to discover the most effective high-affinity antibody products.

We believe we are now among a very limited number of biotech companies in Europe with products in every stage of clinical development, from pre-clinical through Phase III studies. We achieved this in less than three years following the company's inception through a unique combination of access to cutting-edge antibody technologies, broad pre-clinical development capabilities and dedicated scientific and clinical staff.

CUTTING-EDGE ANTIBODY TECHNOLOGIES

Genmab's products are created using what we believe to be the most advanced human antibody technologies available. Using these technologies, we can generate large panels of antibodies that our own immune system does not make and are specific for disease targets like cancer. With access to the UltiMAb™ system for creating the full range of human antibody isotypes, we are able to rapidly produce high-affinity, fully human antibodies against virtually any disease target. Genmab's HuMax™ antibodies are 100% human, ready to be developed into therapeutic products without any further costly and time-consuming engineering. Previous generations of antibody products have typically contained mouse or other non-human proteins; such antibodies have the potential to elicit allergic responses or other complications. Furthermore, our high-affinity HuMax antibodies are often 100 to 1000 times better at finding and binding to their target than earlier generation antibodies.

Jan G. J. van de Winkel, Ph.D.
Senior Vice President,
Chief Scientific Officer

Ernst Schweizer, Ph.D.
Head of Business
Development

PRE-CLINICAL PROWESS – SELECTING THE RIGHT PRODUCT CANDIDATE

We believe that our broad pre-clinical development capabilities ensure that the best possible antibody candidate is selected to become a potential product. The initial panel of antibodies generated is put through a rigorous series of laboratory functional assays designed to identify characteristics of the best therapeutic product. Following this *in vitro* testing, the product candidates are also evaluated *in vivo* using animal disease models to select the clinical candidate with the right characteristics for treating a particular disease. At the end of 2001, we completed construction of new state-of-the-art laboratory facilities in the Netherlands to accommodate our fast growing product discovery pipeline.

Current Alliances

Roche
Immunex
Medarex
Oxford GlycoSciences
deCODE genetics
Sequenom
Eos Biotechnology
Glaucus Proteomics
Scancell

INTERNATIONAL REGULATORY & CLINICAL EXPERTISE

Genmab has proven expertise in bringing products through the regulatory process and into the clinic, as shown by the progress of HuMax-CD4 from Phase I/II to Phase III in under two and a half years. With top-notch scientific and clinical teams including six physicians, Genmab has established a streamlined development process to coordinate the activities of product discovery, manufacturing, pre-clinical testing, regulatory submissions, and clinical design and oversight. Our experienced in-house clinical team is well-versed in international regulatory affairs and has successfully conducted several multi-national clinical trials. We also maintain our own vital data management capabilities. Overseeing our clinical research in-house gives us quality assurance, speed and flexibility to evaluate our clinical data as needed. With our headquarters and laboratories located in the heart of Europe, Genmab is easily accessible to partners and valuable clinical sites. In addition, we maintain administrative and clinical divisions within the United States to oversee North American clinical sites.

ALLIANCES FOR PRODUCT DEVELOPMENT

Genomics and other research techniques, such as proteomics, are leading to the discovery of an unprecedented number of potential disease targets. Genmab's ability to quickly convert interesting targets into antibody products has already attracted numerous partners. To maximize the value of our integrated human antibody development capabilities, we are continuing to form new collaborations with biotechnology and pharmaceutical companies to co-develop antibody products to novel disease targets.

ANNUAL REPORT

Genmab is a biotechnology product development company working with a broad portfolio of human antibody products to treat a wide variety of diseases. Using transgenic mouse technology, we believe we are able to create fully human antibodies to virtually any disease target that can be addressed by antibodies.

The Company is in a development stage. Consequently, significant losses have been incurred since inception resulting in an accumulated deficit of DKK 225,042,202 as of December 31, 2001. As the Company continues to develop its business, additional losses are expected. It is also expected that the cash required to support the operating activities will increase as the Company's clinical resources are expanded in connection with the increasing number of on-going clinical studies and increased pre-clinical activities.

Achievements of the Year

During the year 2001 Genmab made significant clinical and pre-clinical progress and signed a number of new partnerships. Highlights of the year include:

- HuMax-CD4 received FDA approval to enter Phase III clinical trials for rheumatoid arthritis (December 2001).
- HuMax-CD4 showed statistically significant dose response in Phase II psoriasis study (November 2001).
- HuMax-IL15 entered Phase I/II clinical trials for rheumatoid arthritis (October 2001).
- HuMax-EGFr was shown to eradicate certain established tumors in mouse cancer studies (June 2001).
- Announcement of a broad antibody development agreement with Roche (May 2001).
- Announcement of a second antibody collaboration with Immunex Corporation for HuMax-Lymphoma (October 2001).
- Announcement of new antibody collaborations with Medarex, Inc. and Scancell Ltd. (June and October 2001, respectively).
- Announcement of multi-target alliances with deCODE genetics ehf. and Glaucus Proteomics B.V. (first half 2001).
- Initiation of pre-clinical development on three new products, HuMax-Inflam, HuMax-Cancer and HuMax-Lymphoma (all year 2001).

Financial Development

The deficit for the financial year 2001 of DKK 168,717,178 is in accordance with expectations. As of October 12, 2001, the Copenhagen Stock Exchange and the Frankfurt Neuer Markt were informed that an increase in the operating loss of approximately 225% compared to 2000 was to be expected, due to increased business, research and development activities. The Company's operating loss for the year is DKK 250,598,802 and in 2000 it was DKK 77,665,547 and thus in line with expectations.

At the end of 2001, the Company employed approximately 111 employees compared to 35 at the end of 2000. The increasing number of employees and the increasing deficit reflects the substantial increase in research and development activities as well as the general and administrative activities. Genmab plans to continue recruiting new staff as business expands. At the end of 2002, the total number of employees is expected to amount to approximately 170.

Research and Development

Research and development costs increased by DKK 134,434,249, from DKK 61,225,686 for the fiscal year ended December 31, 2000, to DKK 195,659,935 for the fiscal year ended December 31, 2001. This corresponds to an increase of 220%, which was principally due to increased pre-clinical and clinical trial activities, payment of license fees, higher personnel costs and supply expenses. Research and development costs are expected to increase at an accelerating rate as the Company's antibody products continue to progress through clinical trials especially with the Company's late stage clinical Phase III study as a key cost driver.

Michael Wolff Jensen, L.L.M.
Senior Vice President,
Chief Financial Officer and
Corporate Counsel

General and Administrative

General and administrative costs increased by DKK 38,499,006, from DKK 16,439,861 for the fiscal year ended December 31, 2000 to DKK 54,938,867 for the fiscal year ended December 31, 2001. This corresponds to an increase of 234%, which was primarily attributable to the establishment of a global business development division and increased personnel costs incurred in connection with the general expansion of our business activities.

Financial Items

Financial income increased by DKK 44,162,682, from DKK 62,665,011 for the fiscal year ended December 31, 2000, to DKK 106,827,693 for the fiscal year ended December 31, 2001. This increase reflects interest earned on marketable securities and cash balances.

Financial expenses diminished by DKK 1,542,440, from DKK 24,963,624 for the fiscal year ended December 31, 2000, to DKK 23,421,184 for the fiscal year ended December 31, 2001. The financial expenses reflect mainly an impairment loss of an equity investment and a pro forma interest related to a calculation of net present value of a non-interest bearing obligation.

Currencies

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

Unless otherwise indicated, translations herein of financial information into USD have been made using the Danish Central Bank closing spot rate on December 31, 2001, which was USD 1.00 = DKK 8.4095.

Financial Risks

The Company keeps certain amounts invested in USD in order to hedge expected expenses in USD during the next 12-18 months. Approximately 10% of cash, cash equivalents and short-term marketable securities are invested in USD denominated securities. This may expose Genmab to a risk of foreign currency fluctuations. No actions, such as entering into options or futures contracts, have been taken to reduce such possible exposure to changes in foreign currency exchange rates as it is expected that the open position will be covered due to the fact that some of the Company's expenses are in USD.

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 short-term marketable securities is maintained by investing in deposits with major financial institutions, money market funds, corporate bonds and DKK denominated notes issued by the Danish government as well as USD denominated notes issued by the U.S. government.

Some of the securities in which the Company has invested may bear interest rate risk. This means that a change in market derived interest rates may cause the fair value of the principal amount of the investment to fluctuate. To minimize future risks, the Company intends to maintain its investment portfolio in a variety of securities, including commercial papers, money market funds, government and non-government debt securities. Due to the short-term nature of the current investments, no material exposure to interest rate risk arising from the investments is expected.

All investments in marketable securities are made in accordance with an implemented low-risk investment policy, which allows only investments in certain low-risk securities with a duration of less than three years.

Expected Development

Financial Development

Genmab is a development stage Company that, since inception, has incurred significant losses amounting to an accumulated deficit of DKK 225,042,202 as of December 31, 2001. As the Company continues to develop its business, it expects to incur additional losses. Furthermore, the cash required to support the Company's operating activities is expected to increase as clinical resources are expanded and the need arises to acquire or gain access to further complementary technologies. An increase in Operating Loss before Financial Items of approximately 100% compared to the fiscal year 2001 is expected, assuming that no further agreements are entered into during 2002 that could materially affect the results.

However, the cash used in operations and investment activities is expected to reduce the Company's cash, cash equivalents and short-term marketable securities by more than 25% in 2002, compared to the holdings of DKK 1.6 billion as of December 31, 2001.

Genmab's business model is based on retaining ownership of the commercial rights or profit-sharing opportunities in our products by developing them through late stage clinical trials and/or regulatory approval. Consequently, since inception, no revenues have been generated from the Company's operations. In the near-term it is expected that non-investment revenues will be derived principally from clinical research funding and milestone payments received from collaborations. The Company expects to realize its first operating revenues during 2002. In the long term, the majority of revenues are expected to be derived from milestone payments, revenues generated from own sales of products and/or royalties on sales of products by partners of Genmab.

Non-Financial Development

The Company's lead product, HuMax-CD4, is currently in Phase III clinical trials for the treatment of rheumatoid arthritis. HuMax-CD4 is also in Phase II clinical trials for the treatment of psoriasis. Genmab's HuMax-IL15 product is in Phase I/II clinical trials for the treatment of rheumatoid arthritis. In addition, Genmab has a number of products undergoing pre-clinical testing, including HuMax-EGFr, HuMax-Cancer and HuMax-Lymphoma for the treatment of various cancers and HuMax-Inflam for the treatment of inflammatory conditions. We believe Genmab is among a very limited number of biotechnology companies in Europe which have products in every phase of development from pre-clinical to Phase III.

Genmab believes antibodies are proven candidates for creating therapeutic products. Genmab is building a broad portfolio of products to increase our opportunities for success. To this end, we have entered into ten collaborations, including seven since our Initial Public Offering in October 2000, to gain access to antibody disease targets with a number of companies, including major pharmaceutical and biotechnology companies such as Roche and Immunex Corporation.

Genmab is building a broad portfolio of products to increase our chances of success. To this end, the Company is creating antibodies to a wide variety of targets for a number of disease indications. Genmab intends to develop these products ourselves and in collaboration with the Company's existing and prospective partners. The goal is to maximize the value of the business by retaining commercial rights or profit-sharing opportunities in these products by developing them through to late stage clinical trials or regulatory approval.

In 2002, Genmab expects to see progress within the clinical studies for HuMax-CD4 and HuMax-IL15. In addition, the Company expects to start clinical trials with three of our products, currently undergoing pre-clinical development. Further, Genmab expects

to continue broadening and deepening the product pipeline by entering into a number of new collaboration agreements with pharmaceutical or biotechnology companies.

Certain statements in this Annual Report consist of forward-looking statements that involve risks and uncertainties including, but not limited to, uncertainties regarding future clinical trial results, the progress of clinical development and commercialization of products, the development of new technologies, the receipt of patent license fees and third party payments, and uncertainties regarding new business opportunities and the continuation of business partnerships. Actual results, events or performance may differ materially.

Subsequent Events

After the balance sheet date no material events have occurred which are assessed to have a material impact on the assessment of the financial statements.

In January 2002, the Company announced a new approach to create an array of novel medical products for breast cancer in collaboration with Oxford GlycoSciences and Medarex. This campaign builds on the alliance between the three parties, announced in September 2000, and the first product in the program is expected to enter clinical trials in 2002.

In January 2002, the Company also announced that its Board of Directors had approved the purchase of land to build a manufacturing facility. Initial designs for the manufacturing project were commenced the year before and indicate that the facility will be approximately 10,000 square meters plus further office space. The enterprise will result in the creation of between 100 and 200 new jobs. The manufacturing facility will expand the production capacity, which is crucial to ensure on-going progress and successful commercialization of Genmab's products as antibody manufacturing capacity is becoming increasingly scarce worldwide. The manufacturing facility could enable Genmab to produce antibodies for Phase I, II and III clinical trials. As of December 31, 2001, the Company has capitalized a total of DKK 14 million regarding the manufacturing facility.

In January 2002, the Company announced the decision to expand its state-of-the-art laboratories in Utrecht, due to the increasing number of pre-clinical projects. The expansion represents a doubling of the size of the existing facilities and will create approximately 50 new jobs.

Shareholders' Equity

Genmab finances its operations primarily through equity placements.

In February, May and August 2000, private placements were completed consisting of cash and contributions of license rights. The total issuance of shares for cash at the private placements equals DKK 357,400,344, whereas the total issuance of shares for license rights equals DKK 45,552,241. A group of founders of the Company have exercised 3,140 warrants in 2000, which gave the Company proceeds of DKK 1,022,698.

On August 25, 2000, a conversion of all existing four classes of shares to one class of ordinary shares and a bonus share issuance of nine ordinary shares for each ordinary share was approved at a meeting of Genmab's shareholders. Following this issuance, the Company had 15,812,020 outstanding ordinary shares.

In October 2000, Genmab completed its Initial Public Offering and was listed on the Copenhagen Stock Exchange and Neuer Markt on the Frankfurt Stock Exchange. In connection with the offering, 6,000,000 new ordinary shares were issued. The issuance of new shares resulted in gross proceeds to the Company equivalent to DKK 1,559,689,095. In connection with the Initial Public Offering the expenses added up to DKK 138,603,873.

During 2001, no new shares were subscribed.

Consolidated key figures

The following financial ratios have been calculated in accordance with the guidelines of the Association of Danish Financial Analysts. The key figures include all years of operation (figures in thousands, except Financial Ratios).

	2001	2001 USD (Unaudited)	2000	2000 USD (Unaudited)	1999	1999 USD (Unaudited)
Income Statements						
Research and development costs	(195,660)	(23,267)	(61,226)	(7,281)	(16,691)	(1,985)
General and administrative expenses	(54,939)	(6,533)	(16,440)	(1,955)	(2,190)	(260)
Operating loss	(250,599)	(29,800)	(77,666)	(9,236)	(18,881)	(2,245)
Net loss	(168,717)	(20,063)	(36,349)	(4,322)	(17,881)	(2,126)
Balance sheets						
Net cash, cash equivalents and marketable securities	1,599,234	190,170	1,765,045	209,887	39,108	4,650
Total assets	1,811,633	215,427	1,946,066	231,413	83,296	9,905
Shareholders' equity	1,711,929	203,571	1,867,587	222,081	80,866	9,616
Share Capital	21,812	2,594	21,812	2,594	672	80
Statements of cash flow						
Cash flow from operations	(123,224)	(14,653)	(8,707)	(1,035)	(9,459)	(1,125)
Cash used in investing activities	250,785	29,822	(1,767,951)	(210,233)	(784)	(93)
Cash flow from financing	58	7	1,775,792	211,165	49,226	5,854
Net cash and cash equivalents	165,861	19,723	38,241	4,547	39,108	4,650
Financial Ratios						
Basic and diluted net loss per share (EPS)*	(7.7)	(0.9)	(2.6)	(0.3)	(3.3)	(0.4)
Year end stock market price**	169.89	20.20	181.36	21.56	-	-
Stock market price/equity value	2.16	2.16	2.12	2.12	-	-
Shareholders' equity per share*	78.49	9.33	85.62	10.18	12.04	1.43
Average number of employees	70	70	16	16	2	2
Number of employees at the end of the year	111	111	35	35	4	4

* On August 25, 2000, the Company's shareholders approved a bonus share issue of nine ordinary shares for each ordinary share then outstanding. Per share data in the consolidated key figures have been retroactively restated giving effect to the bonus share issue.

** The mentioned share prices are all represented by the average share price of the current day.

Subsidiaries in The Netherlands, United States and United Kingdom

In December 2000, Genmab established a subsidiary, Genmab B.V. in Utrecht, the Netherlands, with the objective to perform research and pre-clinical development of fully human monoclonal antibodies. Genmab expected to hire approximately 20 employees during 2001, but ended up employing more than 30 highly skilled scientists and administrative staff as of December 31, 2001. During 2001, state-of-the-art laboratories were built and following the year end, the Company announced the decision to double the laboratories in 2002 to get the laboratory capacity required by the increasing number of projects being generated by existing partners and the expected addition of new partnerships. At the end of 2002, the Company expects the total number of employees in the Netherlands to exceed 80.

In 2000, Genmab also established Genmab, Inc. in the United States. During 2001, we have established a US-based clinical trial team and in addition a part of the global business development team is located in Princeton, New Jersey. Genmab, Inc. is registered as a Delaware corporation, conducting business according to New Jersey law. At the end of 2001, Genmab, Inc. employed 8 people and the number of employees is expected to double during 2002.

In addition, Genmab has established Genmab Ltd, in London, United Kingdom. This subsidiary is currently inactive, but is intended for the future expansion of clinical and other corporate activities in the UK.

Corporate Governance

Genmab welcomes the Nørby Committee's report of December 6, 2001, on Corporate Governance. To a large extent the existing principles of Genmab's governance coincide with the main recommendations of the said report.

In particular, we would emphasize the following key points: Genmab has an exceptional Board of Directors in terms of professional background and expertise within the biotech industry. Please refer to the back cover of the Annual Report for a brief outline of each member's background and other Danish board memberships. In addition, Genmab's Articles of Association ensure continuity within the board in that the members are elected for uneven periods. Election to the Board of Directors is restricted to those below the age of 75. The activities of the Board of Directors are governed by internal rules of procedure.

A compensation committee has been established with the sole purpose of evaluating and approving the remuneration paid to the members of the board and management. Please refer to note 15 of the annual report for an outline of each member's holding of shares and warrants in Genmab. Finally, Genmab has established internal rules governing the allocation of powers between the Board of Directors and the Management.

Genmab will continue to actively pursue a strategy of good corporate governance consistent with the main recommendations of the report.

Allocation of Income

It is proposed that the year's loss of DKK 168,717,178 is carried forward by transfer to accumulated deficit.

Ownership

On December 31, 2001, the number of registered shareholders totaled 6,054 shareholders holding 20,300,065 shares, which represented 93% of the share capital.

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

- Aktieselskabet BankInvest Biomedicinsk Venture II, Toldbodgade 33, DK-1022 Copenhagen K, Denmark

- GenPharm International, Inc. 2350 Qume Drive, San Jose, CA 95131, USA

Basis of Presentation

The financial statements are prepared in accordance with Danish accounting legislation and generally recognized accounting principles as applied in Denmark as well as Danish accounting recommendations. In addition, the accounting principles have been aligned where possible with accounting principles generally accepted in the United States (US GAAP). The accounting policies are unchanged from last year and have been consistently applied.

However, as the Company is listed on Neuer Markt as well, the Company is obligated to report its annual financials statements to Neuer Markt in accordance with US generally accepted accounting principles. Therefore, the Company has simultaneously with this Annual Report filed an Annual Report with Neuer Markt prepared in accordance with US generally accepted accounting principles. The annual report for Neuer Markt can be ordered at Genmab's office.

Approval of the Annual Report for 2001

Management and the Board of Directors have, as of today, reviewed and approved the Annual Report, the consolidated financial statements and the Company financial statements for Genmab A/S for 2001.

The consolidated financial statements and Company financial statements have been prepared in accordance with generally accepted accounting principles applicable to companies listed on the Copenhagen Stock Exchange and requirements of Danish law. We consider that the Company's accounting principles are appropriate for the Company. Furthermore, in order to obtain consistency between the US GAAP financial statements prepared for the Neuer Markt and the Danish GAAP financial statements prepared for the Copenhagen Stock Exchange, the disclosure and presentation of information in the Company's financial statements have been aligned where possible with the requirements of US GAAP. A reconciliation has been made between Danish and US GAAP as a note to the financial statements.

In our opinion, the consolidated financial statements and Company's financial statements present a true and fair view of the Group's and the Company's financial position and the results of operations. We therefore submit the financial statements for approval by the Annual General Assembly.

Copenhagen, February 10, 2002

Board of Management

Lisa N. Drakeman

Claus Juan Møller-San Pedro

Jan van de Winkel

Michael Wolff Jensen

Board of Directors

Jesper Zeuthen (chairman)

Ernst Schweizer

Lisa N. Drakeman

Leif Helth Jensen

Francesco De Rubertis

Irwin Lerner

AUDITORS REPORT

We have audited the consolidated financial statements and the financial statements of Genmab A/S for the fiscal year ended December 31, 2001 as presented by the Board of Directors and the Management.

Basis of Opinion

We have planned and conducted our audit in accordance with generally accepted auditing standards as applied in Denmark. Furthermore, we have performed such additional procedures so as to ensure that our audit is also in compliance with auditing standards and provisions as applied in the United States. Our audit has been conducted in order to obtain reasonable assurance that the financial statements are free from material errors or omissions. Based on an evaluation of materiality and risk, we have tested the basis and evidence supporting the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting policies selected and the estimates made by the Board of Directors and the Management. In addition, we have evaluated the overall adequacy of the information disclosed in the financial statements.

Our audit did not give rise to any qualifications.

Emphasis of Matter

The Board of Directors and the Management have decided to present the financial statements in accordance with the presentation conventions as applied to a development stage company in the United States. Furthermore, the format of presentation and disclosure in the notes has been aligned to be in compliance with US GAAP.

Accounting principles generally accepted in Denmark vary in certain significant respects from accounting principles generally accepted in the United States. The application of the latter would have affected the determination of net loss expressed in Danish Kroner for the fiscal years ended December 31, 2001 and 2000 and for the period from inception to December 31, 2001 to the extent summarized in Note 21 to the financial statements. With the exception of the matters described in note 21 to the financial statements, the financial statements have been prepared in accordance with US GAAP.

Management and the Board of Directors believe that the information provided complies with the accounting provisions of Danish legislation even though the presentation includes information from the Company's inception to the December 31, 2001. This form of presentation is not generally applied in Denmark.

We agree with Management and the Board of Directors in respect of the above.

Opinion

In our opinion, the consolidated financial statements and the financial statements of Genmab A/S for the fiscal year ended December 31, 2001, have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the Group's and Parent Company's assets and liabilities, the financial position and losses for the above mentioned periods.

Copenhagen, February 10, 2002

PricewaterhouseCoopers

Jens Røder
State Authorized Public Accountant

Deloitte & Touche
Statsautoriseret Revisionsaktieselskab

Jørgen Holm Andersen
State Authorized Public Accountant

GENMAB CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
		DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Research and development costs	2, 3	(195,659,935)	(23,266,536)	(61,225,686)	(7,280,538)	(273,576,408)
General and administrative expenses	2, 3	(54,938,867)	(6,532,952)	(16,439,861)	(1,954,915)	(73,572,614)
Operating loss		**(250,598,802)**	**(29,799,488)**	**(77,665,547)**	**(9,235,453)**	**(347,149,022)**
Revaluation of marketable securities excluding imputed interest on zero coupon-securities	11	(1,520,251)	(180,778)	3,615,362	429,914	2,095,111
Financial income	4	106,827,693	12,703,216	62,665,011	7,451,693	170,496,457
Financial expenses	5	(23,421,184)	(2,785,086)	(24,963,624)	(2,968,503)	(48,388,460)
Loss before tax		**(168,712,544)**	**(20,062,136)**	**(36,348,798)**	**(4,322,349)**	**(222,945,914)**
Tax on loss	6	(4,634)	(552)	0	0	(4,634)
Net loss		**(168,717,178)**	**(20,062,688)**	**(36,348,798)**	**(4,322,349)**	**(222,950,548)**
Basic and diluted net loss per share		**(7.7)**	**(0.9)**	**(2.6)**	**(0.3)**	
Weighted average number of ordinary shares outstanding during the period – basic and diluted		**21,812,020**	**21,812,020**	**13,939,629**	**13,939,629**	

See notes to the financial statements

GENMAB CONSOLIDATED BALANCE SHEETS

Assets

	Note	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
		DKK	USD (Unaudited)	DKK	USD (Unaudited)
Licenses and rights	7	95,097,233	11,308,310	125,594,082	14,934,786
Deposits on leasehold		4,277,373	508,635	1,378,959	163,976
Total intangible assets		**99,374,606**	**11,816,945**	**126,973,041**	**15,098,762**
Plant and equipment	8	36,575,964	4,349,363	4,427,946	526,541
Manufacturing enterprise in process		14,176,413	1,685,762	0	0
Total tangible assets		**50,752,377**	**6,035,125**	**4,427,946**	**526,541**
Other securities and equity interests	10	15,689,222	1,865,655	21,504,739	2,557,196
Total financial assets		**15,689,222**	**1,865,655**	**21,504,739**	**2,557,196**
Total long-term assets		**165,816,205**	**19,717,725**	**152,905,726**	**18,182,499**
Other receivables		40,743,495	4,844,936	26,538,210	3,155,742
Prepayments		5,838,426	694,265	1,576,548	187,472
Other current assets		**46,581,921**	**5,539,201**	**28,114,758**	**3,343,214**
Marketable securities	**11**	**1,433,373,714**	**170,446,961**	**1,726,804,593**	**205,339,746**
Cash and cash equivalents		**165,860,678**	**19,723,013**	**38,240,634**	**4,547,314**
Total current assets		**1,645,816,313**	**195,709,175**	**1,793,159,985**	**213,230,274**
Total assets		**1,811,632,518**	**215,426,900**	**1,946,065,711**	**231,412,773**

See notes to the financial statements

GENMAB CONSOLIDATED BALANCE SHEETS

Liabilities and shareholders' equity

	Note	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
		DKK	USD	DKK	USD
			(Unaudited)		(Unaudited)
Share capital	12	21,812,020	2,593,736	21,812,020	2,593,736
Share premium reserve		1,926,127,202	229,041,822	1,916,120,614	227,851,907
Revaluation surplus		2,095,111	249,136	8,852,118	1,052,633
Deficit accumulated during development stage		(225,042,202)	(26,760,473)	(63,085,661)	(7,501,714)
Unearned compensation		(13,062,546)	(1,553,309)	(16,112,323)	(1,915,967)
Shareholders' equity		**1,711,929,585**	**203,570,912**	**1,867,586,768**	**222,080,595**
Payable technology rights	13	29,875,590	3,552,600	40,780,334	4,849,317
Total long-term debt		**29,875,590**	**3,552,600**	**40,780,334**	**4,849,317**
Short-term portion of payable technology rights	13	16,220,260	1,928,802	15,174,535	1,804,452
Accounts payable		28,274,600	3,362,221	13,769,536	1,637,379
Other liabilities		25,332,483	3,012,365	8,754,538	1,041,030
Total current liabilities		**69,827,343**	**8,303,388**	**37,698,609**	**4,482,861**
Total liabilities		**99,702,933**	**11,855,988**	**78,478,943**	**9,332,178**
Total liabilities and shareholders' equity		**1,811,632,518**	**215,426,900**	**1,946,065,711**	**231,412,773**

Warrants in note 14
Internal shareholders in note 15
Related party transactions in note 16
Research and development agreements in note 17
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Fee to auditors appointed by General Assembly in note 19
Subsequent events in note 20
Reconciliation from Danish to US GAAP in note 21

See notes to the financial statements

GENMAB CONSOLIDATED STATEMENTS OF CASH FLOWS

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD	DKK	USD	DKK
		(Unaudited)		(Unaudited)	
Operating loss	(250,598,802)	(29,799,488)	(77,665,547)	(9,235,453)	(347,149,022)
Adjustments to reconcile operating loss to net cash used in operating activities before net financial items:					
Depreciation and amortization	34,472,325	4,099,212	19,765,900	2,350,425	62,003,692
Expensed value of warrants	12,998,077	1,545,642	1,726,026	205,247	14,724,103
Genomics payment	(16,912,200)	(2,011,083)	0	0	(16,912,200)
Changes in operating assets and liabilities:					
Other receivables	(14,205,283)	(1,689,195)	(14,593,769)	(1,735,391)	(29,287,561)
Prepayments	(4,261,878)	(506,793)	(821,085)	(97,638)	(5,838,426)
Accounts payable	31,942,619	3,798,396	19,028,999	2,262,798	53,401,684
Cash flow from operations before net financial items	**(206,565,142)**	**(24,563,309)**	**(52,559,476)**	**(6,250,012)**	**(269,057,730)**
Net financial receivables	83,341,635	9,910,415	43,852,329	5,214,618	127,668,678
Cash flow from operations	**(123,223,507)**	**(14,652,894)**	**(8,707,147)**	**(1,035,394)**	**(141,389,052)**
Deposits on leasehold	(2,898,414)	(344,659)	(1,145,059)	(136,163)	(4,277,373)
Purchase of fixed assets	(36,123,494)	(4,295,558)	(4,518,565)	(537,317)	(41,192,619)
Manufacturing enterprise in progress	(14,176,413)	(1,685,762)	0	0	(14,176,413)
Investment in equity interest	(8,411,406)	(1,000,227)	(21,504,739)	(2,557,195)	(29,916,145)
Marketable securities bought	(2,954,920,723)	(351,378,884)	(1,740,783,042)	(207,001,967)	(4,695,703,765)
Marketable securities sold	3,267,315,714	388,526,751	0	0	3,267,315,714
Cash used in investing activities	**250,785,264**	**29,821,661**	**(1,767,951,405)**	**(210,232,642)**	**(1,517,950,601)**
Warrants exercised by shareholders	0	0	1,022,698	121,612	1,022,698
Shares issued for cash	0	0	1,917,089,439	227,967,114	1,966,614,439
Costs related to issuance of shares	58,287	6,932	(142,320,593)	(16,923,788)	(142,436,806)
Cash flow from financing	**58,287**	**6,932**	**1,775,791,544**	**211,164,938**	**1,825,200,331**
Increase in cash and cash equivalents	**127,620,044**	**15,175,699**	**(867,008)**	**(103,098)**	**165,860,678**
Cash and cash equivalents at the beginning of the period	38,240,634	4,547,314	39,107,642	4,650,412	0
Cash and cash equivalents at the end of the period	**165,860,678**	**19,723,013**	**38,240,634**	**4,547,314**	**165,860,678**
Supplemental schedule of non-cash transactions:					
Acquisition of licenses and rights	0	0	57,532,029	6,841,314	57,532,029
Shares issued for licenses and rights contributed	0	0	45,552,241	5,416,760	94,952,241

See notes to the financial statements

GENMAB A/S
STATEMENTS OF OPERATIONS

	Note	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
		DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Research and development costs	2, 3	(196,846,781)	(23,407,668)	(61,225,686)	(7,280,538)	(274,763,254)
General and administrative expenses	2, 3	(55,429,539)	(6,591,300)	(16,302,243)	(1,938,551)	(73,925,668)
Operating loss		**(252,276,320)**	**(29,998,968)**	**(77,527,929)**	**(9,219,089)**	**(348,688,922)**
Revaluation of marketable securities excluding imputed interest on zero coupon-securities	11	(1,520,251)	(180,778)	3,615,362	429,914	2,095,111
Financial income	4	108,359,568	12,885,376	62,674,680	7,452,843	172,038,001
Profit/(Loss) in subsidiaries	9	141,009	16,768	(148,401)	(17,647)	(7,392)
Financial expenses	5	(23,421,184)	(2,785,086)	(24,962,510)	(2,968,370)	(48,387,346)
Loss before tax		**(168,717,178)**	**(20,062,688)**	**(36,348,798)**	**(4,322,349)**	**(222,950,548)**
Tax on loss	6	0	0	0	0	0
Net loss		**(168,717,178)**	**(20,062,688)**	**(36,348,798)**	**(4,322,349)**	**(222,950,548)**
Basic and diluted net loss per share		**(7.7)**	**(0.9)**	**(2.6)**	**(0.3)**	
Weighted average number of ordinary shares outstanding during the period – basic and diluted		**21,812,020**	**21,812,020**	**13,939,629**	**13,939,629**	

See notes to the financial statements

GENMAB A/S
BALANCE SHEETS

Assets

	Note	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
		DKK	USD	DKK	USD
			(Unaudited)		(Unaudited)
Licenses and rights	7	95,097,233	11,308,310	125,594,082	14,934,786
Deposits on leasehold		1,517,829	180,490	1,378,959	163,976
Total intangible assets		**96,615,062**	**11,488,800**	**126,973,041**	**15,098,762**
Plant and equipment	8	7,139,307	848,957	3,968,652	471,925
Manufacturing enterprise in process		14,176,413	1,685,762	0	0
Total tangible assets		**21,315,720**	**2,534,719**	**3,968,652**	**471,925**
Equity interests in subsidiaries	9	982,699	116,856	860	102
Other securities and equity interests	10	15,689,222	1,865,655	21,504,739	2,557,196
Total financial assets		**16,671,921**	**1,982,511**	**21,505,599**	**2,557,298**
Total long-term assets		**134,602,703**	**16,006,030**	**152,447,292**	**18,127,985**
Amount owed by subsidiaries		27,641,288	3,286,911	585,391	69,611
Other receivables		35,324,463	4,200,543	26,475,670	3,148,305
Prepayments		4,686,724	557,313	1,576,548	187,472
Other current assets		**67,652,475**	**8,044,767**	**28,637,609**	**3,405,388**
Marketable securities	**11**	**1,433,373,714**	**170,446,961**	**1,726,804,593**	**205,339,746**
Cash and cash equivalents		**158,831,949**	**18,887,205**	**38,080,055**	**4,528,219**
Total current assets		**1,659,858,138**	**197,378,933**	**1,793,522,257**	**213,273,353**
Total assets		**1,794,460,841**	**213,384,963**	**1,945,969,549**	**213,401,338**

See notes to the financial statements

GENMAB A/S
BALANCE SHEETS

Liabilities and shareholders' equity

	Note	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
		DKK	USD	DKK	USD
			(Unaudited)		(Unaudited)
Share capital	12	21,812,020	2,593,736	21,812,020	2,593,736
Share premium reserve		1,926,127,202	229,041,822	1,916,120,614	227,851,907
Revaluation surplus		2,095,111	249,136	8,852,118	1,052,633
Deficit accumulated during development stage		(225,042,202)	(26,760,473)	(63,085,661)	(7,501,714)
Unearned compensation		(13,062,546)	(1,553,309)	(16,112,323)	(1,915,967)
Shareholders' equity		**1,711,929,585**	**203,570,912**	**1,867,586,768**	**222,080,595**
Payable technology rights	13	29,875,590	3,552,600	40,780,334	4,849,317
Total long-term debt		**29,875,590**	**3,552,600**	**40,780,334**	**4,849,317**
Short-term portion of payable technology rights	13	16,220,260	1,928,802	15,174,535	1,804,452
Accounts payable		20,754,738	2,468,012	13,673,374	1,625,944
Other liabilities		15,680,668	1,864,637	8,754,538	1,041,030
Total current liabilities		**52,655,666**	**6,261,451**	**37,602,447**	**4,471,426**
Total liabilities		**82,531,256**	**9,814,051**	**78,382,781**	**9,320,743**
Total liabilities and shareholders' equity		**1,794,460,841**	**213,384,963**	**1,945,969,549**	**231,401,338**

Warrants in note 14
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See notes to the financial statements

GENMAB A/S
STATEMENTS OF SHAREHOLDERS' EQUITY

January through December 2001

	Number of shares	Share Capital	Share Premium	Revaluation surplus	Deficit accumulated during development stage	Unearned Compensation	Shareholders' equity	Shareholders' equity
		DKK	DKK	DKK	DKK	DKK	DKK	USD
								(Unaudited)
December 31, 2000	**21,812,020**	**21,812,020**	**1,916,120,614**	**8,852,118**	**(63,085,661)**	**(16,112,323)**	**1,867,586,768**	**222,080,595**
Expenses related to initial public offering			58,287				58,287	6,932
Unrealized gain and imputed interest on marketable securities				(6,757,007)	6,757,007		0	0
Adjustment of value of warrants granted			9,948,301			(9,948,301)	0	0
Expense recognized for warrants granted						12,998,078	12,998,078	1,545,642
Adjustment of foreign currency fluctuations on subsidiaries					3,630		3,630	431
Loss for the period					(168,717,178)		(168,717,178)	(20,062,688)
December 31, 2001	**21,812,020**	**21,812,020**	**1,926,127,202**	**2,095,111**	**(225,042,202)**	**(13,062,546)**	**1,711,929,585**	**203,570,912**

See notes to the financial statements

GENMAB A/S
STATEMENTS OF SHAREHOLDERS' EQUITY
CONTINUED

January through December 2000

	Number of shares	Share Capital	Share Premium	Revaluation surplus	Deficit accumulated during development stage	Unearned Compensation	Shareholders' equity	Shareholders' equity
		DKK	DKK	DKK	DKK	DKK	DKK	USD
								(Unaudited)
December 31, 1999	**671,692**	**671,692**	**98,078,808**	**0**	**(17,884,572)**	**0**	**80,865,928**	**9,616,021**
Issuance of shares for cash	742,120	742,120	356,658,224				357,400,344	42,499,595
Issuance of shares for licenses	164,250	164,250	45,387,991				45,552,241	5,416,760
Exercise of warrants	3,140	3,140	1,019,558				1,022,698	121,612
Expenses and foreign currency fluctuations related to share issues			(3,716,720)				(3,716,720)	(441,967)
Issuance of bonus shares	14,230,818	14,230,818	(14,230,818)				0	0
Issuance of shares at initial public offering	6,000,000	6,000,000	1,553,689,095				1,559,689,095	185,467,518
Expenses related to initial public offering			(138,603,873)				(138,603,873)	(16,481,821)
Unrealized gain and imputed interest on marketable securities				8,852,118	(8,852,118)		0	0
Value of warrants granted			17,838,349			(17,838,349)	0	0
Expensed value of warrants granted						1,726,026	1,726,026	205,247
Adjustment of foreign currency fluctuations on subsidiaries					(173)		(173)	(21)
Loss for the period					(36,348,798)		(36,348,798)	(4,322,349)
December 31, 2000	**21,812,020**	**21,812,020**	**1,916,120,614**	**8,852,118**	**(63,085,661)**	**(16,112,323)**	**1,867,586,768**	**222,080,595**

See notes to the financial statements

STATEMENTS OF SHAREHOLDERS' EQUITY

CONTINUED

Inception (June 11, 1998) through December 2001

	Number of shares	Share Capital	Share Premium	Revaluation surplus	Deficit accumulated during development stage	Unearned Compensation	Shareholders' equity	Shareholders' equity
		DKK	DKK	DKK	DKK	DKK	DKK	USD
								(Unaudited)
June 11, 1998	**125,000**	**125,000**	**0**	**0**	**0**	**0**	**125,000**	**14,864**
Issuance of shares for cash	1,015,466	1,015,466	405,784,878				406,800,344	48,373,904
Issuance of shares for licenses	437,596	437,596	94,514,645				94,952,241	11,291,069
Exercise of warrants	3,140	3,140	1,019,558				1,022,698	121,612
Expenses and foreign currency fluctuations related to share issues			(3,891,220)				(3,891,220)	(462,717)
Issuance of bonus shares	14,230,818	14,230,818	(14,230,818)				0	0
Issuance of shares at initial public offering	6,000,000	6,000,000	1,553,689,095				1,559,689,095	185,467,518
Expenses related to initial public offering			(138,545,586)				(138,545,586)	(16,474,890)
Unrealized gain and imputed interest on marketable securities				2,095,111	(2,095,111)		0	0
Value of warrants granted			27,786,650			(27,786,650)	0	0
Expensed value of warrants granted						14,724,104	14,724,104	1,750,889
Adjustment of foreign currency fluctuations on subsidiaries					3,457		3,457	411
Loss for the period					(222,950,548)		(222,950,548)	(26,511,748)
December 31, 2001	**21,812,020**	**21,812,020**	**1,926,127,202**	**2,095,111**	**(225,042,202)**	**(13,062,546)**	**1,711,929,585**	**203,570,912**

See notes to the financial statements

ACCOUNTING POLICIES

Basis of Presentation

The financial statements are reported in Danish Kroner, the Company's functional currency, and are prepared in accordance with Danish accounting legislation and generally recognized accounting principles as applied in Denmark as well as Danish accounting recommendations. In addition, the accounting principles have been aligned where possible with accounting principles generally accepted in the United States (US GAAP).

The accounting policies are unchanged from last year and have been consistently applied.

Consolidated Financial Statements

The consolidated financial statements comprise the parent company, Genmab A/S, and subsidiaries in which Genmab A/S controls more than 50% of the voting rights or otherwise has a controlling interest. The Consolidated financial statements consist of Genmab A/S, Genmab B.V., Genmab, Inc., and Genmab Ltd, (Genmab Consolidated) and they are prepared based on the parent company and subsidiaries' financial statements by aggregation of similar financial statement items.

The financial statements used for the consolidation have been prepared using the accounting policies of the group. For the consolidation, intercompany income and expenses, intercompany accounts and gains and losses on transactions between the consolidated entities are eliminated. In the consolidated financial statements, the booked value of the equity interest in the consolidated subsidiaries is eliminated with the parent company's share of the subsidiaries' equity.

Exchange differences arising from the translation of foreign subsidiaries' shareholders' equity at the beginning of the year or inception to the exchange rate prevailing at the balance sheet date, are taken to shareholders' equity.

In Genmab A/S, interests in subsidiaries are accounted for using the equity method of accounting in relation to the proportionate share of the shareholders' equity of the subsidiary. The subsidiary's profit/loss of the year is included in the parent company's financial income.

Foreign Currency Translation

The Company holds certain cash and cash equivalents as well as short-term investments denominated in foreign currencies, which are translated into Danish Kroner at the exchange rate prevailing at the balance sheet date. Receivables, debt and other items in foreign currencies, which are not settled at the balance sheet date, are translated at the exchange rate prevailing at the balance sheet date. During the year, transactions in foreign currencies are translated at the exchange rates prevailing on the date of transaction. The resulting realized and unrealized gains and losses are reported as financial gains or expenses in the statement of operations.

At the translation of the financial statements of foreign subsidiaries, the income statements are translated at the average exchange rate for the year, while all items in the balance sheets are translated using the exchange rate prevailing at the balance sheet date, as the subsidiaries are regarded as independent foreign entities. Exchange rate fluctuations, arising from the translation of the equity of foreign subsidiaries at the beginning of the year, and adjustments of foreign exchange rate fluctuations arising from the translation of the income statements of foreign subsidiaries at the average exchange rate of the year, are recorded on the shareholders' equity.

ACCOUNTING POLICIES

Research and Development Costs

Research and development costs include salaries and related compensation expenses, license fees, production costs, amortization of licenses and rights and depreciation of plant and equipment. Costs are expensed in the period in which they are incurred.

General and Administration Costs

General and administration costs consist primarily of salaries and related compensation expenses, office facilities, travel and other expenses relating to general management, financial, administrative and business development activities including depreciation of plant and equipment.

Financial Items

Financial income and expenses include interest as well as unrealized and realized exchange adjustments. Realized and unrealized gains on marketable securities are included in the financial income. Realized and unrealized losses on marketable securities are included in the financial expenses. Imputed interest is calculated on zero coupon-securities and deducted from unrealized gains. Unrealized gains, including imputed interest on marketable securities are taken to revaluation surplus in equity and are not available for distribution.

Stock-based Compensation

The Company applies the intrinsic value method when accounting for stock-based compensation of employees and in addition discloses the pro forma effects on net loss and net loss per share had the estimated fair value of the warrants granted to employees been expensed. For fixed awards granted to employees, the intrinsic value of the award is recognized as an expense using a straight-line method over the period the services are rendered. The estimated fair value of warrants granted to non-employees is expensed when service is performed.

Income Taxes

Income taxes are accounted for using the liability method which requires the recognition of deferred tax assets or liabilities for the temporary differences between the financial reporting and tax bases of the Company's assets and liabilities and for tax carry-forwards at current statutory rates in effect for the years in which the differences are expected to reverse. Deferred tax assets are evaluated and reduced to the amount expected to be realized. Deferred tax liabilities and assets are stated at the basis of the current tax rate of 30%.

Net Loss Per Share

Basic net loss per share is computed using loss for the year and the weighted average number of ordinary shares outstanding.

Diluted net loss per share is computed using the weighted-average number of ordinary shares and dilutive share equivalents outstanding during the period. On August 25, 2000, the Company's shareholders approved a bonus share issue of nine ordinary shares for each ordinary share then outstanding.

The weighted average number of common shares outstanding for computing diluted net loss per share, including dilutive warrants, was 21,812,020 and 13,939,629 for the years ended December 31, 2001 and 2000, respectively. For the years ended December 31, 2001, approximately 1,157,000 shares attributable to the exercise of outstanding warrants were excluded from the calculation of

diluted net loss per share because the effect was anti-dilutive. As of December 31, 2000, no warrants were vested. No adjustments were made to reported net income for computation of net loss per share.

Per share data in the accompanying statements of operations have been retro-actively restated in the comparative figures giving effect to the bonus share issue (in a manner similar to a stock split) for comparative figures.

Licenses and Rights

Licenses and rights, which include technology licenses and licenses to targets, are recorded at cost, and net present value for any remaining payments. Net present value of the remaining payments is included in the liabilities, and allocated in short- and long-term payable technology rights. The licenses are being amortized using the straight-line method over an estimated useful life of five years.

Plant and Equipment

Plant and equipment include office equipment, furniture, fixture and leasehold improvements, which are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives which range from three to five years. Leasehold improvements are amortized using the straight-line method over the useful life of the asset or the related lease term, whichever is shorter.

Items costing less than DKK 9,800 are expensed in the relevant financial year. Depreciation as well as profit and loss in connection with the replacement of tangible fixed assets are expensed as research and development expenses and general and administrative costs, respectively.

Manufacturing Facility

Costs associated with the design and building of a manufacturing facility are capitalized until completion. Upon completion, costs will be depreciated over the building's expected useful life.

Impairment of Long-lived Assets

In addition to applying amortization on licenses and rights and depreciation on plant and equipment, management periodically reviews long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If factors indicate that an asset should be evaluated for possible impairment, management compares estimated discounted future operating cash flows from the related asset to the carrying amount of the asset. If the carrying amount of the asset is greater than undiscounted future operation cash flow, an impairment loss would be recognized. Any impairment loss would be computed as the excess of the carrying amount of the asset over the estimated fair value of the asset (calculated based on discounting estimated future operating cash flows).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used for, but not limited to, the accounting for depreciation and amortization, taxes, and contingencies. Actual results could differ from these estimates.

Other Securities and Equity Interests

Other securities and equity interests, acquired for long-term strategic holding, are considered fixed financial assets. These investments are accounted for in accordance with SFAS 115 (Statement of Financial Accounting Standard) "Accounting for Certain Investments in Debt and Equity Securities". The treatment of these securities is the same of marketable securities.

Marketable Securities

Marketable securities consists of investments in securities with a maturity of greater than three months at the time of purchase. The Company invests its cash in deposits with major financial institutions, money market funds, corporate bonds and DKK denominated notes issued by the Danish government and USD denominated notes issued by the US government. The investments 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 plus imputed interest on zero coupon-securities.

The Company's investments are characterized as marketable securities, and carried at their market value, with realized and unrealized gains and losses (including unrealized exchange rate gains and losses) reported as financial income and expenses. Imputed interest is calculated on zero coupon-securities and deducted from unrealized gains. Unrealized gains including imputed interest are taken to revaluation surplus in shareholders' equity and are not available for distribution.

Cash and Cash Equivalents

Time deposits and notes with a maturity of three months or less at the date of deposit/investment are considered to be cash equivalents.

Cash Flow Statement

The cash flow statement is prepared according to the indirect method on the basis of the operating loss for the year. The cash flow statement shows the cash flows for the year classified by operating, investing and financing activities and the effect of these on the cash and cash equivalents.

Cash flows from operating activities are stated as the net loss adjusted for non-cash operating items such as depreciation, provisions and change in the working capital, interest received and charged, payments concerning extraordinary items and corporation tax calculated.

Cash flows from investing activities include cash flows from the purchase and sale of intangible, tangible and financial fixed assets.

Cash flows from financing activities include net cash flows from sales of shares and the raising and repayment of long-term debt.

Segment Information

Genmab A/S is managed and operated as one business. The entire business is managed by a single management team that reports to the Chief Executive Officer. Separate lines of business or separate business entities with respect to any of the product candidates are not recognized. Accordingly, the Company does not prepare discrete financial information with respect to separate product areas or by location and does not have separately reportable segments.

NOTES TO THE FINANCIAL STATEMENTS

1. Organization and Business

Genmab A/S is a biotechnology company engaged primarily in the discovery and development of fully human monoclonal antibodies derived from transgenic mouse technology for potential commercial applications. The Company has focused on developing several products to treat inflammatory conditions, such as rheumatoid arthritis and psoriasis, and antibodies to treat cancer. Its activities have consisted primarily of pre-clinical and clinical development of therapeutic antibody products.

The Company was founded in 1999 by GenPharm International Inc., a wholly owned subsidiary of Medarex, Inc., through the purchase of a shell company that was formed in June 1998, but had not conducted any business activities.

The Company has three wholly owned subsidiaries: Genmab B.V. which was incorporated in The Netherlands in 2000 and focuses on the discovery and development of antibodies; Genmab, Inc. which started in July 2001 and is mainly focused on conducting clinical trials in the US and Canada on behalf of the Genmab Group. Further, Genmab A/S has incepted an empty shell company, Genmab Ltd, in the United Kingdom in 2001. This entity is currently not active. Genmab A/S also holds equity interests in a number of strategic partners.

2. Depreciation and Amortization

Genmab Consolidated

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Licenses and rights	30,496,849	3,626,476	19,156,499	2,277,959	57,387,037
Plant and equipment	3,975,476	472,736	609,401	72,466	4,616,655
	34,472,325	**4,099,212**	**19,765,900**	**2,350,425**	**62,003,692**
Depreciation and amortization for the periods is expensed as follows:					
Included in research and development costs	33,774,097	4,016,184	19,413,660	2,308,539	60,921,446
Included in general and administrative expenses	698,228	83,028	352,240	41,886	1,082,246
	34,472,325	**4,099,212**	**19,765,900**	**2,350,425**	**62,003,692**

Genmab A/S

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Licenses and rights	30,496,849	3,626,476	19,156,499	2,277,959	57,387,037
Plant and equipment	2,501,913	297,510	586,772	69,775	3,120,463
	32,998,762	**3,923,986**	**19,743,271**	**2,347,734**	**60,507,500**
Depreciation and amortization for the periods is expensed as follows:					
Included in research and development costs	32,399,895	3,852,773	19,413,660	2,308,539	59,547,244
Included in general and administrative expenses	598,867	71,213	329,611	39,195	960,256
	32,998,762	**3,923,986**	**19,743,271**	**2,347,734**	**60,507,500**

3. Staff

Genmab Consolidated

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Wages and salaries	44,690,528	5,314,291	11,345,678	1,349,150	57,666,599
Pension contributions and other social security expenses	1,960,989	233,187	33,259	3,955	2,002,937
	46,651,517	**5,547,478**	**11,378,937**	**1,353,105**	**59,669,536**
Wages and salaries are expensed as follows:					
Included in research and development	27,992,033	3,328,620	6,612,913	786,362	36,146,366
Included in general and administrative	18,659,484	2,218,858	4,766,024	566,743	23,523,170
	46,651,517	**5,547,478**	**11,378,937**	**1,353,105**	**59,669,536**
Remuneration to management:					
Board of Management	13,990,050	1,663,601	5,255,321	624,927	20,434,571
Board of Directors	351,270	41,771	75,000	8,918	508,932
	14,341,320	**1,705,372**	**5,330,321**	**633,845**	**20,943,503**
The Company's average number of staff	70	70	16	16	25

3. Staff, continued

Genmab A/S

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Wages and salaries	30,806,913	3,663,346	11,345,678	1,349,150	43,782,984
Pension contributions and other social security expenses	742,059	88,241	33,259	3,955	784,007
	31,548,972	**3,751,587**	**11,378,937**	**1,353,105**	**44,566,991**
Wages and salaries are expensed as follows:					
Included in research and development	19,444,487	2,312,205	6,612,913	786,362	27,598,820
Included in general and administrative	12,104,485	1,439,382	4,766,024	566,743	16,968,171
	31,548,972	**3,751,587**	**11,378,937**	**1,353,105**	**44,566,991**
Remuneration to management:					
Board of Management	8,782,588	1,044,365	5,255,321	624,927	15,227,109
Board of Directors	351,270	41,771	75,000	8,918	508,932
	9,133,858	**1,086,136**	**5,330,321**	**633,845**	**15,736,041**
The Company's average number of staff	47	47	16	16	18

4. Financial Income

Genmab Consolidated

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Interest and other financial income	91,152,293	10,839,205	22,885,628	2,721,402	115,041,674
Imputed interest on zero coupon-securities	0	0	5,236,756	622,719	5,236,756
Realized gains on securities	4,679,168	556,415	0	0	4,679,168
Exchange rate adjustments	10,996,232	1,307,596	34,542,627	4,107,572	45,538,859
	106,827,693	**12,703,216**	**62,665,011**	**7,451,693**	**170,496,457**

Genmab A/S

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Interest and other financial income	91,109,852	10,834,158	22,885,628	2,721,402	114,999,233
Imputed interest on zero coupon-securities	0	0	5,236,756	622,719	5,236,756
Realized gains on securities	4,679,168	556,415	0	0	4,679,168
Interest on amount owed by subsidiaries	1,574,316	187,207	9,669	1,150	1,583,985
Exchange rate adjustments	10,996,232	1,307,596	34,542,627	4,107,572	45,538,859
	108,359,568	**12,885,376**	**62,674,680**	**7,452,843**	**172,038,001**

5. Financial Expenses

Genmab Consolidated

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Imputed interest related to technology right obligation	3,182,311	378,419	1,065,008	126,644	4,247,319
Realized loss on securities	348,528	41,445	0	0	348,528
Impairment loss on long-term securities	14,226,923	1,691,768	0	0	14,226,923
Exchange rate adjustments	5,663,422	673,454	23,898,616	2,841,859	29,565,690
	23,421,184	**2,785,086**	**24,963,624**	**2,968,503**	**48,388,460**

Genmab A/S

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD (Unaudited)	DKK	USD (Unaudited)	DKK
Imputed interest related to technology right obligation	3,182,311	378,419	1,065,008	126,643	4,247,319
Realized loss on securities	348,528	41,445	0	0	348,528
Impairment loss on long-term securities	14,226,923	1,691,768	0	0	14,226,923
Exchange rate adjustments	5,663,422	673,454	23,897,502	2,841,727	29,564,576
	23,421,184	**2,785,086**	**24,962,510**	**2,968,370**	**48,387,346**

6. Income Taxes

Genmab Consolidated

Calculated tax for the 12 month period ended December 31, 2001, is DKK 4,634.

Genmab A/S

Calculated tax for the 12 month period ended December 31, 2001, is DKK 0. No corporate taxes have been paid in the financial year. Tax expensed in the statement of operations can be explained as follows:

Genmab A/S

	12 months ended December 31, 2001		12 months ended December 31, 2001	12 months ended December 31, 2000		12 months ended December 31, 2000
	DKK		USD (Unaudited)	DKK		USD (Unaudited)
Loss before taxes		168,717,178	20,062,688		36,348,798	4,322,349
Permanent differences		(16,331,217)	(1,941,996)		900,095	107,033
Deferred tax base at the beginning of the period	55,779,968			18,531,075		
Deferred tax base at the end of the period	208,165,929	(152,385,961)	(18,120,692)	55,779,968	(37,248,893)	(4,429,382)
		0	**0**		**0**	**0**

At December 31, 2001, the Company had net operating loss carry-forwards of approximately DKK 199 million for income tax purposes that expire in years 2003 through 2006 and deductible temporary timing differences of approximately DKK 8 million. 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 ability to generate taxable income in the future sufficient to realize the benefit of deferred income tax assets.

6. Income Taxes, continued

Significant components of deferred income tax assets of Genmab A/S consist of the following:

Genmab A/S

Deferred tax asset

	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
	DKK	USD (Unaudited)	DKK	USD (Unaudited)
Tax deductible losses	199,941,070	23,775,619	61,376,251	7,298,442
Licenses and rights	11,250,711	1,337,857	3,822,025	454,489
Plant and equipment	(799,937)	(95,123)	(718,172)	(85,400)
Other temporary differences	(2,225,915)	(264,691)	(8,700,136)	(1,034,560)
Accumulated temporary differences	208,165,929	24,753,662	55,779,968	6,632,971
Deferred tax assets calculated at 30%	62,449,778	7,426,099	16,733,990	1,989,891
Deferred tax asset write-down	(62,449,778)	(7,426,099)	(16,733,990)	(1,989,891)
	0	**0**	**0**	**0**

7. Licenses and Rights

Genmab Consolidated and Genmab A/S

	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
	DKK	USD (Unaudited)	DKK	USD (Unaudited)
Cost at the beginning of the period	152,484,270	18,132,382	49,400,000	5,874,309
Additions for the period	0	0	103,084,270	12,258,073
Cost at the end of the period	**152,484,270**	**18,132,382**	**152,484,270**	**18,132,382**
Amortization at the beginning of the period	26,890,188	3,197,596	7,733,689	919,637
Amortization for the period	30,496,849	3,626,476	19,156,499	2,277,959
Amortization at the end of the period	**57,387,037**	**6,824,072**	**26,890,188**	**3,197,596**
Net book value	**95,097,233**	**11,308,310**	**125,594,082**	**14,934,786**

8. Plant and Equipment

Genmab Consolidated

	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
	DKK	USD (Unaudited)	DKK	USD (Unaudited)
Cost at the beginning of the period	5,069,125	602,786	550,560	65,469
Additions for the period	36,123,494	4,295,558	4,518,565	537,317
Cost at the end of the period	**41,192,619**	**4,898,344**	**5,069,125**	**602,786**
Depreciation at the beginning of the period	641,179	76,245	31,778	3,779
Depreciation for the period	3,975,476	472,736	609,401	72,466
Depreciation at the end of the period	**4,616,655**	**548,981**	**641,179**	**76,245**
Net book value	**36,575,964**	**4,349,363**	**4,427,946**	**526,541**

Genmab A/S

	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
	DKK	USD (Unaudited)	DKK	USD (Unaudited)
Cost at the beginning of the period	4,587,202	545,479	550,560	65,470
Additions for the period	5,672,568	674,543	4,036,642	480,010
Cost at the end of the period	**10,259,770**	**1,220,022**	**4,587,202**	**545,480**
Depreciation at the beginning of the period	618,550	73,555	31,778	3,779
Depreciation for the period	2,501,913	297,510	586,772	69,776
Depreciation at the end of the period	**3,120,463**	**371,065**	**618,550**	**73,555**
Net book value	**7,139,307**	**848,957**	**3,968,652**	**471,925**

9. Equity Investments in Subsidiaries

Genmab A/S

	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
	DKK	USD	DKK	USD
		(Unaudited)		(Unaudited)
Cost at the beginning of the period	149,434	17,770	0	0
Additions for the period	837,200	99,555	149,434	17,770
Cost at the end of the period	**986,634**	**117,325**	**149,434**	**17,770**
Adjustments of value at the beginning of the period	(148,574)	(17,668)	0	0
Profit/(loss) from subsidiaries	141,009	16,768	(148,401)	(17,647)
Adjustments due to foreign exchange rate fluctuations	3,630	431	(173)	(21)
Adjustments at the end of the period	**(3,935)**	**(469)**	**(148,574)**	**(17,668)**
Net book value	**982,699**	**116,856**	**860**	**102**

Equity interests in subsidiaries are specified as follows:

Name	Domicile	Share Capital	Ownership & Votes
Genmab B.V	Utrecht, The Netherlands	EUR 20,000	100%
Genmab Inc.	New Jersey, USA	USD 11	100%
Genmab Ltd.	London, United Kingdom	GBP 1	100%

10. Other Securities and Equity Interests

Genmab Consolidated and Genmab A/S

	December 31, 2001	December 31, 2001	December 31, 2000	December 31, 2000
	DKK	USD (Unaudited)	DKK	USD (Unaudited)
Cost at the beginning of the period	21,504,739	2,557,196	0	0
Additions for the period	8,411,406	1,000,227	21,504,739	2,557,196
Cost at the end of the period	**29,916,145**	**3,557,423**	**21,504,739**	**2,557,196**
Adjustments of value at the beginning of the period	0	0	0	0
Impairment loss	14,226,923	1,691,768	0	0
Adjustments at the end of the period	**14,226,923**	**1,691,768**	**0**	**0**
Net book value	**15,689,222**	**1,865,655**	**21,504,739**	**2,557,196**

Other securities and equity interest consists of equity shares in Oxford GlycoSciences Plc with a market value of approximately DKK 7.3 million as of December 31, 2001 and shares in a privately held British biotech company Scancell Ltd. at a total cost of DKK 8.4 million. Both companies are strategic partners of Genmab A/S. As of December 31, 2001, the Company has recognized an impairment loss of DKK 14.2 million regarding the equity shares in Oxford GlycoSciences as the loss is derived from price fluctuations that are not merely considered temporary. The investment in Scancell is currently recognized at cost.

11. 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 duration of less than 12 months and no securities have more than three years to maturity. The Company has classified all investments as short-term since it has the intent and ability to sell or redeem them within the year.

Genmab Consolidated and Genmab A/S

	December 31, 2001 DKK	December 31, 2001 USD (Unaudited)	December 31, 2000 DKK	December 31, 2000 USD (Unaudited)
Cost at the beginning of the period	1,740,783,042	207,001,967	0	0
Additions for the period	2,954,920,723	351,378,884	1,740,783,042	207,001,967
Disposals for the period	(3,262,985,074)	(388,011,781)	0	0
Cost at the end of the period	**1,432,718,691**	**170,369,070**	**1,740,783,042**	**207,001,967**
Revaluation at the beginning of the period	(13,978,449)	(1,662,221)	0	0
Revaluation of imputed interest on zero coupon-securities	(5,236,756)	(622,719)	5,236,756	622,719
Revaluation to market value	(1,520,251)	(180,778)	3,615,362	429,914
	(6,757,007)	(803,497)	8,852,118	1,052,633
Unrealized exchange rate adjustment	21,390,479	2,543,609	(22,830,567)	(2,714,854)
Revaluation at the end of the period	**655,023**	**77,891**	**(13,978,449)**	**(1,662,221)**
Net book value	**1,433,373,714**	**170,446,961**	**1,726,804,593**	**205,339,746**

Specification of portfolio as of December 31, 2001

	Cost DKK	Cost USD (Unaudited)	Market Value DKK	Market Value USD (Unaudited)
Kingdom of Denmark bond	1,165,322,779	138,572,184	1,167,074,261	138,780,458
Other Danish securities	139,436,873	16,580,876	140,095,276	16,659,169
	1,304,759,652	**155,153,060**	**1,307,169,537**	**155,439,627**
US Government and Federal Agency Notes	76,711,318	9,121,983	77,829,972	9,255,006
Corporate Notes	51,247,721	6,094,027	48,374,205	5,752,328
	127,959,039	**15,216,010**	**126,204,177**	**15,007,334**
	1,432,718,691	**170,369,070**	**1,433,373,714**	**170,446,961**

11. Marketable Securities, continued

Specification of portfolio as of December 31, 2000

	Cost	Cost	Market Value	Market Value
	DKK	USD	DKK	USD
		(Unaudited)		(Unaudited)
Denmark Treasury bill	503,861,413	59,915,740	509,252,700	60,556,835
Kingdom of Denmark bond	870,224,133	103,481,079	872,288,675	103,726,580
Other Danish securities	147,470,430	17,536,171	148,162,160	17,618,426
	1,521,555,976	**180,932,990**	**1,529,703,535**	**181,901,841**
US Government and Federal Agency Notes	169,011,098	20,097,639	151,150,451	17,973,774
Corporate Notes	50,215,968	5,971,338	45,950,607	5,464,131
	219,227,066	**26,068,977**	**197,101,058**	**23,437,905**
	1,740,783,042	**207,001,967**	**1,726,804,593**	**205,339,746**

Scheduled maturities as of December 31, 2001

	Cost	Cost	Market Value	Market Value
	DKK	USD	DKK	USD
		(Unaudited)		(Unaudited)
Maturity less than one year	846,084,826	100,610,598	846,840,008	100,700,399
Maturity between one and three years	586,633,865	69,758,472	586,533,706	69,746,562
	1,432,718,691	**170,369,070**	**1,433,373,714**	**170,446,961**

12. Share Capital

In February 1999, Medarex and Bankforeningernes Erhvervsudviklingsforening Biomedicinsk Udvikling and BI Asset Management Fondsmæglerselskab A/S, together with Lønmodtagernes Dyrtidsfond, A/S Dansk Erhvervsinvestering and Leif Helth Care A/S (the Bank Invest Group), entered into an agreement in which the Bank Invest Group invested approximately DKK 35.4 million of cash in exchange for approximately 45% equity interest in the Company. Concurrently, Medarex granted the Company a limited number of licenses to develop and commercialize a portfolio of fully human antibodies derived from its HuMAb-Mouse™ Technology and retained approximately 45% equity interest. The Company valued the license from Medarex at approximately DKK 35.4 million based on the same equity interest the Bank Invest Group received for its cash investment.

12. Share Capital, continued

In May 1999 and February 2000, Medarex and the Bank Invest Group made additional contributions to the Company in proportion to their existing equity interests. The Bank Invest Group invested approximately DKK 49 million of cash and Medarex granted the Company an additional number of fully paid licenses to make the total 16 and in addition granted the Company an unlimited number of royalty bearing licenses to develop additional antibodies. The Company valued the licenses at approximately DKK 42.8 million based on valuation reports. After the February 2000 contributions, Medarex and the Bank Invest Group each owned approximately 45% of the Company's outstanding common shares. Employees and directors also purchased shares at the market price pursuant with these offerings.

In May 2000, the February 1999 shareholders' agreement was amended and restated as a new shareholders' agreement between all of the shareholders of the Company. In connection with the amended and restated shareholders' agreement, the Company completed a private offering in which it received approximately DKK 117 million of cash from new investors plus cash contributions from Medarex and the Bank Invest Group of approximately DKK 140 million and DKK 64 million, respectively. The gross proceeds were approximately DKK 321 million. After the private offering, Medarex and the Bank Invest Group owned approximately 45% and 35%, respectively, of the Company's outstanding common shares.

In August 2000, the Company entered into a Genomics Agreement with Medarex (the "Genomics Agreement"), pursuant to which it received the exclusive rights to market its transgenic mouse technologies for multi-target (five or more targets) European genomics partnerships. In addition to these rights, Medarex has also granted the Company an option on up to four anti-cancer antibodies obtained through its agreement with Eos Biotechnology. See the footnote concerning related party transactions for further details about the Genomics Agreement.

In October 2000, Genmab completed an initial public offering with a dual listing on the Copenhagen Stock Exchange and Neuer Markt of the Frankfurt Stock Exchange. The global offering, which constituted approximately 28% of the Company's issued share capital, consisted of a public offering in both Denmark and Germany and a concurrent international offer to institutional investors outside the United States and a private placement in the United States to qualified institutional buyers under Rule 144A. In connection with the global offering the shareholders' agreement of May 2000 was terminated.

As of December 31, 2001, the Company has not commenced commercial operations and accordingly is in the development stage. The Company has not generated any revenues nor is there any assurance of significant future revenues from its development activities. The research and development activities engaged in by the Company involve a high degree of risk and uncertainty. The ability of the Company to successfully develop, manufacture and market its proprietary products is dependent upon many factors. These factors could include, but are not limited to, the need for additional financing, the reliance on collaborative arrangements for research and development, marketing and product commercialization and the ability to develop or obtain manufacturing, sales and marketing capabilities. Additional factors could include maintaining patents and proprietary technologies, technological change and risk of obsolescence, development of products, competition, government regulations and regulatory approval, and product liability exposure. As a result of the aforementioned factors and related uncertainties, there can be no assurance of the Company's future success.

12. Share Capital, continued

The issuance of new shares for the years 2000 through 2001 can be summarized as follows: At the beginning of 2000, the Company had 671,692 outstanding shares divided into four classes of shares, A, B, C and D. The shares had a nominal value of DKK 1 each. In February and May 2000, the Company completed two private placements, and issued 301,748 and 576,646 new shares, respectively. In May 2000 a group of initial shareholders exercised 3,140 warrants, which led to issuance of 3,140 new shares. In August 2000, the total number of outstanding shares equaled 1,553,226. Pursuant to a resolution of the Company's shareholders on August 25, 2000, all class A, B, C and D shares were converted into Ordinary shares on a one-for-one basis, and a share bonus of nine Ordinary Shares for each issued ordinary share issued and outstanding was approved. Following this transaction the shareholders approved the issuance of 279,760 Ordinary shares to Medarex in connection with the execution of the Genomics Agreement. In October 2000, the Company completed its initial public offering, and was listed on the Copenhagen Stock Exchange and Frankfurt Neuer Markt. In connection with the offering, 6,000,000 new shares were issued. At December 31, 2001, the total number of outstanding ordinary shares was 21,812,020. Each share has a nominal value of DKK 1 and one vote.

13. Payable Technology Rights

In August 2000, the Company entered into a Genomics Agreement with Medarex, Inc., see related party footnote for additional details. The agreement requires the Company to pay USD 2 million annually for four consecutive years beginning at August 26, 2001. The Company has 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 and recorded the same amount as liabilities on the balance sheet. The Company has recognized imputed interest on the remaining payments.

14. Warrants

In February 2000, the Board of Directors adopted a warrant plan. Under the February plan, the Board reserved 554,500 warrants. The reservation was later increased by 335,500 warrants, of which 40,000 relate to the authorization given by the shareholders in May 2000 for grants allotted to Board members, employees and non-employee consultants at exercise prices equal to or greater than the fair value of the Company's ordinary shares on the respective grant dates. Warrants can be exercised on shares reserved for issuance under the warrant plan. The terms of the plan 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. Exercise of the warrants is not conditional upon continued employment or affiliation with the Company.

The exercise period lasts for three years from the day when a warrant first becomes exercisable. If the warrant holder exercises warrants, upon cessation of employment or affiliation, except in the event of termination by the Company without cause or cessation from the 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:

14. Warrants, continued

- 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 is the warrant holder's original exercise price plus 5% per annum, the latter of which is only payable if the market value of the shares is higher than the exercise price plus 5%.

The warrant plans also contain anti-dilution provisions if changes occur in the Company's share capital prior to the exercise.

In February, March and June 2000, the Board issued all of the warrants in this program to the Company's employees, members of the Board of Directors and the Scientific Advisory Board.

In July 2000, the Board of Directors adopted a second warrant plan. Under the July plan, the Board reserved 1,257,730 warrants for grants to Board members, employees and non-employee consultants at exercise prices equal to or greater than the fair value of the Company's ordinary shares on the respective grant dates. The conditions in the July warrant plan are approximately similar to the conditions of the February warrant plan 1,105,500 warrants were granted to Board members, employees and non-employee consultants.

In August 2000, the Company's shareholders authorized the Board of Directors to issue 2,163,533 warrants for the subscription of 2,163,533 ordinary shares to employees, members of the Board of Directors, the Scientific Advisory Board and other consultants. In December 2000, the Board of Directors granted 318,500 warrants to employees and members of the Board of Directors.

At December 31, 2000 the total number of granted warrants equals 2,314,000 of which 2,159,000 were granted to employees and members of the Board of Directors. Members of the Scientific Advisory Board and external non-employee consultants have been granted a total of 155,000 warrants. For the year ended December 31, 2001, a total of 1,114,300 warrants were granted. Members of the Scientific Advisory Board and external non-employee consultants received 15,000 warrants, and 1,099,300 were granted to employees and members of the Board of Directors during 2001.

14. Warrants, continued

A summary of warrant activity and related information for the Company's warrant compensation plans is as follows:

	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000
	Number of shares	Number of shares	Weighted average exercise price	Weighted average exercise price	Weighted average exercise price	Weighted average exercise price
			DKK	USD (Unaudited)	DKK	USD (Unaudited)
Outstanding at the beginning of the period	2,314,000	-	90.19	10.72	-	-
Granted	1,114,300	2,314,000	147.22	17.50	90.19	10.72
Exercised	-	-	-	-	-	-
Cancelled	-	-	-	-	-	-
Outstanding at the end of the period	**3,428,300**	**2,314,000**	**108.73**	**12.92**	**90.19**	**10.72**
Warrants available for future grants at the end of the year	842,963					

Weighted average exercise price of warrants issued in 2001 and 2000:

	12 month period ended December 31, 2001	12 month period ended December 31, 2000
	DKK	DKK
Warrants issued at a discount	148.00	-
Warrants issued at market price	129.44	-
Warrants issued at a premium	-	90.19

Weighted average grant date fair value of warrants granted in 2001 and 2000:

	12 month period ended December 31, 2001	12 month period ended December 31, 2000
	DKK	DKK
Warrants issued at a discount	70.54	-
Warrants issued at market price	52.34	-
Warrants issued at a premium	-	14.70

14. Warrants, continued

The total compensation cost recognized in income for stock-based employee compensation awards was DKK 2,783,079 for the year ended December 31, 2001. For the year ended December 31, 2000, no compensation cost was recognized. For non-employees compensation cost for the years ended December 31, 2001 and 2000, amounted to DKK 10,214,999 and DKK 1,726,026, respectively.

The grant of 212,500 warrants made on March 6, 2001 was subsequently re-priced by reducing the exercise price from DKK 222 to DKK 148 following the extraordinary board meeting of Genmab on July 30, 2001. According to FIN 44, this re-pricing triggers variable accounting under APB 25. This means that the ultimate charge recognized for this grant of warrants should be based on the intrinsic value at the point of exercise. Until that time, charges in each fiscal year should be based on the intrinsic value at the end of that year i.e. the charge for these warrants should be "marked to market".

If the Company had elected to recognize compensation expenses based on the fair value of the warrants granted at the grant date, net loss and loss per share would have been increased to the pro forma amounts indicated in the table below.

	12 months ended December 31, 2001	12 months ended December 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD	DKK	USD	DKK
		(Unaudited)		(Unaudited)	
Net loss	(168,717,178)	(20,062,688)	(36,348,798)	(4,322,349)	(222,950,548)
Pro forma net loss	(182,941,021)	(21,854,998)	(37,197,381)	(4,423,257)	(238,022,974)
Net loss per share	(7.7)	(0.9)	(2.6)	(0.3)	
Pro forma net loss per share	(8.4)	(1.0)	(2.7)	(0.3)	

The fair value of each warrant grant is estimated on the date of the grant using the Black Scholes pricing model with the following assumptions.

	2001	2000
Expected dividend yield	0%	0%
Expected stock price volatility	45%	10%
Risk-free interest rate	4.57%	5.07 - 5.83%
Expected life of warrants	4 years	2 years

14. Warrants, continued

The issued and outstanding warrants to shareholders, board members, employees and non-employee consultants as of December 31, 2001 are summarized as follows:

		Warrants Outstanding			Warrants Exercisable	
Exercise Price	Warrants exercisable from	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number of Warrants exercisable	Weighted average exercise price
DKK 48.9	February 11, 2001	554,500	2.62	48.9	277,250	48.9
DKK 59.7	June 26, 2001	1,441,000	3.08	59.7	720,500	59.7
DKK 116.0	December 5, 2002	84,000	4.43	116.0	-	-
DKK 117.5	November 7, 2002	254,300	4.35	117.5	-	-
DKK 148.0	March 6, 2002	212,500	3.68	148.0	-	-
DKK 165.0	July 31, 2002	563,500	4.08	165.0	-	-
DKK 300.0	December 6, 2001	318,500	3.43	300.0	159,250	300.0
DKK 48.9 to DKK 300		**3,428,300**	**3.36**	**108.7**	**1,157,000**	**90.2**

15. Internal Shareholders

	Number of ordinary shares owned as of December 31, 2001	Number of warrants granted as of December 31, 2001
Board of Directors		
Lisa N. Drakeman	301,440	515,000
Jesper Zeuthen	72,680	100,000
Leif Helth Jensen	46,476	65,000
Francesco de Rubertis	-	20,000
Ernst Schweizer	91,840	66,000
Irwin Lerner	-	60,000
	512,436	**826,000**
Management		
Lisa N. Drakeman, see above	-	-
Jan van de Winkel	82,000	280,000
Claus Juan Møller-San Pedro	228,350	330,000
Zahed Subhan	-	200,000
Michael Wolff Jensen	-	200,000
	310,350	**1,010,000**
Total	**822,786**	**1,836,000**

16. Related Party Transactions

At December 31, 2001, Medarex, Inc. owns approximately 33% 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 TC Mouse™ technology to produce fully human monoclonal antibodies for 16 antigens to be specified by the Company. In addition, Medarex granted the Company a non-exclusive license to use the HuMAb technology to produce fully human monoclonal antibodies for an unlimited number of antigens. At December 31, 2001, the Company has not exercised any rights to the non-exclusive royalty bearing licenses.

In January 2000, the Company and Medarex entered into a manufacturing agreement under which Medarex will produce antibodies to be used by the Company in the clinical testing phase of product development. In 2001, the Company entered into a manufacturing agreement with a third party supplier, and accordingly Medarex is no longer the Company's sole source for antibody production capacity.

16. Related Party Transactions, continued

In August 2000, the Company entered into the Genomics Agreement, pursuant to which Medarex granted the Company the exclusive rights to market its transgenic mouse technologies for multi-target (five or more targets) European genomics partnerships. Genmab's territory includes companies with European headquarters, such as Oxford GlycoSciences, that have either developed or gained access to genomics or other novel targets. The Company also may conduct business with any company it may choose for non-multi-target (less than five targets) products.

In exchange for the rights granted to Genmab by Medarex under the Genomics Agreement, the Company issued 279,760 Ordinary Shares to Medarex. Such amounts were assigned at a value of DKK 16,701,672, equal to USD 2 million, at the exchange rate prevailing at the date of issuance. Each year from 2001 to 2004, the Company will pay Medarex USD 2 million per year. This has been accrued with imputed interest. The Company has the option to pay these amounts in either cash or Ordinary Common Shares. The payment in 2001 was made in cash. The Genomics Agreement has an initial term of five years with a right exercisable by the Company to extend the term for a further two years.

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 addition to these rights, Medarex has also granted to Genmab, under the Genomics Agreement, an option on up to four anti-cancer antibodies obtained through its agreement with EOS Biotechnology. After subsequent modification of the EOS/Medarex agreement, the collaboration is based on a cost-sharing and shared commercial rights model to novel cancer targets discovered by EOS Biotechnology. The terms of this type of collaboration are described above.

In September 2000, Genmab entered into an amended and restated Genomics Agreement with Medarex. Medarex agreed to assign to the Company 100% of Medarex's economic interest in each product Medarex jointly develops with Oxford GlycoSciences and sells in Europe, and 50% of its economic interest in each product sold outside North America and Europe. Also, in September 2000, the Company purchased shares in Oxford GlycoSciences from Medarex at the market value at a total cost of approx. DKK 21.5 million.

In June 2001, the Company and Medarex entered a collaboration agreement to develop an anti-inflammatory antibody therapeutic. Under the agreement the parties will share the cost associated with the pre-clinical and clinical development of the product and will share the commercialization rights and royalties.

The Company has paid Medarex for manufacturing services and reimbursement of administrative expenses. For 2001 and 2000, the Company has expensed DKK 23,949,513 and DKK 21,865,757, respectively, in connection with these agreements. In addition, the Company paid DKK

16. Related Party Transactions, continued

16,912,200 to Medarex in connection with the Genomics Agreement in 2001. The Company has therefore expensed a total of DKK 72,347,579 for the period June 11, 1998 (date of inception) to December 31, 2001.

The Company has been reimbursed by Medarex DKK 511,858 and 135,566 for the 12 month periods ended December 31, 2001 and 2000, respectively, for costs occurred at their behalf. The Company leases from Medarex a limited area of office space in Princeton, New Jersey, USA. At the end of 2001, the leasing transactions are considered immaterial.

Licenses and rights contributed to Genmab in connection with the Genomics Agreement with Medarex have been recorded at historic cost for the initial fee, and net present value for the remaining four payments. Debt related to the net present value of the remaining payments is included in the Liabilities, and allocated in short- and long-term payable technology rights. The amortization is based on the straight-line method for net present value, using an estimated useful life of five years.

Other licenses previously 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 also being amortized using the straight-line method over an estimated useful life of five years.

The Company has identified other related parties as being GenPharm, Oxford GlycoSciences, Scancell, its own subsidiaries and its officers and directors. No significant transactions, which are not eliminated in the consolidation have taken place with these other related parties, other than disclosed in the financial statements.

17. Research and Development Agreements

The Company has entered into a new agreement with Immunex Corporation ("Immunex") for the exclusive worldwide rights to Immunex's patent estate relating to antibodies towards IL15 and IL15r. Immunex retains an option, exercisable after Phase II clinical trials have been completed, to commercialize the resulting product. Upon exercise of the option, Immunex would be obligated to pay to the Company license fees, milestone payments as well as be obligated to share future profits with the Company. Immunex would also be responsible for all future development costs.

Also, the Company has announced a broad antibody development collaboration with Hoffman-La Roche Ltd. for the creation and development of human antibody therapeutics products towards targets identified by Roche. The Company is to undertake research and development activities whereas Roche will undertake commercialization after filing of biologics license application. The Company will receive certain milestone and royalty payments depending the successful development of products.

During 2001, the Company entered into a number of additional agreements with parties such as Scancell, deCode and Glaucus to develop new antibody therapeutic products. The collaborations will utilize novel disease targets discovered by the partners.

17. Research and Development Agreements, continued

The companies will focus on several therapeutic areas. The alliances are mainly multi-target alliances based on the Company's Genomics Agreement with Medarex and a number of partners have already identified initial groups of disease targets using genomics or other capabilities.

No material cost was incurred in connection with these agreements during 2001 and 2000.

18. Commitments and Contingencies

Leases

The Company and the Group leases office space under operating leases, which are not cancelable up until 2006. At December 31, 2001, future minimum payments under the office leases were as follows:

	Genmab Consolidated		Genmab A/S	
	DKK	USD (Unaudited)	DKK	USD (Unaudited)
2002	10,016,346	1,191,075	5,151,769	612,613
2003	9,848,504	1,171,116	4,983,928	592,654
2004	9,569,438	1,137,932	4,704,861	559,470
2005	8,114,911	964,969	3,250,335	386,508
2006	4,222,404	502,099	464,408	55,224
	41,771,603	**4,967,191**	**18,555,301**	**2,206,469**

For the years ended December 31, 2001 and 2000, the Group paid rent expenses of DKK 3,965,732 and DKK 517,384, respectively.

Other Purchase Obligations

The Company has entered into a number of agreements, mainly within the area of manufacturing services related to the research and development activities. The agreements will lead to the following future payments:

	Genmab Consolidated	
	DKK	USD (Unaudited)
2002	32,916,225	3,914,171
2003	31,907,225	3,794,188
2004	67,647,600	8,044,188
2005	65,545,225	7,794,188
	198,016,275	**23,546,735**

18. Commitments and Contingencies, continued

License Agreements

The Company is a party to a number of license agreements which call for royalties to be paid by the Company if and when the Company commercializes products utilizing the licensed technology.

19. Fee to Auditors Appointed by the General Assembly

Genmab A/S

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000
	DKK	USD (Unaudited)	DKK	USD (Unaudited)
PricewaterhouseCoopers				
Audit	180,000	21,404	150,000	17,837
Other services	491,872	58,490	3,565,279	423,958
Deloitte & Touche				
Audit	60,000	7,135	35,000	4,162
Other services	45,000	5,351	68,350	8,128
Other				
Audit	0	0	50,000	5,946
Other services	0	0	254,500	30,263
	776,892	**92,380**	**4,123,129**	**490,294**

20. Subsequent Events

In January 2002, the Company announced an expansion of the collaboration agreement from September 2000 with Oxford GlycoSciences and Medarex. The parties announced a campaign to treat breast cancer based on an array of novel medical products derived from proteomics and antibody technology.

21. Reconciliation from Danish GAAP to US GAAP

Deferred Income Taxes

Under Danish GAAP deferred tax assets are only recognized to the extent that it is probable that such deferred tax asset will crystallize in the future. Under US GAAP deferred taxation is provided for on a full liability basis. However, a valuation allowance is established when it is considered more likely than not that the deferred tax asset will not be realized.

21. Reconciliation from Danish GAAP to US GAAP, continued

In the case of the Company, the valuation allowance equals the full value of the calculated deferred tax asset and reflects the risk that the deferred tax asset will not be realized over the five-year period that tax losses can be carried forward and offset against future taxable profits. There is therefore no quantifiable difference in earnings or in shareholders' equity resulting from the accounting treatment applied by the Company under Danish GAAP as opposed to US GAAP.

Comprehensive Income

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

In the case of the Company such securities are classified according to Danish GAAP as marketable securities and unrealized gains and losses (including exchange rate gains and losses) on such securities are included in the statement of income and included as a non-distributable component of shareholders' equity as regards unrealized gains.

There are no quantifiable differences in shareholders' equity resulting from the accounting treatment applied by the Company under Danish GAAP as opposed to US GAAP.

Transactions Entered into by a Principal Shareholder on the Company's Behalf

Under US GAAP, certain transactions entered into by a principal shareholder on the Company's behalf are required to be recognized in the Company's financial statements through the recognition of an asset or an expense and a corresponding credit to shareholders' equity. There is no such requirement under Danish GAAP. Under US GAAP, the Company would have recorded deferred compensation and an off-setting credit to shareholders' equity in connection with the sale by a principal shareholder in February 1999 of 50,000 of the Company's shares to a number of the Company's employees and directors for nominal value. Deferred compensation associated with this transaction should have been amortized as a charge against income over the vesting period. As of August 25, 2000, the balance of deferred compensation relating to such transaction has been expensed in the reconciliation due to termination of the shareholders' agreement containing the vesting clause.

Summary

The financial statements of the Company are prepared in accordance with Danish GAAP, which differs in certain aspects from US GAAP. Application of US GAAP would have affected net loss for the periods ended December 31, 2001 and 2000 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 Consolidated and Genmab A/S

	12 months ended December 31, 2001	12 months ended December 31, 2001	12 months ended December 31, 2000	12 months ended December 31, 2000	Total since inception
	DKK	USD	DKK	USD	DKK
		(Unaudited)		(Unaudited)	
Net loss according to Danish GAAP	(168,717,178)	(20,062,688)	(36,348,798)	(4,322,349)	(222,950,548)
Reversed revaluation of marketable securities concerning revaluation to market value	1,520,251	180,778	(3,615,362)	(429,914)	(2,095,111)
Reversed unrealized exchange rate gain/(loss) on marketable securities	(21,390,479)	(2,543,609)	22,830,567	2,714,854	1,440,088
Recognition of expense associated with warrants granted to non-employees using an accelerated method of attribution	2,950,853	350,895	(2,950,853)	(350,895)	0
Transaction entered into by principal shareholder on Company's behalf	0	0	(4,488,750)	(533,772)	(5,670,000)
Net loss according to US GAAP	**(185,636,553)**	**(22,074,624)**	**(24,573,196)**	**(2,922,076)**	**(229,275,571)**
Weighted average number of ordinary shares outstanding during the period - basic and diluted	21,812,020	21,812,020	13,939,629	13,939,629	
Basic and diluted loss per share according to US GAAP	(8.5)	(1.0)	(1.8)	(0.2)	
Other comprehensive income:					
Unrealized gain/(loss) from marketable securities accumulated during the period	(1,520,251)	(180,778)	3,615,362	429,914	2,095,111
Adjustment of foreign currency fluctuations in subsidiaries	3,630	431	(173)	(21)	3,457
Unrealized exchange rate gain/(loss) on marketable securities	21,390,479	2,543,609	(22,830,567)	(2,714,854)	(1,440,088)
Comprehensive income	**(165,762,695)**	**(19,711,362)**	**(43,788,579)**	**(5,207,037)**	**(228,617,091)**

GENMAB CORPORATE INFORMATION

Board of Directors and Officers

Prof. Jesper Zeuthen, D.Sc. - Chairman of the Board. Managing Director, BI Technology A/S, A/S Biomedical Venture II, and P/S BI Biomedical Venture III; Chairman of the Board, TopoTarget A/S; Vice Chairman of the Board, HemeBiotech A/S and BioVision A/S. Member of the Boards of Anosys Inc. and of Fibrogen Europe Oy.

Lisa N. Drakeman, Ph.D. - President, Chief Executive Officer and Member of the Board. Formerly, Senior Vice President, Head of Business Development, Medarex; Member of the Board, Symbion Capital A/S.

Leif Helth Jensen, M.Sc. - Member of the Board. Chief Executive Officer Danske Life Science; Co-Founder NeuroSearch A/S, Zealand Pharmaceuticals A/S and Cureon A/S; Member of the Board, Zealand Pharmaceuticals A/S.

Michael Wolff Jensen, L.L.M. - Senior Vice President, Chief Financial Officer and Corporate Counsel. Formerly with Hjejle, Gersted & Mogensen and Kromann Reumert.

Irwin Lerner, M.B.A. - Member of the Board. Formerly, Chairman and Chief Executive Officer, Hoffmann-La Roche, Inc.

Claus Juan Møller-San Pedro, M.D., Ph.D. - Senior Vice President and Chief Operating Officer. Formerly, Chief Operating Officer, OXiGENE, Inc.; Founder and Chairman of the Board, IPC-Nordic A/S; Member of the Board, HemeBiotech A/S.

Francesco De Rubertis, Ph.D. - Member of the Board. Partner, Index Ventures; Member of the Board, 7TM Pharma A/S.

Ernst Schweizer, Ph.D. - Member of the Board and Head of Business Development. Formerly President, Medarex Europe B.V.; Formerly, Deputy Director, Worldwide Licensing, Novartis.

Prof. Jan van de Winkel, Ph.D. - Senior Vice President and Chief Scientific Officer. Professor of Immunology, Utrecht University.

Except for the historical information presented herein, matters discussed in this Annual Report are forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements.

Investor Information

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Hjejle, Gersted & Mogensen
Amagertorv 24, 3.
1160 Copenhagen K, Denmark

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Amagerbanken
Amagerbrogade 25
2300 Copenhagen S, Denmark

Merrill Lynch
800 Scudders Mill Road
Plainsboro, New Jersey 08356, U.S.A.

Independent Auditors

PricewaterhouseCoopers
Strandvejen 44
2900 Hellerup, Denmark

Deloitte & Touche
Statsautoriseret Revisionsaktieselskab
H.C. Andersens Boulevard 2
1780 Copenhagen V, Denmark

Annual General Meeting

The Annual General Meeting of Genmab will be held on March 7, 2002 at 1:00 p.m. at
Hotel D'Angleterre
Kgs. Nytorv 34
1021 Copenhagen K, Denmark

Annual Report Translations

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

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