Annual Report **2012**

Innovating antibodies, improving lives

Genmab

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2012 was the year we delivered on our strategy

– we secured our financial situation and are well on our way to building a sustainable business

Shareholder Letter

The crowning achievement of 2012 was the daratumumab license agreement

DEAR SHAREHOLDER,

2012 was a transformational year for Genmab, a year in which we made impressive advances with our pipeline, technology, partnerships and financial stability. We successfully delivered on the strategy we outlined in 2010, repositioning the company to become sustainable, while continuing to carefully invest in world-class antibody therapeutics and technologies.

Increasing Use of Arzerra®

Sales of Arzerra (ofatumumab), our first marketed product, continued to rise in 2012. Sales increased 38% over 2011, partly boosted by the purchase of Arzerra by other companies for use in their own clinical trials. A New Drug Application (NDA) for Arzerra for the treatment of patients with chronic lymphocytic leukemia (CLL) who have received prior therapy was submitted to Japanese regulatory authorities last April and we hope to receive approval during 2013. Arzerra has been launched in the USA, widely throughout Europe, and commercialization is now proceeding in other parts of the world.

Promising Data and Partnership for Daratumumab

The crowning achievement of 2012 was entering a global license and development agreement for daratumumab, the second most advanced product in our pipeline, with Janssen Biotech, Inc., one of the Janssen Pharmaceutical Companies ("Janssen"). The benefits of this collaboration are three-fold for Genmab. We have ensured that the value of daratumumab will be maximized by choosing such a well-respected partner with strong development and commercial skills and key experience with drug development in multiple myeloma (MM). We de-risked daratumumab development for Genmab as Janssen will pay all development and commercialization costs, with milestone payments for key development achievements spread over the coming years. Finally, with an upfront payment and equity investment totaling approximately USD 135 million, we have significantly improved Genmab's financial security.

During the year, we also saw encouraging preliminary safety and efficacy data from the Phase I/II study of daratumumab in relapsed and refractory multiple myeloma. The data collected so far continues to support daratumumab's potential as a monotherapy. In the final month of 2012 we initiated the second part of this study in which we will collect data on how patients respond to an extended dosing regimen. The partnership with Janssen means that there is now an extensive development program planned for daratumumab and together with Janssen we look forward to initiating new studies in 2013.

Three New DuoBody® Platform Deals

At the heart of Genmab is our antibody know-how and deep understanding of antibody biology. We work with a number of different technologies – three of which are proprietary – to create antibodies that have the potential to change the way diseases are treated. We have made great strides with our DuoBody platform, which we believe is one of the best bispecific antibody technologies available. During 2012 we entered into three new DuoBody platform partnerships with blue chip pharmaceutical companies, which we believe provides additional validation of this platform. Our DuoBody platform collaborations with Novartis for two programs, and Janssen Biotech, Inc. and its affiliates for up to ten programs, together represent a potential value to Genmab of over USD 1.9 billion. The third DuoBody agreement we entered in 2012 is a research collaboration with Kyowa Hakko Kirin, which could lead to

a license agreement if successful. The research and development work for each of these three agreements will be fully funded by our partners. We continue to receive significant interest from other companies and we hope to enter additional partnerships in the future, while we also work on DuoBody projects of our own.

Manufacturing Facility
We did not manage to sell our manufacturing facility at Brooklyn Park during 2012. At the end of the year we announced we had written down the facility to a value of zero and would enter an aggressive sales process with the aim of a sale by the end of Q1 2013. We were therefore pleased to be able to deliver on this commitment and announce the sale of the facility to Baxter Healthcare Corporation ("Baxter") in February. We are also particularly pleased that the remaining employees will be offered employment by Baxter.

HexaBody™ Platform to Create New Opportunities
In 2012, we were also excited to announce a new proprietary technology, the HexaBody platform. The HexaBody platform is a completely novel technological concept which may produce differentiated products to treat a variety of diseases. Applicable to any existing antibody sequence, the HexaBody platform can be combined with DuoBody and other antibody platforms and serves as an attractive alternative to other technologies. As the HexaBody platform enhances the natural killing abilities of antibodies, it creates opportunities to explore new product candidates and to repurpose drug candidates that were unsuccessful in previous clinical trials due to lack of potency. Furthermore, our potential partners could apply the HexaBody technology to enhance existing products to create next generation therapeutics, adding protection against possible competition from biosimilars. The addition of the HexaBody platform to our suite of innovative next generation antibody technologies affirms Genmab's leadership in the antibody therapeutic field and may provide future partnership opportunities.

2013: A Year of Data and Deals
We expect 2013 to be an exciting year at Genmab, with our focus on new Arzerra data and additional partnering deals. We will continue to develop our pipeline and look forward to reporting data from the pivotal study of ofatumumab in frontline CLL, which could potentially lead to an expanded label. We also plan to initiate new daratumumab studies and to move HuMax®-TF-ADC to the clinic. We will continue to seek out partnership opportunities for our proprietary technologies. Finally, we will continue to use a disciplined approach to financial management and selectively invest in development programs with the most opportunity for success.

We made impressive progress in 2012, from increasing Arzerra sales to the Janssen partnership and promising data for daratumumab, to entering multiple DuoBody platform collaborations and unveiling our new proprietary HexaBody platform. Through our efforts we created a stable foundation which will allow us to continue to build value for shareholders, while delivering on our goal to provide differentiated antibody therapeutics to patients. I thank our shareholders and employees for their continued support.

Sincerely yours,

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

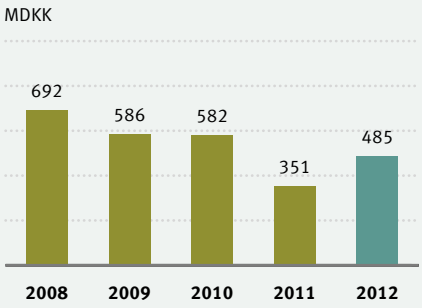
Consolidated Key Figures

	2008	2009	2010	2011	2012
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
INCOME STATEMENT					
Revenue	692,298	586,076	582,077	350,936	484,636
Research and development costs	(1,270,799)	(935,361)	(582,512)	(532,507)	(536,702)
General and administrative expenses	(143,529)	(148,749)	(160,254)	(67,851)	(64,613)
Operating expenses	(1,414,328)	(1,084,110)	(742,766)	(600,358)	(601,315)
Operating result	(722,030)	(498,034)	(160,689)	(249,422)	(116,679)
Net financial items	(94,835)	156,045	38,246	39,594	2,598
Net result for continuing operations	(817,448)	(347,898)	(143,317)	(215,748)	(111,448)
BALANCE SHEET					
Cash position*	1,762,012	1,281,356	1,546,221	1,104,830	1,515,754
Non-current assets	1,292,183	73,197	62,234	47,632	39,076
Assets	3,258,953	2,221,534	2,481,601	1,564,432	1,692,886
Shareholders' equity	2,188,562	1,297,192	1,080,067	486,418	383,187
Share capital	44,889	44,907	44,907	44,907	50,308
Investments in tangible assets	928,203	16,778	10,110	7,205	8,998
CASH FLOW STATEMENT					
Cash flow from operating activities	(513,333)	(570,061)	268,171	(437,225)	70,919
Cash flow from investing activities	460,104	974,726	(738,496)	514,750	(416,343)
Cash flow from financing activities	25,285	(6,643)	(7,005)	(6,091)	357,814
Cash, cash equivalents and bank overdraft	70,013	464,446	(2,088)	69,408	78,997
Cash position increase/(decrease)	(1,931,431)	(480,656)	264,865	(441,391)	410,924
FINANCIAL RATIOS					
Basic and diluted net result per share	(21.62)	(22.51)	(7.16)	(13.28)	(10.58)
Basic and diluted net result per share continuing operations	(18.31)	(7.75)	(3.19)	(4.80)	(2.42)
Year-end share market price	203.00	82.00	65.50	37.60	77.80
Price / book value	4.16	2.84	2.72	3.47	10.21
Shareholders' equity per share	48.76	28.89	24.05	10.83	7.62
Equity ratio	67%	58%	44%	31%	23%
Average number of employees	565	505	229	181	180
Number of employees at year-end	555	309	189	179	179

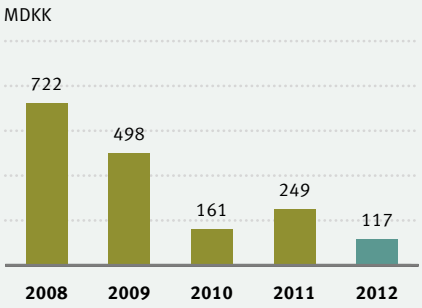
*Cash, cash equivalents, bank overdraft and marketable securities

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

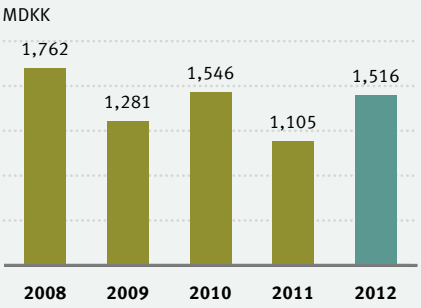
REVENUE



OPERATING LOSS



CASH POSITION



Impressive 2012 Achievements

BUSINESS PROGRESS

Maximizing the Value of Ofatumumab

- ✓ Reported Phase II data in fludarabine and alemtuzumab refractory CLL at American Society of Clinical Oncology (ASCO) meeting
- ✓ Independent Data Monitoring Committee (IDMC) recommended continuing Phase III study of ofatumumab plus chemotherapy versus rituximab plus chemotherapy in diffuse large B-cell lymphoma (DLBCL) following interim analysis
- ✓ Data from 11 Investigator Sponsored Studies (ISS) presented at three major medical conferences
- ✓ Amended protocol for Phase III head-to-head DLBCL study, bringing timeline forward by one year
- ✓ Completed patient enrollment in Phase III study of ofatumumab in combination with fludarabine and cyclophosphamide (FC) vs FC in patients with relapsed CLL
- ✓ Initiated new Phase I/II study of ofatumumab plus chlorambucil in previously untreated Japanese patients with CLL
- ✓ Completed patient enrollment in Phase II study of ofatumumab in combination with bendamustine for treatment of frontline and relapsed CLL
- ✓ Completed patient enrollment in Phase IV observational study in CLL
- ✓ Presented Phase II follicular lymphoma (FL) data at American Society of Hematology (ASH) meeting
- ✗ Phase III CLL maintenance safety interim data analysis expected H1 2013, no impact on trial timeline

Expansion of Arzerra

- ✓ First launch in South America; launched in 26 countries by end of 2012
- ✓ GSK submitted NDA in Japan
- ✓ GSK sales increased in British pounds by 38%, resulting in DKK 111 million in royalty income to Genmab

Advancing Daratumumab

- ✓ Reported efficacy data from Phase I/II study in refractory multiple myeloma
- ✓ Initiated Phase I/II study of daratumumab in combination with Revlimid
- ✓ Entered partnership agreement with Janssen

Expanding Our Pipeline

- ✓ Presented proof-of-concept for DuoBody technology platform
- ✓ Presented proof-of-concept for HuMax-TF-ADC

Progressing Next Generation Technologies

- ✓ Entered DuoBody platform collaborations with Novartis, Janssen and Kyowa Hakko Kirin
- ✓ Janssen activated three DuoBody programs; achieved technical proof-of-concept milestone
- ✓ Unveiled proprietary HexaBody technology platform

Driving Value through Collaborations

- ✓ Achieved second and third pre-clinical milestones in Lundbeck collaboration
- ✓ Outlicensed HuMax-IL8 to Cormorant Pharmaceuticals
- ✗ Progress on partnered clinical programs not yet reported

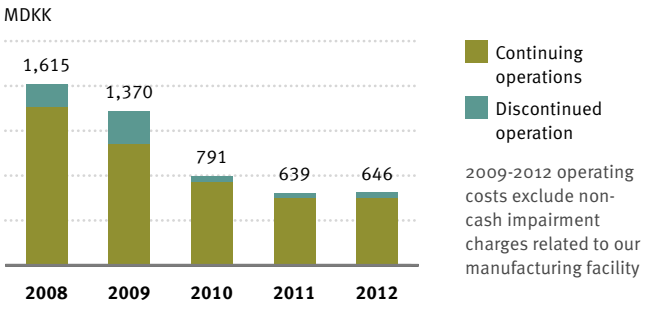
Manage and Control Cash Burn

- ✓ Reduced cash burn & lengthened cash runway
- ✓ Improved loss from continuing operations three times
- ✗ Wrote down value of manufacturing facility in 2012, sale executed in Q1 2013

FINANCIAL PERFORMANCE

- ✓ Revenue increased by DKK 134 million, 38%, from DKK 351 million in 2011 to DKK 485 million, mainly due to revenue related to our daratumumab and DuoBody collaborations with Janssen, higher Arzerra royalties, and a milestone payment from GSK.
- ✓ As the operating expenses remained at the same level as 2011, the operating loss improved by DKK 132 million, or 53%, from DKK 249 million in 2011 to DKK 117 million in 2012.
- ✓ Due to continued uncertainty, we wrote down the value of the facility from USD 58 million to zero, which resulted in the recognition of a non-cash impairment charge of approximately DKK 331 million.
- ✓ 2012 year end cash position of DKK 1,516 million, compared to DKK 1,105 million as of December 31, 2011. The improvement was driven by the proceeds of approximately DKK 800 million received from the daratumumab deal, partially offset by the ongoing investment in our research and development activities.

CONTROLLING COSTS



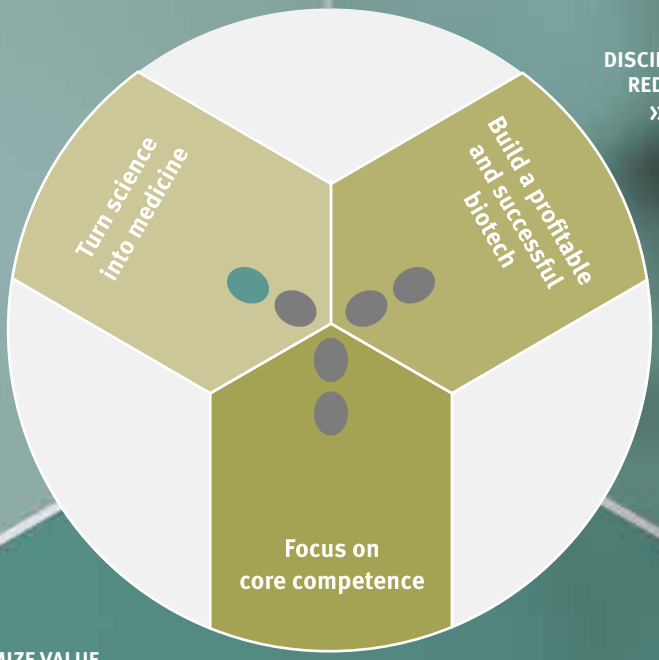
2009-2012 operating costs exclude non-cash impairment charges related to our manufacturing facility

✓ Stated objective met ✓ Other achievement ✗ Stated objective not met

Strategy and 2013 Objectives

EXPANSION ARZERRA
- Approval in Japan
- Launch & reimbursement in new countries

FULLY EXPLOIT THE POTENTIAL OF DARATUMUMAB
- Ph I/II MM monotherapy matured safety & efficacy data
- Ph I/II MM combination therapy preliminary safety & efficacy data
- Initiate additional MM clinical studies



DISCIPLINED EXPENSE MANAGEMENT, REDUCE CASH BURN
- 2013 operating loss ‹ than in 2012
- Reduce cash burn, lengthen cash runway

PARTNERSHIPS
- Report progress from partnered programs
- Enter new collaboration

MAXIMIZE VALUE OF OFATUMUMAB
- Ph III frontline CLL; ofatumumab + chlorambucil vs chlorambucil data
- Ph II front and 2nd line; ofatumumab + bendamustine data
- Ph III CLL maintenance IDMC safety interim analysis
- Update progress ofatumumab subcutaneous autoimmune development

NEXT GENERATION TECHNOLOGIES
- Expand DuoBody technology collaborations
- Validate and advance HexaBody platform

EXPAND PIPELINE
- File IND for HuMax-TF-ADC
- Initiate first clinical trial with HuMax-TF-ADC
- Update progress pre-clinical programs including ADC and DuoBody projects

2013 Outlook

MDKK	2013 Guidance	2012 Actual Result
Revenue	540 – 580	485
Operating expenses	(600) – (650)	(602)
Operating loss continuing operations	(40) – (90)	(117)
Discontinued operation	40	(376)
Cash position beginning of year*	1,516	1,105
Cash used in operations	(250) – (300)	(389)
Cash from license & share subscription agreement	–	800
MN facility sale	50	–
Cash position at end of year*	1,266 – 1,316	1,516

* Cash, cash equivalents, and marketable securities

CONTINUING OPERATIONS

We expect our 2013 revenue to be in the range of DKK 540 – 580 million, compared to DKK 485 million reported in 2012. Our projected revenue for 2013 consists primarily of non-cash amortization of deferred revenue totaling DKK 295 million and royalties on sales of Arzerra, which are expected to be approximately DKK 125 million.

We anticipate that our 2013 operating expenses from continuing operations will be DKK 600 – 650 million. The operating expenses were DKK 602 million in 2012. In 2013 there will be an increased investment in daratumumab, although this increase will not adversely impact our cash burn as Janssen will reimburse all of the costs associated with the program.

We expect the operating loss from continuing operations for 2013 to be approximately DKK 40 – 90 million compared to an operating loss of DKK 117 million reported for 2012.

DISCONTINUED OPERATION

The discontinued operation income of DKK 40 million in 2013 relates to the final few months running costs of the Minnesota manufacturing facility of approximately DKK 10 million prior to the divestiture and a gain on the sale of approximately DKK 50 million. The divestiture was completed on February 28, 2013.

CASH POSITION

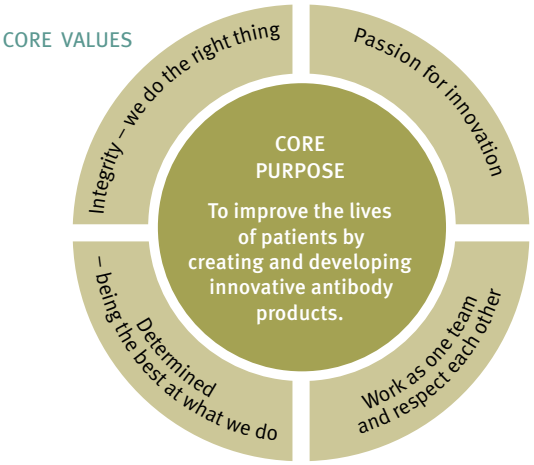
As of December 31, 2012, we had a cash position of DKK 1,516 million and are projecting a cash burn from operations in 2013 of DKK 250 – 300 million. Therefore we are projecting a cash position at the end of 2013, including the facility sale at approximately DKK 50 million, of DKK 1,266 – 1,316 million.

In addition to factors already mentioned, the estimates above are subject to change due to numerous reasons, including but not limited to the timing and variation of development activities (including activities carried out by our collaboration partners) and related income and costs; achievement of certain milestones associated with our collaboration agreements; Arzerra sales and corresponding royalties to Genmab; fluctuations in the value of our marketable securities; and currency exchange rates. The financial guidance also assumes that no significant agreements are entered into during 2013 that could materially affect the results.

Building a Sustainable Business

Our innovative approach to antibody product and technology development allows us to stay at the cutting edge in generating world class, differentiated antibody therapeutics. We employ a capital efficient model, use a disciplined spending approach and selectively invest in projects that offer real promise to provide effective products for patients. We have combined this focus on cost control with an active and productive partnering strategy and Genmab is well on its way to becoming a sustainable business that will produce growth and value for patients and shareholders.

Core Purpose and Values



Creating Value

- Clear focus on human antibodies to treat cancer
- Track record of bringing products to market
  - Arzerra on market with growing sales
  - 1st-in-class daratumumab aimed as next marketed product
- Innovative approach
  - Proprietary bispecific technology: DuoBody Platform
  - Proprietary enhanced IgG technology: HexaBody Platform
  - Broad pre-clinical pipeline including next in clinic HuMax-TF-ADC
  - World class antibody know-how
- Strategic collaborations with blue chip partners
- Capital efficient model to create a sustainable business

Product Pipeline

Per March 7, 2013

Product	Disease Indications	Pre-clin. I I/II II III IV
Ofatumumab 19 studies Partner: GSK	Chronic lymphocytic leukemia (CLL)	
	Follicular lymphoma (FL)	
	Diffuse large B-cell lymphoma (DLBCL)	
	Relapsing-remitting multiple sclerosis (RRMS)	
	Waldenström's Macroglobulinemia (WM)	
Daratumumab 2 studies Target: CD38 Partner: Janssen Biotech	Multiple myeloma (MM)	
Inclacumab (RG1512) Target: p-selectin Partner: Roche	Saphenous vein graft disease	
	Acute coronary syndrome (ACS)	
HuMax-TF-ADC Partner: Seattle Genetics	Solid cancers	
>10 Active Pre-clinical Programs	HuMab, Enhanced HuMab, HuMab-ADC, DuoBody or DuoBody-ADC	

At the date of this report, 23 clinical trials were ongoing. An overview of the development status of each of our clinical products is provided in the following sections. More detailed descriptions of dosing, efficacy and safety data from certain clinical trials have been published in company announcements and media news releases to the NASDAQ OMX Copenhagen, which are available on Genmab's website, **www.genmab.com**.

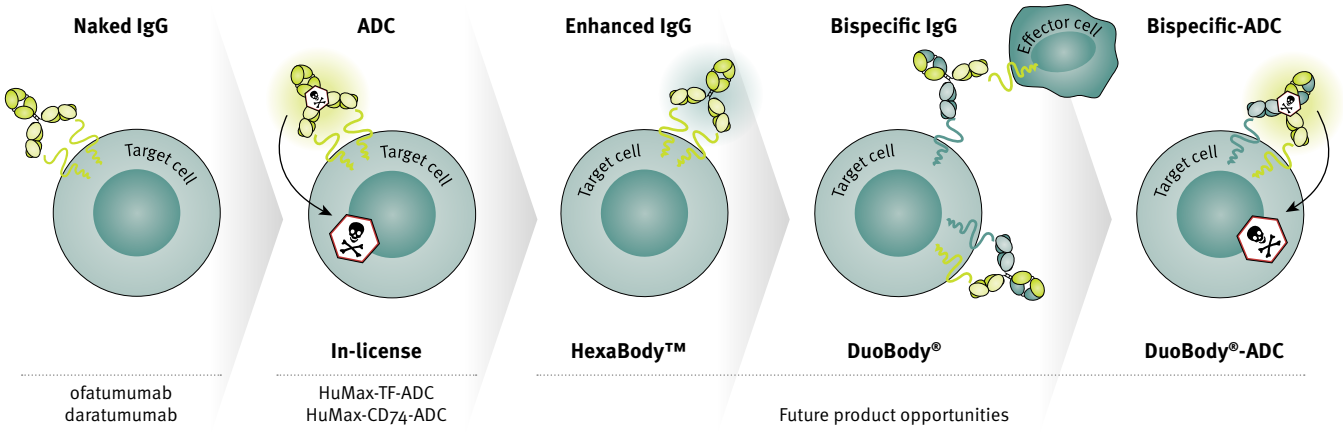
The Antibody Experts

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

Genmab is working on developing antibody therapeutics using a variety of next generation technologies. In addition to unmodified "naked" antibodies created using the UltiMAb® transgenic mouse technology we license from Medarex, Inc. and Bristol-Myers Squibb (BMS), we use other technologies to create enhanced antibodies, bispecific antibodies and antibody-drug conjugates (ADC).

Antibody Product Innovation

Our ability to develop differentiated antibody therapeutics is founded on our ability to translate our antibody biology expertise into innovative products. Our novel antibody format technologies can be used to generate products with leap-frog potential, both for our internal pipeline and our partners. This graphic depicts the various antibody formats Genmab is working on.



Ofatumumab – Our First Marketed Product

» 2012 GSK sales of GBP 60 million (DKK 552 million)
» Launched in 26 countries under the trade name Arzerra
» 19 studies ongoing – 7 Phase III cancer pivotal studies
» Broad cancer and autoimmune disease potential

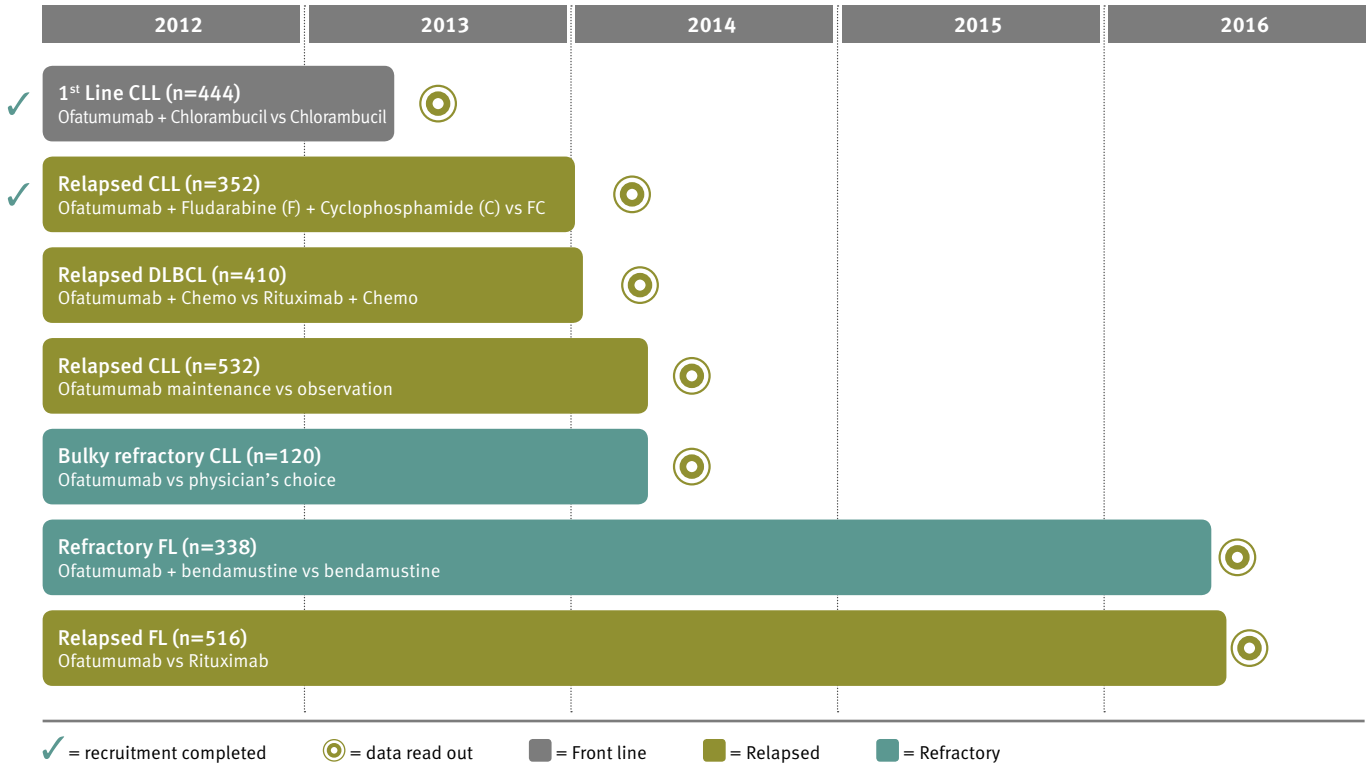
Ofatumumab is a human monoclonal antibody which targets an epitope on the CD20 molecule encompassing parts of the small and large extracellular loops (Teeling et al 2006). Ofatumumab is marketed and developed under a co-development and commercialization agreement with GSK, and is approved to treat CLL in patients who are refractory to fludarabine and alemtuzumab in the US and EU, as well as other territories. The approval was based on results from a pivotal study in this refractory patient population where 42% of patients responded to treatment with Arzerra. These patients had a median duration of response of 6.5 months.*

Sales of Arzerra reported by GSK for the full year 2012 were GBP 60 million (DKK 552 million), resulting in royalty income of DKK 111 million to Genmab. In 2011, sales were GBP 43.5 million (DKK 374 million) with royalty income to Genmab of DKK 75 million. Ofatumumab was available in 26 countries around the world, including the US, Germany, France and Italy, as well as Denmark and The Netherlands, at the end of 2012. Product launches in additional countries are planned.

Ofatumumab: Driving Value Through Data

Cancer Phase III Pivotal Study Readouts

The timeline below provides an overview of the ongoing ofatumumab cancer clinical trials and expected primary data readout. The timing of the primary data read out is subject to change and may occur earlier or later than specified based on actual events.



* In the pivotal trial on which approval was based (total population n=154), the most common adverse reactions (≥10%, all grades) to ofatumumab were neutropenia, pneumonia, pyrexia, cough, diarrhea, anemia, fatigue, dyspnoea, rash, nausea, bronchitis, and upper respiratory tract infections. The most common serious adverse reactions were infections (including pneumonia and sepsis), neutropenia, and pyrexia. A total of 108 patients (70%) experienced bacterial, viral, or fungal infections. A total of 45 patients (29%) experienced ≥ Grade 3 infections, of which 19 (12%) were fatal. The proportion of fatal infections in the fludarabine- and alemtuzumab-refractory group was 17%.

FOURTH QUARTER 2012 UPDATE

» Follow up data from the Phase II study of ofatumumab in combination with CHOP chemotherapy was presented at the ASH Annual Meeting. Six additional abstracts from ISS studies were also presented.

As of March 7, 2013, 19 studies of ofatumumab, including 7 Phase III cancer pivotal trials, were ongoing. Approximately 70 ISS studies are also planned or ongoing. For additional information on ofatumumab, visit **www.genmab.com/ofatumumab**.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2012

» A protocol amendment for the Phase III study investigating ofatumumab plus chemotherapy versus rituximab plus chemotherapy in relapsed or refractory DLBCL affected underlying timing assumptions in the study, bringing forward the primary endpoint analysis to early 2014.

» GSK entered a settlement with Genentech Inc. and City of Hope resolving all litigation related to ofatumumab under both the Cabilly II and the Cabilly III patents in the US district court for the Central District of California.

» Enrollment of patients in the Phase III study of ofatumumab in combination with FC versus FC in patients with relapsed CLL was completed in the first quarter.

» GSK initiated a new Phase I/II study of ofatumumab plus chlorambucil in previously untreated Japanese patients with CLL.

» In accordance with study protocol, an IDMC recommended continuing the Phase III head to head study of ofatumumab plus chemotherapy versus rituximab plus chemotherapy in patients with relapsed or refractory DLBCL after reviewing an interim futility analysis.

» The first patient was treated in the Phase II study of ofatumumab in combination with bendamustine in frontline and relapsed CLL during the first quarter.

Ofatumumab Collaboration with GlaxoSmithKline (GSK)

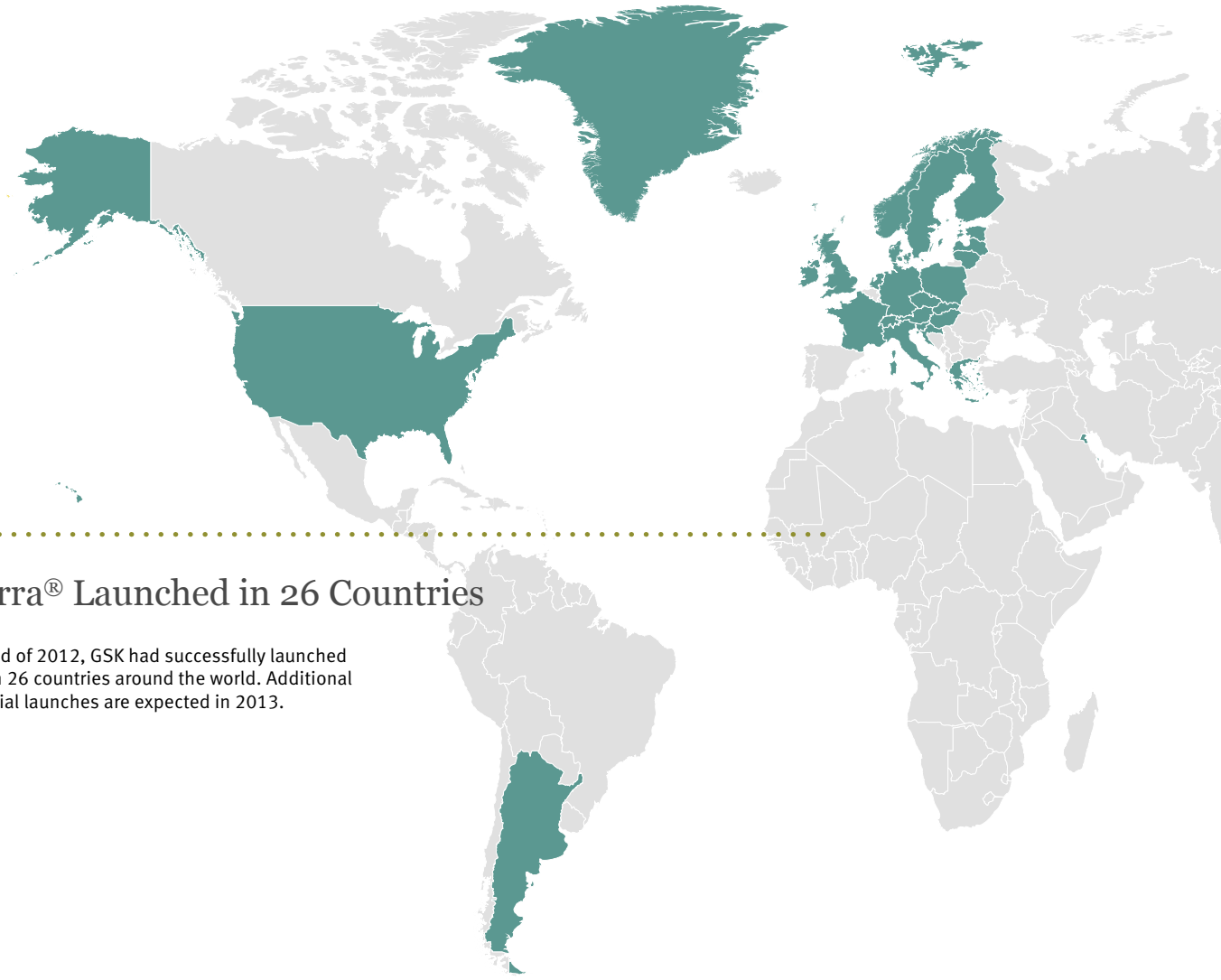
In December 2006, Genmab announced a worldwide agreement with GSK to co-develop and commercialize ofatumumab. Under the terms of the agreement, Genmab received a license fee of DKK 582 million, and GSK invested DKK 2,033 million in Genmab shares. GSK and Genmab will co-develop ofatumumab. GSK is solely responsible for the manufacturing and commercialization of ofatumumab.

Under a July 2010 amendment, GSK took responsibility for developing ofatumumab in autoimmune indications while continuing to jointly develop ofatumumab with Genmab in cancer indications. Genmab received an upfront payment of GBP 90 million (DKK 815 million*) from GSK. Genmab's future funding commitment for the development of ofatumumab in cancer indications was capped at a total of GBP 145 million (DKK 1,314 million*), including a yearly spending cap of GBP 17 million (DKK 154 million*) for each of six years starting with 2010. Future milestones due to Genmab under the cancer development program were reduced by 50%. GSK is solely responsible for funding development in autoimmune indications and Genmab will forego development milestones for autoimmune indications and the first two sales milestones while retaining a double digit royalty on sales.

As of December 31, 2012, total milestone payments received under the collaboration amounted to DKK 1,066 million since deal inception.

* at the date of the agreement

- GSK submitted an NDA for ofatumumab to regulatory authorities in Japan for the treatment of patients with CLL who have received prior treatment. A DKK 20 million milestone payment was triggered in association with the filing.
- Data from the Phase II maintenance and retreatment study of ofatumumab in patients who were previously treated in the Phase III study of ofatumumab in fludarabine and alemtuzumab refractory CLL were analyzed and presented at the ASCO Annual Meeting in June. Results showed a 24% response rate in the study, indicating that retreatment and maintenance had some clinical benefit for patients with advanced CLL. Adverse events in the study included infusion reactions, infections and cytopenias. Four additional abstracts from investigator sponsored studies were also presented at ASCO.
- Patient enrollment in the Phase II study of ofatumumab in combination with bendamustine for the treatment of frontline and relapsed CLL was completed ahead of schedule.
- The timing of the interim analysis in the Phase III study of ofatumumab maintenance treatment in relapsed CLL was moved from 2012 to the first half of 2013. This delay is not expected to impact the timing of the primary data read out.
- Patient enrollment in the Phase IV observational study of ofatumumab in CLL was completed during the third quarter.



Arzerra® Launched in 26 Countries

By the end of 2012, GSK had successfully launched Arzerra in 26 countries around the world. Additional commercial launches are expected in 2013.

Daratumumab – A First-In-Class Antibody

» Preliminary Phase I/II safety and efficacy data in refractory multiple myeloma
» Collaboration with Janssen entered in August 2012
» First Phase I/II combination study initiated
» Significant potential to treat cancers including multiple myeloma, various leukemias (B-CLL, AML, B-ALL, plasma cell leukemia), follicular lymphoma, DLBCL and mantle cell lymphoma

Daratumumab, a CD38 monoclonal antibody with broad-spectrum killing activity, is in clinical development for multiple myeloma. The CD38 molecule is highly expressed on the surface of multiple myeloma tumor cells. In pre-clinical studies, daratumumab induced potent immune system killing mechanisms such as antibody-dependent cell-mediated cytotoxicity (ADCC), antibody-dependent cellular phagocytosis (ADCP) and complement dependent cytotoxicity (CDC) towards primary multiple myeloma tumor cells. Furthermore, daratumumab mediated cell death via apoptosis and inhibited the enzymatic activity of the CD38 molecule, which may contribute to its efficacy in killing tumor cells. Additional pre-clinical data presented in 2011 have shown that when daratumumab is added to standard treatments, it enhances the capacity of lenalidomide and bortezomib to kill multiple myeloma cells.

FOURTH QUARTER 2012 UPDATE

» Six daratumumab abstracts were presented at ASH, including an oral presentation describing data from the ongoing Phase I/II study in relapsed or refractory multiple myeloma. Of the three patients treated at the highest (and final) dose level in the study (24 mg/kg of daratumumab), two achieved a partial response (PR) and one achieved a minor response (MR). Altogether, 8 of 12 patients in the study who received daratumumab at a dose level of 4 mg/kg or higher achieved at least an MR. The data continued to show no major safety issues with daratumumab. The most relevant drug related adverse events were brief, low-grade infusion related reactions and a temporary drop in the level of NK cells. Part 2 of the study, in which patients receive multiple 8 mg/kg doses of daratumumab until disease progression or a maximum of 96 weeks, has been initiated.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2012

» The first patient was treated in a new Phase I/II study of daratumumab in combination with Revlimid and dexamethasone in relapsed or refractory multiple myeloma in June.
» In August, Genmab entered a global license and development agreement for daratumumab with Janssen. See below for details.

Daratumumab Collaboration with Janssen Biotech, Inc. (Janssen)

In August 2012, Genmab announced a global license and development agreement for daratumumab with Janssen Biotech, Inc., one of the Janssen Pharmaceutical Companies of Johnson & Johnson. Under the terms of the agreement, Genmab granted Janssen an exclusive worldwide license to develop and commercialize daratumumab as well as a backup human CD38 antibody.

Genmab received an upfront license fee of USD 55 million (DKK 327 million*) and Johnson & Johnson Development Corporation (JJDC) invested DKK 475 million (USD 80 million*) to subscribe for 5.4 million new shares of Genmab at a price of DKK 88 per share, at a premium of approximately 30% compared to the share price the day before the agreement was announced. Genmab could also be entitled to up to USD 1 billion in development, regulatory and sales milestones, in addition to tiered double digit royalties. Janssen are fully responsible for all costs associated with developing and commercializing daratumumab from the date of signing the agreement.

The license agreement became effective in September after receiving antitrust clearance and the issue of new Genmab shares to JJDC pursuant to a share subscription agreement was carried out in October after a formal approval of a private placement prospectus. Following the issue of the new shares, JJDC became Genmab's largest shareholder owning 10.73% of the share capital.

* at the date of the agreement

Other Product Candidates

ROCHE PROGRAMS

Our partner Roche is funding and conducting clinical studies with antibodies developed by Genmab under the companies' collaboration agreement. A Phase II study in 516 patients with inclacumab (formerly RG1512) to investigate Acute Coronary Syndrome has been completed and data will be reported at the American College of Cardiology's annual scientific meeting (ACC.13), which is being held March 9-11, 2013. Patient recruitment has also been completed in a 384 patient Phase II study investigating inclacumab, which targets P-selectin, for treatment of saphenous vein graft disease. Roche is contemplating next steps in the development program of inclacumab.

ZANOLIMUMAB

In May 2011, Emergent BioSolutions Inc. acquired the rights to zanolimumab, a fully human antibody targeting CD4, from TenX Biopharma, Inc. Genmab's global license agreement with Emergent BioSolutions was slightly modified compared to the previous agreement with TenX Biopharma. Zanolimumab is a candidate for the treatment of cutaneous T-cell lymphoma (CTCL) and peripheral T-cell lymphoma (PTCL). No clinical studies are currently ongoing but Emergent Biosolutions is still exploring options to maximize the value of this asset.

ZALUTUMUMAB

Zalutumumab is a high-affinity human antibody that targets the Epidermal Growth Factor receptor (EGFr), a molecule found in abundance on the surface of many cancer cells, and is a clinically validated target. Genmab wound down the zalutumumab program in 2011, but continues to pursue partnership leads. The Danish Head and Neck Cancer Group (DAHANCA) continues to run the fully recruited Phase III front line head and neck cancer study of zalutumumab in combination with radiotherapy or chemoradiotherapy.

PRE-CLINICAL PROGRAMS

Genmab has currently more than ten active programs in pre-clinical development carried out by Genmab and with our collaboration partners. We continually work to create new antibodies to a variety of targets for a number of disease indications. We also evaluate disease targets identified by other companies for potential addition to our pipeline.

Seattle Genetics

In September 2010, Genmab and Seattle Genetics, Inc. entered into an ADC collaboration and a commercial license and collaboration agreement was executed in October 2011. Under the agreement, Genmab has rights to utilize Seattle Genetics' ADC technology with its HuMax-TF antibody. Seattle Genetics received an undisclosed upfront payment and has the right to exercise a co-development and co-commercialization option for any resulting ADC products at the end of Phase I clinical development. In 2013, Genmab expects to submit an Investigational New Drug application (IND) and start a Phase I dose escalation study for HuMax-TF-ADC.

Genmab entered into a second ADC research collaboration agreement with Seattle Genetics in 2011 to utilize Seattle Genetics' ADC technology with HuMax-CD74, an antibody in pre-clinical development to target CD74, which is expressed on a wide range of hematological malignancies and solid tumors. The continued viability of this program is now under evaluation.

For both programs, Genmab is responsible for research, manufacturing, pre-clinical development and Phase I clinical evaluation of HuMax-ADCs. Seattle Genetics will receive research support payments for any assistance provided to Genmab. If Seattle Genetics opts into a HuMax-ADC product at the end of Phase I, the companies would co-develop and share all future costs and profits for the product on a 50:50 basis. If Seattle Genetics does not opt in to a HuMax-

Roche Collaboration

Under this agreement, we have created human antibodies to a range of disease targets identified by Roche. If the products are successful, Genmab will receive milestone and royalty payments. Roche is fully responsible for the development of these products. Under certain circumstances, Genmab may obtain rights to develop products based on disease targets identified by Roche.

ADC product, Genmab would pay Seattle Genetics fees, milestones and mid-single digit royalties on worldwide net sales of the product.

H. Lundbeck A/S
In October 2010, Genmab and Lundbeck entered an agreement to create and develop human antibody therapeutics for disorders of the central nervous system (CNS). Genmab will create novel human antibodies to three targets identified by Lundbeck. Lundbeck will have an option to take selected antibodies into clinical development at its own cost and subject to the payment of milestones and single-digit royalties to Genmab upon successful development and commercialization. Genmab will have a similar option to take selected antibodies into clinical development for cancer indications at its own cost and subject to the payment of milestones and single-digit royalties to Lundbeck.

Under the terms of the agreement, Genmab received an upfront payment of EUR 7.5 million (DKK 56 million at the date of the agreement). Lundbeck will fully fund the development of the antibodies. If all milestones in the agreement are achieved, the total value of the agreement to Genmab would be approximately EUR 38 million (DKK 283 million at the date of the agreement), plus single-digit royalties. Genmab has received three proof-of-concept in vitro milestones in 2011 and 2012 under this collaboration, each triggering a payment of EUR 1 million (DKK 7 million) to Genmab.

Cormorant Pharmaceuticals, Inc.
In May 2012, Genmab licensed HuMax-IL8 to Cormorant Pharmaceuticals. Under the terms of the agreement, Genmab received an upfront payment and will be entitled to milestone payments and royalties on net sales. Cormorant intends to evaluate HuMax-IL8 for the treatment of select cancers and will be responsible for all future costs of developing, manufacturing and commercializing HuMax-IL8.

Protecting Our Pipeline Through Intellectual Property

Proprietary protection for our products, processes, and know-how are important to our business. Currently, we own and license patents, patent applications, and other proprietary rights relating to our human antibody technology and our antibody products and/or uses of these products in the treatment of diseases. In addition, under the terms of our Technology Agreement with Medarex and BMS, we have rights to file patent applications for future antibody products developed using our human antibody technology. Our policy is to file patent applications to protect inventions relating to antibody products and technologies that we consider important to the development of our business. Please refer to the "Risk Management" section and note 20 of the financial statements for further details.

Proprietary Technologies

Our passion for innovation and desire to create antibody products to improve patients' lives has led to the development of three proprietary antibody technology platforms: DuoBody, HexaBody and UniBody®.

THE DUOBODY PLATFORM – PREFERRED TECHNOLOGY FOR BISPECIFIC ANTIBODY THERAPEUTICS

Monoclonal antibodies usually bind to their target molecule via two identical and highly specific binding regions, located on the tips of both arms of the antibody. In bispecific antibodies, the two binding regions are not identical, and each region is directed against a different molecule or different site (epitope) on the same molecule. By binding to two different molecules instead of one, bispecific antibodies may bind even more specifically to a certain target cell, may engage multiple mechanisms of action thereby enhancing efficacy, or can connect a target cell with a white blood cell that will kill the target cell.

The DuoBody platform is an innovative platform for the discovery and development of bispecific antibodies that may improve antibody therapy of cancer, autoimmune, infectious and central nervous system disease. The DuoBody platform:

- revolutionizes bispecific antibody discovery and development by overcoming the limitations of other technologies with respect to protein stability, scalability of manufacturing, in vivo half-life and immunogenicity;
- results in the efficient generation of stable bispecific antibody therapeutics and allows all available antibody sequences to be exploited for bispecific product discovery and development; and
- is easily applied to both drug discovery and large-scale development. The process is fast, broadly applicable and can be easily performed at standard bench as well as commercial manufacturing scale.

Bispecific antibodies generated with the DuoBody platform combine the benefits of bispecificity with the strengths of conventional antibodies; this allows DuoBody molecules to be administered and dosed as other antibody therapeutics. It is Genmab's belief the DuoBody platform will be one of the preferred technologies for bispecific antibody therapeutics.

FOURTH QUARTER 2012 UPDATE

- In December, we announced a research collaboration with Kyowa Hakko Kirin to create bispecific antibodies using the DuoBody technology. If successful, we may decide to enter a license agreement to develop a new DuoBody product.
- In December, we reached a key event in the DuoBody collaboration with Janssen, triggering a USD 2 million milestone for achieving technical proof-of-concept for the first DuoBody product candidate.

UPDATES FROM FIRST QUARTER TO THIRD QUARTER 2012

- In June, we entered an agreement with Novartis under which we will use our DuoBody technology platform to create panels of bispecific antibodies to two disease target combinations identified by Novartis. Under the terms of the agreement, Genmab received an upfront payment of USD 2 million. If all milestones in the agreement are achieved, the total potential value of the agreement to Genmab would be approximately USD 175 million, plus research funding and royalties.
- In July, we entered into collaboration with Janssen to create and develop bispecific antibodies using our DuoBody technology platform for up to 10 DuoBody programs. Under the terms of the agreement, Genmab received an upfront payment of USD 3.5 million from Janssen. All research conducted by Genmab will be fully funded by Janssen, and Genmab will potentially be entitled to milestone and license payments of up to approximately USD 175 million for each product, if all milestones are met, plus royalties.
- In August and October, Janssen selected two further target combinations under our DuoBody collaboration, resulting in two bispecific antibody program reservation fees to Genmab. In total three bispecific antibody programs have been activated under the agreement.

THE HEXABODY PLATFORM – CREATING DIFFERENTIATED THERAPEUTICS

Introduced in December 2012, the HexaBody platform is a novel technology that allows the creation of differentiated antibody therapeutics by enhancing the natural target killing abilities of antibodies in a fundamentally new way. Antibodies have a natural ability to eliminate pathogens and tumor cells by various cytotoxic mechanisms. The HexaBody platform strengthens the killing ability of antibodies while retaining regular structure and specificity. The platform requires minimal amino acid modifications, allows all available antibody sequences to be exploited and is therefore easily applied to existing antibodies. The HexaBody platform will be used to create novel differentiated antibody therapeutics, to improve the efficacy of existing antibody products, and to potentially repurpose drug candidates that were unsuccessful in previous clinical trials due to lack of potency. The technology has the potential to enhance antibody therapeutics for a broad range of applications in cancer and infectious diseases.

THE UNIBODY PLATFORM

The UniBody platform is a proprietary antibody technology that creates a stable, smaller antibody of the IgG4 isotype which binds with only one antibody arm to a target. UniBody molecules may have potential in treating diseases such as asthma or allergies. As Genmab is focused on products to treat cancer, the UniBody technology is primarily used to develop products for our partners.

Our passion for innovation gives us the edge when it comes to creating truly differentiated therapeutics and platform technologies

DuoBody Platform

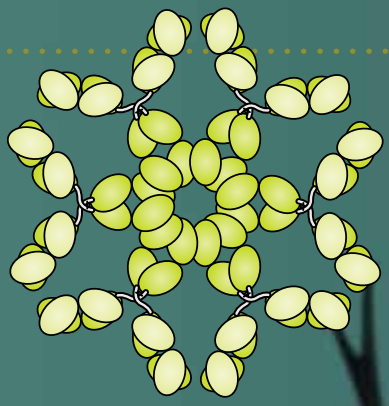
The DuoBody platform is an innovative platform for the discovery and development of bispecific antibodies that may improve antibody therapy of cancer, autoimmune, infectious and central nervous system disease. Bispecific antibodies bind to two different epitopes either on the same, or on different targets (also known as dual-targeting) which may improve the antibodies' specificity and efficacy in inactivating the disease targets. DuoBody molecules are unique in combining the benefits of bispecificity with the strengths of conventional antibodies which allows Duo-Body molecules to be administered and dosed as other antibody therapeutics. Genmab's DuoBody platform generates bispecific antibodies via a fast and broadly applicable process which is easily performed at standard bench, as well as commercial manufacturing scale.

DuoBody Platform Partnerships

- Kyowa Hakko Kirin
- Janssen Biotech
- Novartis
- Undisclosed pharma company

HexaBody Platform

The HexaBody platform is Genmab's novel proprietary technology designed to increase the potency of antibodies. Antibodies have a natural ability to eliminate pathogens and tumor cells by various cytotoxic mechanisms. The HexaBody platform strengthens the killing ability of antibodies while retaining regular structure and specificity. The technology has the potential to enhance antibody therapeutics for a broad range of applications in cancer and infectious diseases.



Manufacturing

As announced in December 2012, Genmab entered into an aggressive sales process, with the aim of closing a transaction in the first quarter of 2013. Additionally, the fair value of the facility less cost to sell was reduced from USD 58 million to zero, resulting in the recognition of a non-cash impairment charge of approximately DKK 331 million. The impairment is included in the result of the discontinued operation.

The facility was sold in February 2013 to Baxter. Under the terms of the agreement, Genmab received USD 10 million (approximately DKK 57 million) in cash, resulting in a gain of approximately DKK 50 million, which will be recognized in 2013. The employees currently working at the facility will be offered employment by Baxter.

Please refer to note 16 to the financial statements for further information.

Corporate Governance

This section includes Genmab's statutory report on Corporate Governance cf. Section 107b of the Danish Financial Statements Act and covers the financial year 2012.

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

All Danish companies listed on NASDAQ OMX Copenhagen are required to disclose in their annual reports how they address the Recommendations for Corporate Governance issued by the Committee on Corporate Governance in August 2011 (the "Recommendations"). The companies shall adopt the "comply-or-explain" principle with respect to the Recommendations.

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

- The Recommendations prescribe that board members run for election every year, but Genmab has designated two-year election periods to provide continuity and stability on the Board of Directors.
- The Recommendations prescribe that remuneration of the board members shall not include warrants. However, Genmab's remuneration of the board members includes warrant grants as warrant programs constitute a common part of the remuneration paid to members of the board of directors in competing international biotech companies. To remain competitive in the international market and to be able to attract and retain qualified members of the Board of Directors, it is considered in the best interest of Genmab to follow this practice which we believe is aligned to serve the shareholders' long-term interests.
- The Recommendations prescribe that warrants should not be exercisable earlier than three years from the date of the grant. Warrants granted under Genmab's 2004 warrant scheme and 2012 warrant scheme vest over a period of four years from the date of the grant. The warrant holder may only exercise 25% of the warrants granted per full year of employment or affiliation with Genmab after the grant date.
- The Recommendations prescribe that Genmab, in exceptional cases, should be able to reclaim variable components of remuneration from the Executive Management. It is, however, Genmab's assessment that a claim to repayment, in whole or in part, of variable components of remuneration, which have been paid on the basis of information later proven incorrect, should be based on the general Danish legal principles.

A detailed description of the Board of Directors' consideration in respect of all the Recommendations can be found on Genmab's website **http://www.genmab.com/docs/corporate-governance/statutory-corporate-governance-report-2012-english.pdf**.

THE WORK AND COMPOSITION OF THE BOARD OF DIRECTORS

Genmab's Board of Directors meets for at least four scheduled meetings during the year. During 2012, the Board of Directors held fourteen meetings, in addition to the informal ongoing communication between the board members and the Executive Management. Board duties include

establishing policies for strategy, accounting, organization and finance, and the appointment of executive officers. The Articles of Association stipulate that Genmab's Board of Directors is elected by Genmab's shareholders at the Annual General Meeting and members are elected for two-year terms on a rotating basis. In addition, three Genmab employees joined the Board of Directors in 2010 upon election by the employees of the Genmab group.

The Board of Directors plays an important role within Genmab, being actively involved in setting the strategies and goals for Genmab and monitoring the operations and results of the company. The Board of Directors also assesses Genmab's capital and share structure and is responsible for approving share issues and the grant of warrants. Relevant knowledge and professional experience are key parameters when nominating board members.

Members may stand for re-election for successive terms. Genmab's Board of Directors shall consist of not less than three and no more than nine members elected by the General Meeting.

BOARD COMMITTEES

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

Please refer to the section Board and Directors which includes information on members of the committee including special competences and skills.

Audit Committee

The Audit Committee shall meet at least quarterly or more frequently as circumstances dictate. During 2012, the Audit Committee held five meetings. The charter of the Audit Committee provides that the Audit Committee shall assist the Board of Directors with respect to the Board of Directors' responsibilities to ensure the effectiveness of the internal controls over financial reporting and risk management system as well as compliance with legal and regulatory requirements. The Audit Committee shall furthermore assist the Board of Directors with the oversight of the financial reporting process to ensure the quality, transparency and integrity of the published financial information and in addition the Audit Committee shall assist the Board of Directors with the oversight of the independent auditor process including recommending the appointment and assessing the performance and qualifications of the independent auditor and related fees. Genmab's independent auditors will meet with the Audit Committee at least once per year and report on matters arising from their audit work. The auditors participated in four of the five meetings held by the Audit Committee in 2012.

Compensation Committee

The Compensation Committee shall meet at least twice a year. During 2012, the Compensation Committee held two meetings. The charter for the Compensation Committee provides that the role of the Compensation Committee is to assist the Board of Directors with respect to the Board of Directors' responsibilities relating to compensation of Genmab's Executive Management and to oversee and advise the Board of Directors on the adoption of policies that govern the company's compensation programs, including warrant and benefit plans. It makes recommendations to the Board of Directors regarding specific remuneration packages for each of the members of the Board of Directors as well as Genmab's Executive Management, including pension rights and any compensation payments.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee shall meet at least twice a year and otherwise as the Committee deems appropriate. During 2012, the Nominating and Corporate Governance Committee held seven meetings. The Charter for the Nominating and Corporate Governance Committee provides that the role of the Nominating and Corporate Governance Committee is to identify, review, evaluate and recommend to the full Board of Directors candidates to serve as Genmab's board members as well as to make recommendations to the Board of Directors regarding affairs relating to Genmab's board members including whether existing board members should be re-nominated. In addition, the Nominating and Corporate Governance Committee serves as a focal point for communication between candidates, non-committee board members and Genmab's Executive Management. The Nominating and Corporate Governance Committee shall furthermore evaluate the composition of Genmab's board committees and recommend board committee candidates to the Board of Directors. The Nominating and Corporate Governance Committee also administers and oversees all aspects of our corporate governance and makes recommendations to the Board of Directors regarding corporate governance issues.

GUIDELINES FOR INCENTIVE REMUNERATION

Pursuant to section 139 of the Danish Companies Act (in Danish "Selskabsloven"), the board of directors of a listed company is required, before the company enters into a specific incentive payment agreement with a member of the board of directors or executive management, to lay down general guidelines governing the company's incentive remuneration of such member. The guidelines shall be considered and adopted at the company's annual general meeting and can be found in their full length on our website **www.genmab.com**. The guidelines were adopted at the 2008 annual general meeting and amended by the annual general meetings of the company in 2011 and 2012.

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

DESCRIPTION OF MANAGEMENT REPORTING SYSTEMS AND INTERNAL CONTROL SYSTEMS

As a publicly listed company, Genmab is required to have established procedures which provide a reasonable basis for management to make proper judgments as to Genmab's financial position. The Board of Directors and the Executive Management have the overall responsibility for Genmab's internal control and risk management systems in connection with the financial reporting.

Genmab has utilized a top-down risk based approach to comply with the EU directives on corporate governance, internal controls and risk management (EURO SOX) in which skilled employees from finance, operations and IT work closely together to ensure that the appropriate business processes and technology elements are reviewed. The overall framework and approach are based on COSO (Committee of Sponsoring Organizations).

The Board of Directors and Executive Management have established overall standards and guidelines to identify and monitor the risk that a significant error could occur in connection with the financial reporting and have put procedures in place to ensure significant errors are prevented, detected and corrected. Genmab's internal control and risk management systems are updated on an ongoing basis. Accordingly, Genmab has documented and designed an effective internal control environment providing reasonable assurance that the company's financial reporting is timely, reliable and in accordance with IFRS.

THE STANDARDS AND GUIDELINES INCLUDE AMONG OTHERS:
Formalized annual budget, forecasting and projection procedures;
Regular management reporting including: » Financial performance and financial position including analysis of cash flow and finance structure; » The comparison of budget, prior-year and actual performance; » Project management and cost control, identification of responsible project managers and regular project reporting and follow-up; » Review of potential claims and litigation; » Contract and collaboration agreement review and maintenance to ensure that all commitments, liabilities, and income are recorded; and » Review of critical accounting policies and estimates;
Schedule of Authorizations to ensure that receipts and expenditures of Genmab are made only in accordance with authorizations of management and directors of Genmab;
A group control function to monitor the monthly financial reporting and performance of subsidiaries and the group. The most significant subsidiaries have their own controllers with extensive business and financial experience and in-depth knowledge of the individual subsidiary;
Detailed controls to ensure the completeness and accuracy of the accounting records of the Genmab Group including requirements for appropriate segregation of duties, requirements for the reconciliations and monitoring of transactions and documentation of controls and procedures; and
Detailed controls and procedures to ensure all reporting to NASDAQ OMX Copenhagen are accurately and consistently presented in a timely manner in accordance with applicable stock exchange rules.

The compliance with group standards is supported by periodic reviews of both the parent company and subsidiaries' controls and procedures. The results of the review are discussed with local management and summaries are submitted to the Audit Committee.

It is Genmab's policy that all disclosures made by the company to its shareholders or the investment community should be accurate and complete and fairly represent the company's financial condition and results of operations in all material respects, and should be made on a timely basis as required by applicable laws and stock exchange requirements. Therefore to further strengthen the internal control environment a Disclosure Committee was established in 2011 with the main purpose of assisting the Board of Directors and the Executive Management in fulfilling their responsibility for oversight of the accuracy and timeliness of the disclosures made by Genmab.

PROCEDURES FOR CHANGES IN THE ARTICLES OF ASSOCIATION

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

CHANGE OF CONTROL

Collaboration, Development and License Agreements

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

Service Agreements with Executive Management and Employees

The service agreements with each member of the Executive Management may be terminated by Genmab with no less than 12 months' notice and by the member of the Executive Management with no less than six months' notice. In the event of a change of control of Genmab, the termination notice due to the member of the Executive Management is extended to 24 months. In the event of termination by Genmab (unless for cause) or by a member of Executive Management as a result of a change of control of Genmab, Genmab is obliged to pay a member of Executive Management a compensation equal to his/her existing total salary (including benefits) for up to two years in addition to the notice period. In case of a change of control event and the termination of service agreements of the Executive Management, the total impact on our financial position is estimated to approximately DKK 60 million as of December 31, 2012 (2011: DKK 45 million).

In addition, Genmab has entered into service agreements with 26 (2011: 28) current employees according to which Genmab may become obliged to compensate the employees in connection with a change of control of Genmab. If Genmab as a result of a change of control terminates the service agreement without cause, or changes the working conditions to the detriment of the employee, the employee shall be entitled to terminate the employment relationship without further cause with one month's notice in which case Genmab shall pay the employee a compensation equal to one or two times the employee's existing annual salary (including benefits).

In case of the change of control event and the termination of all 26 (2011: 28) service agreements the total impact on our financial position is estimated to approximately DKK 62 million as of December 31, 2012 (2011: DKK 61 million).

With respect to change of control clauses related to warrants granted to the Executive Management and employees, please refer to note 15 to the financial statements. As of December 31, 2012, a change of control event and the termination of all impacted service agreements are, in relation to warrants, not expected to have a significant impact on our financial position.

Corporate Social Responsibility (CSR)

Genmab is dedicated to being a socially responsible company. We commit to comply with all relevant laws, standards and guidelines. Therefore, we maintain a strong corporate governance structure and communicate openly and transparently about our CSR efforts as we build a sustainable business.

Genmab's core purpose is **'to improve the lives of patients by creating and developing innovative antibody products'** that contribute to society by improving healthcare and the quality of life. Genmab will achieve this goal in a responsible and ethical way, ensuring a safe and inspiring working environment for employees and minimizing the impact of its processes on the environment.

We expect both initiated and planned CSR activities to have a positive effect on our business and reduce the risks associated with environmental, social, and ethical issues. We anticipate that these CSR initiatives will be viewed favorably by current and prospective employees and investors.

The Board of Directors has approved a business driven CSR strategy which focuses on four main areas.

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

To improve transparency and to ensure progress of Genmab's CSR initiatives, Genmab has established a CSR Steering Committee with representatives from human resources, investor relations and communications, finance, and research and development functions.

Genmab publishes its statutory report on CSR for the financial year 2012 cf. Section 99a of the Danish Financial Statements Act ("Lovpligtig redegørelse for samfundsansvar, jf. årsregnskabslovens § 99 a") on the company's website, including additional information about policies, progress made during 2012 and expected activities for 2013. The statutory report on CSR within the four main areas can be found on **http://www.genmab.com/docs/corporate-governance/csr-report-2012-english.pdf**.

Human Resources

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

Genmab emphasizes an open and supportive professional work environment across our international locations. Genmab believes that fostering workplace diversity is a prerequisite for the continued success of the company. Diversity is interpreted broadly to ensure equal opportunities, non-discrimination and an inclusive working culture, and includes social, educational and cultural background as well as nationality, age and gender. While insisting that all positions must be filled by the best candidate, our ambition is that all management levels shall hold a diverse composition. The diversity of Genmab's management levels and activities to ensure diversity are reviewed by the Board of Directors at least on an annual basis.

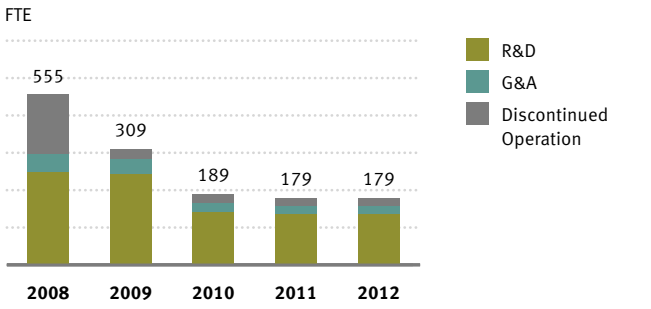
At present, none of the members of the Board of Directors and the Executive Management are women. However, in the Senior Vice President group, the share of women is 40% and at management levels in general (i.e. Director level and above), the share of women is 44%.

Genmab is committed to continue working towards equal opportunities for women and men at all management levels in the Genmab group. Both male and female candidates are - to the extent possible - considered in connection with internal and external recruitment and Genmab encourages talented male and female employees to pursue a career in the company. Also, to identify barriers - or the perception of barriers - preventing equal opportunities for men and women, Genmab regularly conducts employee surveys.

KEY EMPLOYEE RATIOS

Ratio		2012	2011
Workforce (FTE) at the end of the year	No.	179	179
Research and development employees	%	89%	89%
Administrative employees	%	11%	11%
Female	%	47%	46%
Male	%	53%	54%
Average age of workforce	No.	40 years	39 years
Employees holding an advanced degree (Ph.D., Doctoral or Master)	%	40%	40%
Seniority	No.	7 years	6 years
More than 5 years' experience in pharma/biotech industry	%	89%	85%
Rate of voluntary employee turnover	%	5.5%	5.5%

EMPLOYEES AT YEAR END



Risk Management

Genmab has facilities in three countries and performs research and development activities with clinical trials conducted around the globe. Through our activities, we are exposed to a variety of risks, some of which are beyond our control. These risks may have a significant impact on our business if not properly assessed and controlled. Maintaining a strong control environment, with adequate procedures for identification and assessment of risks and adhering to operational policies designed to reduce such risks to an acceptable level, is essential for the continued development of Genmab. It is our policy to identify and reduce the risks derived from our operations and to establish insurance coverage to hedge any residual risk, wherever considered practicable. The Board of Directors performs a yearly review of Genmab's insurance coverage to ensure that it is adequate.

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

GENMAB'S KEY RISK AREAS

Risk related to	Risk areas	Mitigation
Business	Identification and development of successful technologies and products, expensive, time-consuming clinical trials with uncertain outcome and risk of failure	Genmab has established various committees to ensure optimal selection of disease targets and antibody candidates and to monitor progress.
	Dependent on development and access to new technologies	Genmab strives to continue its development of new technologies such as the DuoBody and HexaBody platforms and gain access to competitive new technologies such as ADC technology.
	We may face competition, including from biosimilars and rapid technology change, which may render our products non-competitive	Genmab attempts to control commercial risks by monitoring and evaluating current market conditions, competing products and new technologies. Genmab strives to ensure market exclusivity for its own technologies and products by seeking patent protection.
	Dependent on pricing/public reimbursement	Genmab strives to develop differentiated cost-effective products that may obtain price reimbursement by government health care programs and private health insurers.
	Exposure to product liability claims	A product liability claim could materially affect our business and financial position and Genmab therefore maintains product liability insurance for our clinical trials and other coverage required under applicable laws.
Strategic collaborations	Dependent on partnerships with major pharmaceutical or biotech companies to support Genmab's business and develop and commercialize Genmab's products	Our business may suffer if our collaboration partners do not devote sufficient resources to our programs and products. Genmab strives to be an attractive and respected collaboration partner and pursues a close and open dialogue with its partners to share ideas and best practices within clinical development to increase the likelihood that we reach our goals.
	Dependent on contract manufacturing organizations and clinical research organizations to conduct our clinical trials	Genmab oversees outsourcing relationships to ensure consistency with strategic objectives and service provider compliance with regulatory requirements, resources and performance. This includes assessment of contingency plans, availability of alternative service providers, and costs and resources required to switch service providers.
Regulation and legislation	Subject to extensive regulatory requirements, including healthcare laws and regulations	To ensure compliance with regulatory requirements including cGLP, cGCP and cGMP, Genmab has among others established a quality assurance department and makes every effort to stay abreast of regulatory changes to legislation to ensure compliance. To ensure compliance with healthcare laws and regulations regarding interactions with healthcare professionals and promotion of pharmaceuticals, Genmab has implemented global pharma compliance guidelines with mandatory training, as well as guidelines for company communications regarding products in development.
	Legislation, regulations and practice may change from time to time	To prevent unwarranted consequences of new and amended legislation, regulations etc., Genmab continuously strives to be up to date with all relevant new legislation, regulations and practice by means of internal as well as external legal counsel. Also, internal procedures for review of contracts have been implemented to ensure contractual consistency and compliance with legislation and regulation.
Intellectual property	Dependent on protecting own intellectual property rights and avoiding infringing third party intellectual property rights	Genmab files and prosecutes patent applications to protect its products and technologies. To protect trade secrets and technologies, Genmab maintains strict confidentiality standards and agreements for employees and collaborating parties. Genmab monitors third party patent positions within the relevant fields to secure freedom-to-operate for its products and technologies.
Finances	Genmab may need additional funding	Because Genmab's future commercial potential and operating results are hard to predict, Genmab's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and a continuous advancement of Genmab's product pipeline and business in general.
	Genmab is exposed to different kinds of financial risks, including currency exposure and changes in interest rates	The financial risks of the Genmab group are managed centrally. Group financial risk management guidelines have been established to identify and analyze the risks faced by the Genmab group, to set the appropriate risk limits and controls and to monitor the risks and adherence to limits. For further details, refer to note 12 to the financial statements.
Management and workforce	Inability to attract and retain suitably qualified personnel	To attract and retain our highly skilled workforce, including the members of Genmab's Senior Leadership Team, Genmab offers competitive remuneration packages, including a warrant program. For further details on the warrant program, refer to note 15 of the financial statements.

Financial Review

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

RESULT FOR THE YEAR

During 2012, we updated our 2012 financial guidance four times, lastly in December. The expected results and cash position from our continued operations were improved due to the daratumumab license agreement and two DuoBody collaborations, as well as increased Arzerra royalties under our collaboration with GSK. The expected results and cash position from our discontinued operation were negatively affected as a result of a reduction in the fair value of the Minnesota manufacturing facility by DKK 331 million to zero and a delay of the sale into 2013. Please refer to note 16 for further details about the impairment charge related to our manufacturing facility.

Overall, the total financial performance is slightly better than the latest guidance of December 13, 2012. The operating loss is better than the projected range, partly driven by increased revenue due to timing of one milestone under the Lundbeck collaboration and a reduction in development costs related to our collaboration with GSK. The cash position is slightly below the expected range due to timing differences with respect to payment of milestones and accruals related to our development activities.

RESULT AND GUIDANCE FOR 2012

MDKK	Original Guidance	Latest Guidance	Actual
Revenue	350 – 375	450 – 475	485
Operating expenses	(600) – (625)	(600) – (625)	(602)
Operating loss continuing operations	(225) – (275)	(125) – (175)	(117)
Discontinued operation	(40)	(371)	(375)
Cash position beginning of year*	1,105	1,105	1,105
Cash used in operations	(425) – (450)	(360) – (385)	(389)
Cash from license & share subscription agreement	-	800	800
Cash position at end of year* excl. facility sale	655 – 680	1,520 – 1,545	1,516
Facility sale	320	-	-
Cash position at end of year*	975 – 1,000	1,520 – 1,545	1,516

*Cash, cash equivalents and marketable securities

REVENUE

Genmab's revenue was DKK 485 million for 2012 as compared to DKK 351 million in 2011. The increase of DKK 134 million or 38% was mainly driven by higher Arzerra royalties, revenue related to our daratumumab and DuoBody collaborations with Janssen and the achievement of a milestone under our collaboration with GSK.

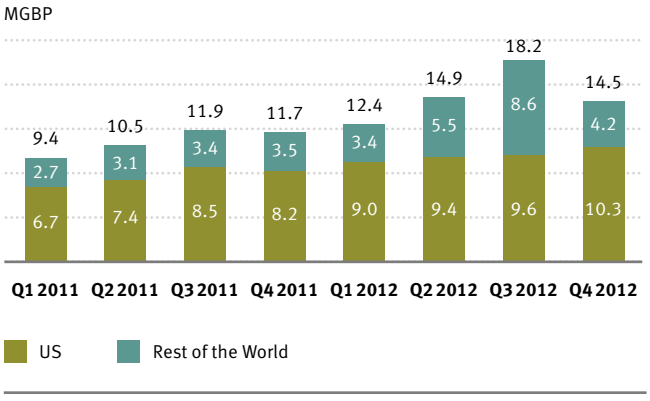
REVENUE

MDKK	2012	2011
Royalties	111	75
Milestone payments	47	7
Deferred revenue	252	226
Other revenues	75	43
Total revenue	**485**	**351**

Royalties

GSK net sales of Arzerra were GBP 60.0 million in 2012 compared to GBP 43.5 million in 2011, an increase of 38%. The fourth quarter of 2012 marked the highest US sales since launch in 2009. The rest of world sales declined in the fourth quarter due to the impact of sales related to the supply of ofatumumab for clinical trials run by other companies, which were included in both the second and third quarters of 2012. The overview below shows the development of Arzerra net sales since the first quarter of 2011.

GSK NET SALES OF ARZERRA



The total recognized royalties on net sales of Arzerra for 2012 were DKK 111 million compared to DKK 75 million in 2011. The growth of 47% was greater than the underlying sales growth due to currency fluctuations between the GBP and DKK.

Milestone Payments
During 2012, four milestones of DKK 47 million in total were recognized as revenue compared to one milestone of DKK 7 million in 2011.

In February and December 2012, Genmab reached the second and third pre-clinical milestones under the collaboration with Lundbeck, each triggering a milestone payment of DKK 7 million. In May 2012, a milestone payment of DKK 20 million was triggered by the submission and filing of an ofatumumab NDA in Japan under our collaboration with GSK. Further in December a technical proof-of-concept milestone of DKK 11 million was triggered for the first DuoBody product candidate under our collaboration with Janssen.

During 2011, Genmab reached a milestone under the collaboration with Lundbeck. The milestone triggered a payment of DKK 7 million to Genmab and was the first proof-of-concept in vitro milestone under the collaboration.

Deferred Revenue
In 2012 deferred revenue amounted to DKK 252 million compared to DKK 226 million in 2011. The deferred revenue is mainly related to our collaboration agreements with GSK, Janssen and Lundbeck and is recognized in the income statement on a straight line basis based on planned development periods.

On August 30, 2012 Genmab announced a global license and development agreement for daratumumab under which Genmab received an upfront payment of USD 55 million in September. The upfront payment as well as a designated part of the share premium associated with JJDC's equity investment is allocated and recognized as revenue over a seven year period. Please refer to the "Balance Sheet" section on page 26 and note 2 to the financial statements for further details about the accounting treatment of the daratumumab agreement.

Other Revenue
Other revenue amounted to DKK 76 million in 2012 compared to DKK 42 million in 2011 and is mainly comprised of the reimbursement of certain research and development costs related to the development work under Genmab's collaboration agreements with GSK, Janssen and Lundbeck. Reimbursement income related to the two ongoing Phase I/II studies and related contract manufacturing activities under the daratumumab license agreement with Janssen is included from August 31, 2012.

In the financial statements of the parent company, other revenue included proceeds of DKK 34 million related to transfer of a license to a subsidiary in 2012.

OPERATING EXPENSES
Total operating expenses increased by DKK 1 million from DKK 600 million in 2011 to DKK 601 million in 2012.

Research and Development Costs
Research and development costs amounted to DKK 537 million in 2012 compared to DKK 533 million in 2011. The increase of DKK 4 million, or 1%, was driven by the investments in the ofatumumab, daratumumab and HuMax-TF-ADC programs and a higher average foreign exchange rate between GBP and DKK, and was partly offset by our decision to wind down the zalutumumab program in 2011. Research and development costs accounted for 89% of the total operating expenses, which was unchanged compared to 2011.

General and Administrative Expenses
General and administrative expenses were DKK 65 million in 2012 compared to DKK 68 million in 2011. The decrease of 5% was driven by lower warrant expenses and our continued effort to control costs.

General and administrative expenses accounted for 11% of our total operating expenses in 2012, which was unchanged compared to 2011.

OPERATING RESULT
The operating loss was DKK 117 million in 2012 compared to DKK 249 million in 2011. The improvement of DKK 132 million or 53% was driven by an increase in revenue of DKK 134 million.

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

Net financial items for 2012 reflected a net income of DKK 3 million compared to a net income of DKK 40 million in 2011. The variance between the two periods was mainly driven by the non-cash foreign exchange rate movements between USD/DKK and fair value market adjustments related to our marketable securities. Please refer to note 5 of the financial statements for further details about the net financial items and notes 11 and 12 for further details about our marketable securities and financial risks.

In the financial statements of the parent company, the financial expenses included exchange rate adjustments of DKK 13 million in 2012 related to Genmab A/S' non-current intercompany loan to Genmab MN, Inc., as compared to DKK 21 million included in financial income in 2011, resulting in a negative DKK 34 million non-cash impact on the net financial items line from 2011 to 2012. The loan is considered as part of the total investment in the subsidiary and exchange rate adjustments related to the loan are recognized in the income statement in the financial statements of Genmab A/S.

NET RESULT FOR CONTINUING OPERATIONS

Net loss for continuing operations for 2012 was DKK 111 million compared to DKK 216 million in 2011. The net loss was positively impacted by increased revenue of DKK 134 million but negatively impacted by the reduction in net financial items of DKK 37 million.

NET RESULT FOR DISCONTINUED OPERATION

Net loss for discontinued operation includes the results of our manufacturing facility, which has been classified as held for sale and presented as a discontinued operation. The net loss for discontinued operation amounted to DKK 376 million in 2012 compared to DKK 381 million in 2011.

As mentioned in the Manufacturing section in this annual report, the fair value less cost to sell of the facility was reduced from approximately USD 58 million to zero in December 2012, resulting in a non-cash impairment charge of approximately DKK 331 million. This charge is included in the DKK 376 million mentioned above. An impairment charge of DKK 342 million was included in the 2011 expense of DKK 381 million.

The manufacturing facility was sold to Baxter in February 2013. Prior to this sale, the facility operated in a maintenance-only mode and this is reflected in the result for both 2012 and 2011. The facility maintenance cost amounted to DKK 45 million in 2012 compared to DKK 39 million in 2011. The increase was driven by a higher average foreign exchange rate between USD and DKK compared to 2011, as well as one time charges in connection with the announcement of the aggressive sales process.

In the financial statements of the parent company, net loss for discontinued operation included an impairment of DKK 429 million in 2012 and DKK 485 million in 2011, which is related to Genmab A/S' investment in Genmab MN, Inc. The facility is owned by Genmab MN, Inc. Please refer to note 9 to the financial statements for additional information about the impairment.

CASH POSITION

As of December 31, 2012, the balance sheet reflected cash, cash equivalents and marketable securities (cash position) of DKK 1,516 million. This represents a net increase of DKK 411 million from the beginning of 2012, which was primarily related to the proceeds of approximately DKK 800 million received from the daratumumab agreement and was partially offset by the ongoing investment in our research and development activities. Excluding the proceeds from the daratumumab agreement, cash burn would have been DKK 389 million compared to a cash burn in 2011 of DKK 441 million.

CASH POSITION

MDKK	2012	2011
Marketable securities	1,437	1,035
Cash and cash equivalents	79	70
Cash position	**1,516**	**1,105**

As of December 31, 2012, 100% of our marketable securities had a triple A-rating compared to 99% at the end of December 2011. The weighted average effective duration was approximately one year, which was unchanged since December 31, 2011. Please refer to notes 11 and 12 of the financial statements for additional information about our marketable securities.

BALANCE SHEET

As of December 31, 2012, total assets were DKK 1,693 million compared to DKK 1,564 million as of December 31, 2011. As of December 31, 2012, the assets were mainly comprised of marketable securities of DKK 1,437 million and receivables of DKK 146 million. Receivables increased by DKK 65 million compared to the end of December 2011, primarily related to the increasing revenue and number of new and ongoing collaborations.

Other payables increased from DKK 169 million as of December 31, 2011, to DKK 200 million as of December 31, 2012. The increase was primarily driven by liabilities related to our development agreement with GSK. As a result of the amendment to the agreement in July 2010, DKK 122 million will be due for repayment to GSK starting from the beginning of 2016 via predetermined maximum deductions from the Arzerra royalty stream due to Genmab.

Deferred income amounted to DKK 1,090 million as of December 31, 2012 compared to DKK 863 million as of December 31, 2011. The increase was primarily related to our new license and development agreement for daratumumab with Janssen and the equity investment by JJDC. The accounting treatment under IFRS relating to equity investment with JJDC is different from the treatment prescribed by Danish law. The Danish Companies Act prescribes that all of the share premium associated with an equity investment are to be allocated to free reserves. Under IFRS, a portion of the share premium is allocated to deferred income and recognized as revenue over a designated amortization period. The deferred income does not represent cash owed and Genmab is not under any obligation to repay the amount received and is free to use the funds at its discretion. As to the license agreement and the license fee of USD 55 million, Janssen's payment thereof is also final and Genmab will be under no obligation to repay this amount. Accordingly, the allocation and the recognition of the payment received from Janssen as revenue to be deferred over a seven year period reflects the IFRS accounting treatment rules and not the legal treatment under Danish law. Additionally, under the license agreement, Genmab will receive payment from Janssen for the costs incurred in connection with any research, development or manufacturing work undertaken. Please refer to note 2 in the financial statements for further details about the recognition of deferred revenue.

Shareholders' equity, as of December 31, 2012, equaled DKK 383 million compared to DKK 486 million at the end of December 2011. The decrease was driven by our net loss for 2012 and was partly offset by the capital increase in connection with the issue of new Genmab shares to JJDC in October.

On December 31, 2012, Genmab's equity ratio was 23% compared to 31% at the end of 2011.

Investor Relations

Genmab's investor relations and communications department aims to ensure relevant, accurate and timely information is available to our investors and the rest of the financial community. Genmab is listed on the NASDAQ OMX Copenhagen and our communication with the capital markets complies with the disclosure rules and regulations of this exchange.

As part of our Investor Relations (IR) activities we:
- Observe quiet periods before the issue of financial reports
- Hold regular analyst and investor meetings to discuss our financial reports or other important news events
- Provide financial guidance for the year
- Maintain an updated website which includes corporate documents, interim and annual reports, information on our stock and general information on the company, including our products and technology
- Have a dedicated IR contact person (Rachel Gravesen, **r.gravesen@genmab.com**)

Via Genmab's investor portal registered shareholders can sign up for electronic shareholder communications. The investor portal can be accessed at Genmab's website **www.genmab.com**. Electronic shareholder communication enables Genmab to, among other things, quickly and efficiently call general meetings and also gives shareholders the opportunity to sign up for these electronically.

CORPORATE INFORMATION

Bankers

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

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

Legal Counsel

Kromann Reumert
Sundkrogsgade 5
DK-2100 Copenhagen Ø

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

Independent Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

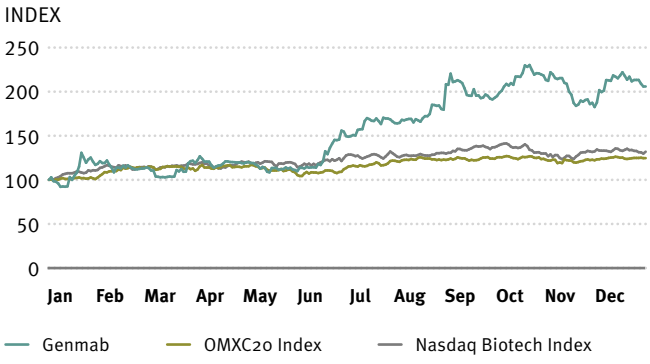
Annual Report

Copies of this annual report in both English and Danish are available without charge upon request.

Annual General Meeting

The annual general meeting will be held on April 17, 2013 at 2:00 PM local time at:
Tivoli Hotel & Congress Center
Arni Magnussons Gade 2-4
DK-1577 Copenhagen V

STOCK PERFORMANCE 2012



(Index 100 = stock price on January 1, 2012)

FINANCIAL CALENDAR FOR 2013

Annual General Meeting 2013
Wednesday, April 17, 2013

Publication of the Interim Report for the first quarter 2013
Tuesday, May 7, 2013

Publication of the Interim Report for the first half 2013
Wednesday, August 14, 2013

Publication of the Interim Report for the first nine months 2013
Wednesday, November 6, 2013

2012 Company Announcements

FEBRUARY

7 Arzerra Fourth Quarter and Full Year 2011 Net Sales Figures

10 Genmab Reaches Second Milestone in Lundbeck Collaboration

MARCH

7 Annual Report 2011

19 Genmab Provides Update on Ofatumumab Phase III Head to Head Study in DLBCL

23 Major Shareholder Announcement

26 Genmab Announces Patent Settlement Agreement for Ofatumumab

27 Genmab A/S Summons Annual General Meeting

APRIL

18 Genmab Revised Financial Calendar for 2012

25 Arzerra First Quarter 2012 Net Sales Figures

25 Passing of Genmab A/S' Annual General Meeting

25 Constitution of the Board of Directors in Genmab A/S and Grant of Warrants to Employees

27 New Drug Application for Arzerra Submitted in Japan

MAY

15 Genmab Announces Financial Results for the First Quarter 2012

24 Milestone Triggered in Connection with Filing of New Drug Application in Japan for Arzerra

JUNE

4 Genmab Enters DuoBody Technology Collaboration

JULY

12 Genmab Enters Broad Collaboration with Janssen Biotech, Inc. for DuoBody Platform

25 Arzerra Second Quarter 2012 Net Sales Figures

AUGUST

15 Genmab Announces Financial Results for the First Half 2012 and Improves 2012 Financial Guidance

30 Genmab Enters Worldwide Agreement with Janssen for Daratumumab (and updates guidance)

30 Additional Details Concerning Issue of Shares to Johnson & Johnson Development Corporation as Part of the Daratumumab Agreement

SEPTEMBER

21 Agreement for Daratumumab Receives Antitrust Clearance

OCTOBER

16 Prospectus Regarding Admittance to Trading and Official Listing on NADSAQ OMX Copenhagen A/S of Shares Issued in Connection with the Daratumumab Agreement Has Been Approved

16 Capital Increase in Genmab as a Result of Execution of a Private Placement to Johnson & Johnson Development Corporation

16 Major Shareholder Announcement

31 Genmab's Total Number of Voting Rights and Total Share Capital

31 Arzerra Third Quarter 2012 Net Sales Figures

NOVEMBER

7 Genmab Announces Financial Results for the First Nine Months of 2012 and Improves 2012 Financial Guidance

14 Capital Increase in Genmab as a Result of Employee Warrant Exercise

30 Genmab's Total Number of Voting Rights and Total Share Capital

DECEMBER

5 Genmab Announces DuoBody Platform Collaboration with Kyowa Hakko Kirin

6 Genmab's Financial Calendar for 2013

9 New Preliminary Efficacy Data for Daratumumab Presented at ASH

11 Genmab Reaches Milestone in DuoBody Platform Collaboration with Janssen

13 Genmab Reaches Third Milestone in Lundbeck Collaboration

13 Genmab Reduces Fair Value of Minnesota Manufacturing Facility to Zero, Moves Sale into 2013 and Updates 2012 Guidance

17 Genmab Unveils a New Antibody Technology Platform: HexaBody

OTHER COMPANY ANNOUNCEMENTS

Report Pursuant to Section 28a of the Danish Securities Trading Act
April 25, December 5

Grant of Warrants in Genmab A/S
April 25, October 9, December 5

Full texts of all our company announcements are available at **www.genmab.com**. Interested parties are invited to subscribe to Genmab's News Alerts Mailing List through the website to receive email notifications.

Board of Directors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1| Anders Gersel Pedersen, M.D., Ph.D.

Danish, 61
Chairman (Independent, elected by the General Meeting); Member of the Compensation Committee and Nominating & Corporate Governance Committee
First elected 2003, current term expires 2013

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

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

Current Board Positions
Member: Bavarian Nordic A/S, ALK-Abelló A/S and Lundbeck Cognitive Therapeutics A/S
Chairman: Fonden Lundbeck International Neuroscience Foundation

2| Burton G. Malkiel, Ph.D.

American, 80*
Deputy Chairman (Independent, elected by the General Meeting); Chairman of the Audit Committee
First elected 2007, current term expires 2013

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

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

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

3| Michael B. Widmer, Ph.D.

American, 65
Board Member (Independent, elected by the General Meeting); Chairman of the Compensation Committee
First elected 2002, current term expires 2013

Special Competences
Extensive research expertise in immunology and oncology; biotechnology management experience and knowledge of biopharmaceutical product development.

4| Karsten Havkrog Pedersen

Danish, 63
Board Member (Independent, elected by the General Meeting); Member of the Audit Committee and Nominating & Corporate Governance Committee
First elected 2002, current term expires 2013

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

Special Competences
Expansive experience in the practice of Danish corporate law and in-depth knowledge of corporate governance best practices.

Current Position, including Managerial Positions
Partner at Bruun & Hjejle

Current Board Positions
Member: EKJ Fonden
Chairman: Redaktør Hans Voigts Mindelegat

5| Hans Henrik Munch-Jensen

Danish, 52
Board Member (Independent, elected by the General Meeting); Member of the Audit Committee, Chairman of the Nominating & Corporate Governance Committee
First elected 2007, current term expires 2014

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

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

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

6| Toon Wilderbeek

Dutch, 63
Board Member (Independent, elected by the General Meeting); Member of the Audit Committee
First elected 2011, current term expires 2013

Special Competences
Extensive business and management experience in the pharmaceutical industry, including expertise in research and development and manufacturing.

Current Board Positions
Chairman: Vitromics Healthcare Holding, Lead Pharma Holding B.V.

7| Daniel J. Bruno

American, 33
Board Member (Non-independent, elected by the employees)
First elected 2010, current term expires 2013

Special Competences
Broad finance and accounting experience in the pharmaceutical, biotech and life science industries.

Current Position, including Managerial Positions
Senior Director, Accounting & Finance at Genmab

8| Tom Vink, Ph.D.

Dutch, 50
Board Member (Non-independent, elected by the employees)
First elected 2010, current term expires 2013

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

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

9| Nedjad Losic

Swedish, 43
Board Member (Non-independent, elected by the employees)
First elected 2010, current term expires 2013

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

Current Position, including Managerial Positions
Director, Biometrics at Genmab

Senior Leadership Team


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1 | Prof. Jan G. J. van de Winkel, Ph.D.

Dutch, 52
President & Chief Executive Officer

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

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

2 | David A. Eatwell

British, 52
Executive Vice President & Chief Financial Officer

Special Competences
Broad international financial, business and management background and in-depth knowledge of the pharmaceutical and biotechnology industries.

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

Dutch, 49
Senior Vice President & Scientific Director

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

4 | Birgitte Stephensen

Danish, 52
Senior Vice President, IPR & Legal

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

5 | Michael K. Bauer, Ph.D.

German, 49
Senior Vice President, Clinical Development

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

6 | Rachel Curtis Gravesen

British, 45
Senior Vice President, Investor Relations and Communication

Special Competences
Experienced in strategic communication, investor relations, healthcare communication, issues management and crisis communication, internal communication, change communication, strong external networks in the Nordic region and Europe in biotech and communication.

7 | Anthony Pagano

American, 35
Senior Vice President, Global Finance

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


PRESSURE

Financial Statements

Table of Contents

Unless specifically outlined in the related notes, the statements for the group and the parent company are identical.

Statement of Comprehensive Income

INCOME STATEMENT		GENMAB GROUP		PARENT COMPANY	
	Note	2012	2011	2012	2011
		DKK'000	DKK'000	DKK'000	DKK'000
Revenue	2	**484,636**	**350,936**	**518,208**	**350,818**
Research and development costs	4,8	(536,702)	(532,507)	(548,311)	(539,388)
General and administrative expenses	4,8	(64,613)	(67,851)	(60,723)	(64,998)
Operating expenses		**(601,315)**	**(600,358)**	**(609,034)**	**(604,386)**
Operating result		**(116,679)**	**(249,422)**	**(90,826)**	**(253,568)**
Financial income	5	25,027	43,088	100,397	131,003
Financial expenses	5	(22,429)	(3,494)	(35,738)	(3,434)
Net result for continuing operations before tax		**(114,081)**	**(209,828)**	**(26,167)**	**(125,999)**
Corporate tax	6	2,633	(5,920)	-	-
Net result for continuing operations		**(111,448)**	**(215,748)**	**(26,167)**	**(125,999)**
Net result for discontinued operation	9,16	(375,670)	(380,620)	(429,403)	(484,721)
Net result		**(487,118)**	**(596,368)**	**(455,570)**	**(610,720)**
Basic and diluted net result per share		(10.58)	(13.28)		
Basic and diluted net result per share continuing operations		(2.42)	(4.80)		

STATEMENT OF COMPREHENSIVE INCOME					
Net result		**(487,118)**	**(596,368)**	**(455,570)**	**(610,720)**
Other comprehensive income:					
Amounts which be will re-classified to the income statement:					
Adjustment of foreign currency fluctuations on subsidiaries		7,888	(17,324)	-	-
Total comprehensive income		**(479,230)**	**(613,692)**	**(455,570)**	**(610,720)**

DISTRIBUTION OF THE YEAR'S RESULT

The Board of Directors proposes that the year's loss of the parent company of DKK 456 million (2011: DKK 611 million) be carried forward to next year by transfer to accumulated deficit.

Balance Sheet

	Note	GENMAB GROUP December 31, 2012	GENMAB GROUP December 31, 2011	PARENT COMPANY December 31, 2012	PARENT COMPANY December 31, 2011
		DKK'000	DKK'000	DKK'000	DKK'000
ASSETS					
Intangible assets	7	-	-	-	-
Tangible assets	8	25,960	32,395	4,413	6,555
Equity interests in subsidiaries	9	-	-	80,571	40,434
Receivables	10	9,369	9,806	5,662	10,238
Deferred tax assets	6	3,747	5,431	-	-
Total non-current assets		**39,076**	**47,632**	**90,646**	**57,227**
Receivables	10	136,692	71,213	127,926	397,115
Marketable securities	11	1,436,757	1,035,422	1,436,757	1,035,422
Cash and cash equivalents		66,992	65,197	58,896	54,683
		1,640,441	**1,171,832**	**1,623,579**	**1,487,220**
Assets classified as held for sale	16	13,369	344,968	-	-
Total current assets		**1,653,810**	**1,516,800**	**1,623,579**	**1,487,220**
Total assets		**1,692,886**	**1,564,432**	**1,714,225**	**1,544,447**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital		50,308	44,907	50,308	44,907
Share premium		5,733,855	5,375,256	5,733,855	5,375,256
Other reserves		80,322	72,434	-	-
Accumulated deficit		(5,481,298)	(5,006,179)	(5,374,370)	(4,930,799)
Shareholders' equity		**383,187**	**486,418**	**409,793**	**489,364**
Provisions	13	2,644	23,065	2,644	23,065
Lease liability	17,19	1,892	6,056	1,892	6,056
Other payables	14	121,513	72,165	121,513	69,462
Total non-current liabilities		**126,049**	**101,286**	**126,049**	**98,583**
Provisions	13	861	-	861	-
Lease liability	17,19	3,768	5,789	3,768	5,789
Deferred income	2	1,090,365	863,220	1,090,365	863,220
Other payables	14	78,944	97,131	83,389	87,491
		1,173,938	**966,140**	**1,178,383**	**956,500**
Liabilities classified as held for sale	16	9,712	10,588	-	-
Total current liabilities		**1,183,650**	**976,728**	**1,178,383**	**956,500**
Total liabilities		**1,309,699**	**1,078,014**	**1,304,432**	**1,055,083**
Total shareholders' equity and liabilities		**1,692,886**	**1,564,432**	**1,714,225**	**1,544,447**

Statement of Cash Flows

		GENMAB GROUP		PARENT COMPANY	
	Note	2012	2011	2012	2011
		DKK'000	DKK'000	DKK'000	DKK'000
Net result for continuing operations before tax		(114,081)	(209,828)	(26,167)	(125,999)
Net result for discontinued operation before tax	16	(375,642)	(380,592)	(429,403)	(484,721)
Net result before tax		**(489,723)**	**(590,420)**	**(455,570)**	**(610,720)**
Reversal of financial items, net	5,16	(2,609)	(39,603)	(64,659)	(127,569)
Adjustments for non-cash transactions	22	362,953	377,603	444,130	497,170
Changes in current assets and liabilities	22	175,452	(203,027)	170,229	(187,088)
Cash flow from operating activities before financial items		**46,073**	**(455,447)**	**94,130**	**(428,207)**
Financial interest recieved		20,395	27,447	20,052	29,134
Financial expenses paid		(493)	(762)	(435)	(702)
Corporate taxes received/paid		4,944	(8,463)	-	-
Cash flow from operating activities		**70,919**	**(437,225)**	**113,747**	**(399,775)**
Investment in tangible assets	8	(8,998)	(7,205)	(2,285)	(301)
Disposal of tangible assets		636	617	595	-
Sale of other securities and equity interests		-	378	-	378
Transactions with subsidiaries		-	-	(55,720)	(30,415)
Marketable securities bought	11	(1,775,458)	(1,089,957)	(1,775,458)	(1,089,957)
Marketable securities sold		1,367,477	1,610,917	1,367,477	1,610,917
Cash flow from investing activities		**(416,343)**	**514,750**	**(465,391)**	**490,622**
Warrants exercised		51	-	51	-
Shares issued for cash		366,390	-	366,390	-
Costs related to issuance of shares		(2,441)	-	(2,441)	-
Paid installments on lease liabilities		(6,186)	(6,091)	(6,186)	(6,091)
Cash flow from financing activities		**357,814**	**(6,091)**	**357,814**	**(6,091)**
Change in cash and cash equivalents		**12,390**	**71,434**	**6,170**	**84,756**
Cash and cash equivalents at the beginning of the period		69,408	(2,088)	54,683	(29,343)
Exchange rate adjustments		(2,801)	62	(1,958)	(730)
Cash and cash equivalents at the end of the period		**78,997**	**69,408**	**58,895**	**54,683**
Cash and cash equivalents include:					
Bank deposits and petty cash		39,597	58,527	31,501	48,013
Short-term marketable securities	11	27,395	6,670	27,395	6,670
Cash and cash equivalents classified as assets held for sale	16	12,005	4,211	-	-
Cash and cash equivalents at the end of the period		**78,997**	**69,408**	**58,896**	**54,683**

Statement of Cash Flows – Continued

§ ACCOUNTING POLICIES

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

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

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

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

Finance lease transactions are considered as non-cash transactions.

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

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

Statement of Changes in Equity – Consolidated

	Number of shares	Share capital	Share premium	Translation reserves	Cash flow hedges	Accumulated deficit	Shareholder's equity
		DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
December 31, 2010	**44,907,142**	**44,907**	**5,375,256**	**89,758**	**-**	**(4,429,854)**	**1,080,067**
Total comprehensive income				(17,324)		(596,368)	(613,692)
Transactions with owners:							
Warrant compensation expenses						20,043	20,043
December 31, 2011	**44,907,142**	**44,907**	**5,375,256**	**72,434**	**-**	**(5,006,179)**	**486,418**
Total comprehensive income				7,888		(487,118)	(479,230)
Transactions with owners:							
Exercise of warrants	750	1	50				51
Capital increase	5,400,000	5,400	360,990				366,390
Expenses related to capital increases			(2,441)				(2,441)
Warrant compensation expenses						11,999	11,999
December 31, 2012	**50,307,892**	**50,308**	**5,733,855**	**80,322**	**-**	**(5,481,298)**	**383,187**

Statement of Changes in Equity – Parent Company

	Number of shares	Share capital	Share premium	Cash flow hedges	Accumulated deficit	Shareholder's equity
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
December 31, 2010	**44,907,142**	**44,907**	**5,375,256**	**-**	**(4,340,122)**	**1,080,041**
Total comprehensive income					(610,720)	(610,720)
Transactions with owners:						
Warrant compensation expenses					20,043	20,043
December 31, 2011	**44,907,142**	**44,907**	**5,375,256**	**-**	**(4,930,799)**	**489,364**
Total comprehensive income					(455,570)	(455,570)
Transactions with owners:						
Exercise of warrants	750	1	50			51
Capital increase	5,400,000	5,400	360,990			366,390
Expenses related to capital increases			(2,441)			(2,441)
Warrant compensation expenses					11,999	11,999
December 31, 2012	**50,307,892**	**50,308**	**5,733,855**	**-**	**(5,374,370)**	**409,793**

SHARE CAPITAL

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

On December 31, 2012, the share capital of Genmab A/S comprised 50,307,892 shares of DKK 1 each with one vote. There are no restrictions related to the transferability of the shares. All shares are regarded as negotiable instruments and do not confer any special rights upon the holder, and no shareholder shall be under an obligation to allow his/her shares to be redeemed.

Until April 6, 2016, the Board of Directors are authorized to increase the nominal registered share capital on one or more occasions by up to nominally DKK 9,600,000 negotiable shares issued to the bearer that shall have the same rights as the existing shares of Genmab. The capital increase can be made by cash or by non-cash payment and with or without pre-emption rights for the existing shareholders.

By decision of the general meeting on April 23, 2008, the Board of Directors was authorized to issue on one or more occasions warrants to subscribe Genmab A/S' shares up to a nominal value of DKK 1,500,000. This authorization shall remain in force for a period ending on April 23, 2013. Further, by decision of the general meeting on April 25, 2012, the Board of Directors was authorized to issue on one or more occasions warrants to subscribe Genmab A/S' shares up to a nominal value of DKK 250,000. This authorization shall remain in force for a period ending on April 25, 2017.

Subject to the rules in force at any time, the Board of Directors may reuse or reissue lapsed non-exercised warrants, if any, provided that the reuse or reissue occurs under the same terms and within the time limitations set out in the authorization to issue warrants. This also applies with regard to the remainder of the authorization decided at the general meeting on April 23, 2008 which as per April 25, 2012 was reduced to a nominal value of DKK 141,150.

As of December 31, 2012, a total of 1,500,000 warrants have been issued under the April 23, 2008 authorization and a total of 242,350 warrants have been issued under the April 25, 2012 authorization. As a consequence of the amendment of the April 23, 2008 authorization by the Annual General Meeting on April 25, 2012, a total of 2,000 warrants issued under the April 23, 2008 authorization were available for reissue as of December 31, 2012.

SHARE PREMIUM

The share premium reserve is comprised of the amount received, attributable to shareholders' equity, in excess of the nominal amount of the shares issued at the parent company's offerings, reduced by any amount allocated to deferred income cf. note 2 and external expenses directly attributable to the offerings. The share premium reserve can be distributed.

TRANSLATION RESERVES

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

Statement of Changes in Equity

CHANGES IN SHAREHOLDERS' EQUITY DURING 2008-2012

	Number of Shares	Share Capital DKK'000
December 31, 2007	**44,519,827**	**44,520**
Exercise of warrants	369,002	369
December 31, 2008	**44,888,829**	**44,889**
Exercise of warrants	18,313	18
December 31, 2009	**44,907,142**	**44,907**
Exercise of warrants	-	-
December 31, 2010	**44,907,142**	**44,907**
Exercise of warrants	-	-
December 31, 2011	**44,907,142**	**44,907**
Issuance of shares for cash	5,400,000	5,400
Exercise of warrants	750	1
December 31, 2012	**50,307,892**	**50,308**

In October 2012, Genmab issued 5,400,000 new shares in connection with the global license and development agreement for daratumumab. Johnson & Johnson Development Corporation (JJDC) invested DKK 475 million of which DKK 366 million was recognized in equity. The remaining part was allocated to deferred income cf. our accounting policies as outlined in note 2.

OWNERSHIP

As of December 31, 2012, the number of registered shareholders totaled 27,715 shareholders holding a total of 45,961,056 shares, which represented 91.36% of the share capital. Genmab is listed on the NASDAQ OMX Copenhagen under the symbol GEN.

As of December 31, 2012, the following held a minimum 10% of the votes or a minimum of 10% of the share capital:

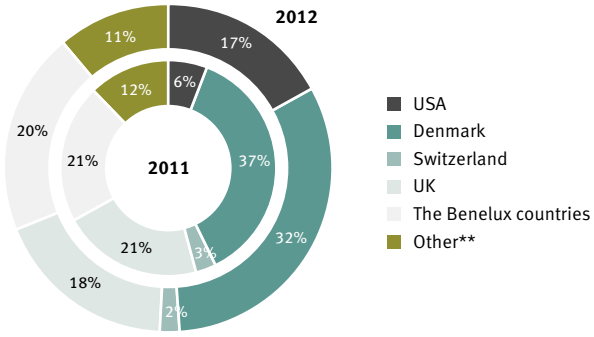
» Johnson & Johnson Development Corporation, One Johnson & Johnson Plaza, New Brunswick, N.J. 08933, US (10.73%)

» ATP Group, Kongens Vænge 8, DK-3400 Hillerød, Denmark (10.40%). In January 2013, ATP Group decreased their ownership in Genmab to 9.98%.

As of December 31, 2012, the following held a minimum 5% of the votes or a minimum of 5% of the share capital:

» Hendrikus Hubertus Franciscus Stienstra, Vrusschemigerweg 5, 6417 PB Heerlen, The Netherlands (partly through Mercurius Beleggingsmaatschappij B.V., Stimex Participatie Maatschappij B.V., De Thermen Beheer B.V. and Mosam Onroerend Goed B.V., Akerstraat 126, 6417 BR Heerlen, The Netherlands) (9.63%)
» Glaxo Group Limited, Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex, UB6 0NN, United Kingdom (8.89%)
» Meditor European Master Fund Ltd., 6 Front Street, Hamilton, HM11, Bermuda (5.56%)

GEOGRAPHICAL SHAREHOLDER DISTRIBUTION*



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

Notes to the Financial Statements

NOTE 1 – ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

In this note the general accounting policies are described and in addition, Genmab describes the accounting policy in conjunction with the statement of cash flows and each note with the aim to provide a more understandable description of each accounting area. The description of the accounting policies in the statement of cash flows and notes are part of the complete description of Genmab's accounting policies. Please refer to the overview below to see in which note the detailed accounting policy is included.

§ ACCOUNTING POLICIES

Statement of Cash Flows	Note 9: Equity Interests in Subsidiaries
Note 2: Revenue	Note 10: Receivables
Note 3: Information about Geographical Areas	Note 11: Marketable Securities
Note 4: Staff	Note 13: Provisions
Note 5: Financial Income and Expenses	Note 14: Other Payables
Note 6: Corporate and Deferred Tax	Note 16: Assets Held for Sale and Discontinued Operation
Note 7: Intangible Assets	Note 19: Commitments
Note 8: Tangible Assets	Note 20: Contingent Assets, Contingent Liabilities and Subsequent Events

NEW ACCOUNTING POLICIES AND DISCLOSURES

New Accounting Policies and Disclosures for 2012

The financial statements have been prepared using the same accounting policies as 2011.

Genmab has decided to early-adopt the amendments to IAS 1 – Presentation of Items of Other Comprehensive Income (the Amendments), which became effective for accounting periods beginning on July 1, 2012 or later. The Amendments require separate presentation of items of other comprehensive income that are reclassified subsequently to profit or loss (recyclable) and those that are not reclassified to profit or loss (non-recyclable). If items of other comprehensive income are presented before tax, then income tax is allocated to each respective group.

New Accounting Policies and Disclosures Effective in 2013 or Later

The IASB has issued, and the EU has endorsed, a number of new standards and made updates to some of the existing standards, the majority of which are effective as of January 1, 2013, or later. Such new or improved standards are expected to have a limited effect on the financial reporting of Genmab. Only standards and interpretations issued before December 31, 2012 and of relevance for the Genmab group are described.

NEW ACCOUNTING POLICIES AND DISCLOSURES

Standard	Effective for accounting period beginning on or after	Endorsed by EU as of December 31, 2012
IFRS 7 Disclosures – Offsetting Financial Assets and Financial liabilities – Amendments to IFRS 7	January 1, 2013	Yes
IAS 32 Offsetting Financial Assets and Financial liabilities – Amendments to IAS 32	January 1, 2014	Yes
IFRS 9 Financial Instruments: Classification and Measurement	January 1, 2015	No
IFRS 10 Consolidated Financial Statements/IAS 27 Separate Financial Statements	January 1, 2014	Yes
IFRS 11 Joint Arrangements/IAS 28 Investments in Associates and Joint Ventures	January 1, 2014	Yes
IFRS 12 Disclosures of Interests in Other Entities	January 1, 2014	Yes
IFRS 13 Fair Value Measurement	January 1, 2013	Yes
IAS 19 Employee Benefits (Revised 2011)	January 1, 2013	Yes
Improvements to IFRSs 2009-2011	January 1, 2013	No

FUNCTIONAL AND PRESENTATION CURRENCY

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

Notes to the Financial Statements

NOTE 1 – ACCOUNTING POLICIES – CONTINUED

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rates in effect at the date of the transaction.

Exchange rate gains and losses arising between the transaction date and the settlement date are recognized in the income statement as financial items.

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

DERIVATIVE AND FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

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

There were no hedges of currency exposure in subsidiaries in 2012 and 2011.

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

The fair values of various derivative instruments used for hedging purposes are disclosed in note 12, page 59. Movements on the hedging reserve in other comprehensive income are shown as part of the statement of shareholders' equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Fair Value Hedge

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

Cash Flow Hedge

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

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include Genmab A/S (the parent company) and subsidiaries in which the parent company directly or indirectly exercises a controlling interest through shareholding or otherwise. Accordingly, the consolidated financial statements include Genmab A/S, Genmab MN, Inc., Genmab B.V., Genmab, Inc., and Genmab Ltd. (liquidated 2011) (collectively referred to as the Genmab group or group).

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

There was no change in the scope of consolidation during 2011 and 2012.

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

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

CLASSIFICATION OF OPERATING EXPENSES IN THE INCOME STATEMENT

Research and Development Costs

Research and development costs primarily include salary and related expenses, license costs, manufacturing costs, clinical costs, amortization of licenses and rights, and depreciation and impairment of intangible and tangible assets; to the extent that such costs are related to the group's research and development activities. Research and development costs are recognized in the income statement in the period to which they relate. Please see note 7 for a more detailed description.

General and Administrative Expenses

General and administrative expenses relate to the administration of the group, including depreciation and impairment of intangible and tangible assets; to the extent such expenses are related to the administrative functions. General and administrative expenses are recognized in the income statement in the period to which they relate.

EARNINGS PER SHARE

Basic Net Result per Share

Basic net result per share is calculated as the net result for the year divided by the weighted average number of outstanding ordinary shares. Weighted average number of ordinary shares outstanding during the period amounted to 46,043,306 shares in 2012 and 44,907,142 shares in 2011.

Diluted Net Result per Share

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

Notes to the Financial Statements

NOTE 1 – ACCOUNTING POLICIES – CONTINUED

MANAGEMENT'S JUDGMENTS AND ESTIMATES UNDER IFRS

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

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

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

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

MANAGEMENT'S JUDGMENTS AND ESTIMATES

Note 2: Revenue Recognition
Note 4: Share-based Compensation
Note 6: Deferred Tax Assets
Note 7: Research and Development Costs
Note 16: Assets Held for Sale and Discontinued Operation

NOTE 2 – REVENUE

	GENMAB GROUP		PARENT COMPANY	
	2012	2011	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000
Revenue:				
Royalties	110,557	75,083	110,557	75,083
Milestone payments	46,589	7,436	46,589	7,436
Deferred revenue	251,570	226,098	251,570	226,098
Other revenues	75,920	42,319	109,492	42,201
Total	**484,636**	**350,936**	**518,208**	**350,818**
Revenue split by collaboration partners:				
GSK	341,648	287,202	341,648	287,202
Janssen	82,944	-	82,944	-
Lundbeck	55,130	62,970	55,130	62,970
Other collaboration partners	4,914	764	38,486	646
Total	**484,636**	**350,936**	**518,208**	**350,818**

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

§ ACCOUNTING POLICIES

Revenue is recognized when it is probable that future economic benefits will flow to the group and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer or when the related services are performed.

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

Notes to the Financial Statements

NOTE 2 – REVENUE – CONTINUED

MANAGEMENT'S JUDGMENTS AND ESTIMATES

Evaluating the criteria for revenue recognition with respect to the group's research and development and collaboration agreements requires management's judgment to ensure that all criteria have been fulfilled prior to recognizing any amount of revenue. In particular, such judgments are made with respect to determination of the nature of transactions, whether simultaneous transactions shall be considered as one or more revenue-generating transactions, allocation of the contractual price (upfront and milestone payments and obtained share premium to the market value on shares subscribed in connection with a collaboration agreement) to several elements included in an agreement, and the determination of whether the significant risks and rewards have been transferred to the buyer.

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

UPFRONT PAYMENTS AND DEFERRED INCOME

Upfront payments that are deemed attributable to subsequent research and development work are initially recognized as deferred income and recognized and allocated as revenue over the planned development period. This judgment is made when entering the agreement and is based on development budgets and plans. The planned development period is assessed on an ongoing basis. If the expected development period is changed significantly, this will require a reassessment of the allocation period. The allocation periods have not been changed in 2011 and 2012 for any of our collaborations. During 2012 we have entered into collaborations with Janssen and Novartis, among others. The upfront payments and any designated share premium received under these collaborations have been initially recognized as deferred income and allocated as revenue over a number of years.

Deferred income split by collaboration partners:	Amortization period (months)	Amortization ends (year)	2012	2011
			DKK'000	DKK'000
GSK	66	2015	622,362	829,816
Janssen (daratumumab)	84	2019	414,708	-
Janssen (DuoBody)	Up to 60	up to 2017	27,395	-
Lundbeck	36	2013	14,760	33,404
Other collaboration partners	Up to 48	up to 2016	11,140	-
Total			**1,090,365**	**863,220**
To be recognized in the income statement:				
2012			-	226,098
2013			294,777	222,214
2014			279,083	207,454
2015			279,083	207,454
2016			69,244	-
2017			64,501	-
2018			62,206	-
2019			41,471	-
Total			**1,090,365**	**863,220**

The group does have certain obligations under the collaboration agreements which need to be fulfilled to enable the upfront payments and any designated part of a share premium to be recognized as revenue. The deferred income does not represent cash owed to our collaboration partners. Please refer to note 19 for further details regarding the financial obligations under our collaboration agreements.

MILESTONE PAYMENTS

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

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

During 2012, four milestones of DKK 47 million in total were earned under our collaborations with GSK, Janssen and Lundbeck. In 2011 one milestone of DKK 7 million under our collaboration Lundbeck was recognized as revenue.

ROYALTIES

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

Notes to the Financial Statements

NOTE 3 – INFORMATION ABOUT GEOGRAPHICAL AREAS

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

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

	Revenue	Non-current assets	Revenue	Non-current assets
	2012		2011	
	DKK'000	DKK'000	DKK'000	DKK'000
Denmark	484,636	4,413	350,818	6,555
The Netherlands	-	21,255	118	25,511
USA	-	292	-	329
Total	**484,636**	**25,960**	**350,936**	**32,395**

Non-current assets related to the US manufacturing facility have been recorded in assets held for sale. Please refer to note 16 for further details.

§ ACCOUNTING POLICIES

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

NOTE 4 – STAFF

	GENMAB GROUP		PARENT COMPANY	
	2012	2011	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000
Wages and salaries	122,539	114,759	45,279	45,964
Warrant compensation expenses, cf. note 15	11,999	20,043	5,271	8,386
Defined contribution plans	13,549	11,323	3,219	3,376
Other social security costs	11,482	10,114	291	321
Total	**159,569**	**156,239**	**54,060**	**58,047**
Staff costs are included in the income statement as follows:				
Research and development costs	103,571	101,205	37,779	38,496
General and administrative expenses	37,014	38,526	16,281	19,551
Net result for discontinued operation	18,984	16,508	-	-
Total	**159,569**	**156,239**	**54,060**	**58,047**
Average number of employees:	**180**	**181**	**43**	**42**
Number of employees at year end:				
Denmark	45	40	45	40
Netherlands	103	108	-	-
USA - New Jersey	8	8	-	-
USA - Minnesota (discontinued operation)	23	23	-	-
Total	**179**	**179**	**45**	**40**

Notes to the Financial Statements

NOTE 4 – STAFF – CONTINUED

For information regarding the remuneration of the Board of Directors and Executive Management, please refer to note 18.

Termination benefits excluding warrant expenses associated with the reorganization plans announced in November 2009 and October 2010 amounted to DKK 5 million in 2011. Termination benefits are included in staff costs.

Government grants (reduction of payroll taxes in The Netherlands) amounted to DKK 5 million in 2012 and DKK 7 million in 2011. The amount has been deducted from the wages and salaries.

§ ACCOUNTING POLICIES

The parent company has granted warrants to the Board of Directors, Executive Management and employees under various warrant programs. The group applies IFRS 2, according to which the fair value of the warrants at grant date is recognized as an expense in the income statement over the vesting period. Such compensation expenses represent calculated values of warrants granted and do not represent actual cash expenditures. A corresponding amount is recognized in shareholders' equity as the warrant program is designated as an equity-settled share-based payment transaction.

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

MANAGEMENT'S JUDGMENTS AND ESTIMATES

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

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

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

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

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

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

VALUATION ASSUMPTIONS FOR WARRANTS GRANTED IN 2012 AND 2011

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

Weighted average	2012	2011
Fair value per warrant on grant date	34	23
Share price	78	41
Exercise price	78	41
Expected dividend yield	0%	0%
Expected stock price volatility	55%	62%
Risk-free interest rate	0.2%	2%
Expected life of warrants	5 years	6 years

Based on an average fair value per warrant of DKK 34 (2011: DKK 23) the total fair value of warrants granted amounted to DKK 13 million (2011: DKK 10 million) on the grant date.

Notes to the Financial Statements

NOTE 5 – FINANCIAL INCOME AND EXPENSES

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
Financial income:				
Interest and other financial income	17,827	22,200	17,499	21,951
Interest from subsidiaries	-	-	75,698	67,764
Realized and unrealized gains on marketable securities (fair value through profit and loss), net	-	4,148	-	4,148
Realized and unrealized gains on fair value hedges, net	2,405	-	2,405	-
Derivative financial instruments – change in time value cf. note 12	4,795	52	4,795	52
Exchange rate gains, net	-	16,675	-	37,075
Gain on sale of available for sale financial assets	-	13	-	13
Total	**25,027**	**43,088**	**100,397**	**131,003**
Financial expenses:				
Interest and other financial expenses	2,722	2,034	2,664	1,974
Realized and unrealized losses on marketable securities (fair value through profit and loss), net	5,215	-	5,215	-
Derivative financial instruments – change in time value cf. note 12	-	1,460	-	1,460
Exchange rate losses, net	14,492	-	27,859	-
Total	**22,429**	**3,494**	**35,738**	**3,434**
Net financial items	**2,598**	**39,594**	**64,659**	**127,569**
Interest on financial assets measured at amortized cost	329	428	75,731	67,944
Interest on financial liabilities measured at amortized cost	2,722	2,034	2,664	1,974

§ ACCOUNTING POLICIES

Financial income and expenses include interest as well as realized and unrealized exchange rate adjustments and realized and unrealized gains and losses on marketable securities (designated as fair value through profit and loss), realized gains and losses and write-downs of other securities and equity interests (designated as available-for-sale financial assets), and realized and unrealized gains and losses on derivative financial instruments.

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

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

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

Notes to the Financial Statements

NOTE 6 – CORPORATE AND DEFERRED TAX

TAXATION – INCOME STATEMENT

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
Current tax on result including carry back refund	(4,103)	(1,452)	-	-
Adjustment to prior years etc.	(186)	(434)	-	-
Adjustment to deferred tax	(186,281)	(228,223)	(16,255)	(38,238)
Adjustment to valuation allowance	187,965	236,057	16,255	38,238
Total	**(2,605)**	**5,948**	**-**	**-**
Corporate tax is included in				
Net result for continuing operations	(2,633)	5,920	-	-
Net result for discontinued operation	28	28	-	-
Total	**(2,605)**	**5,948**	**-**	**-**

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

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
Net result for continuing operations before tax	(114,081)	(209,828)	(26,167)	(125,999)
Net result for discontinued operation before tax	(375,642)	(380,592)	(429,403)	(484,721)
Net result before tax	(489,723)	(590,420)	(455,570)	(610,720)
Computed 25%	**(122,431)**	**(147,605)**	**(113,893)**	**(152,680)**
Tax effect of:				
Non-taxable income	(12,672)	(6,992)	(8,164)	(6,949)
Non-deductible costs	8,827	7,539	1,321	2,973
Impairment of subsidiary	-	-	107,351	121,180
Additional tax deductions, deviations in corporate tax rates, adjustment previous years etc.	(60,942)	(88,178)	(2,869)	(2,762)
Tax on equity transactions	(3,352)	5,127	(1)	-
Change in valuation allowance deferred tax asset	187,965	236,057	16,255	38,238
Total tax effect	**119,826**	**153,553**	**113,893**	**152,680**
Total corporate tax	**(2,605)**	**5,948**	**-**	**-**

Notes to the Financial Statements

NOTE 6 – CORPORATE AND DEFERRED TAX – CONTINUED

TAXATION – BALANCE SHEET

Significant components of the deferred tax asset are as follows:

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
Tax deductible losses	1,080,345	1,057,233	785,424	805,383
Deferred income	226,079	188,331	226,079	188,331
Other temporary differences	494,547	369,126	2,275	3,809
	1,800,971	**1,614,690**	**1,013,778**	**997,523**
Valuation allowance	(1,797,224)	(1,609,259)	(1,013,778)	(997,523)
Deferred tax assets	**3,747**	**5,431**	**-**	**-**

On December 31, 2012, the group had net tax loss carry-forwards of DKK 3.9 billion (2011: DKK 3.8 billion) for income tax purposes, of which DKK 3.1 billion (2011: DKK 3.2 billion) can be carried forward without limitation. The remaining part, which is mainly related to assets classified as held for sale, can be carried forward in various periods up to 2032.

In addition, the group had deductible temporary differences of DKK 2.1 billion (2011: DKK 1.7 billion). Other temporary differences included in the overview above are mainly related to our manufacturing facility, which is classified as held for sale.

§ ACCOUNTING POLICIES

CORPORATE TAX

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

Current tax liabilities include taxes payable based on the expected taxable income for the year and any adjustments to prior years' tax expense as recorded in the income statement. Any current tax liabilities are recognized in other payables in the balance sheet. Please refer to note 14.

Any prepaid taxes are recognized in receivables in the balance sheet. Please refer to note 10.

DEFERRED TAX

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

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

Deferred tax assets resulting from temporary differences, including the tax value of losses to be carried forward, are recognized only to the extent that it is probable that future taxable profit will be available against which the differences can be utilized.

MANAGEMENT'S JUDGMENTS AND ESTIMATES

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

The creation and development of therapeutic products within the biotechnology and pharmaceutical industry is subject to considerable risks and uncertainties. Since inception, Genmab has reported significant losses, and as a consequence, we have unused tax losses. Genmab also projects a loss for 2013.

Therefore, management has concluded, except for two subsidiaries, that deferred tax assets should not be recognized as of December 31, 2012, and a 100% valuation allowance of the deferred tax asset is recognized in accordance with IAS 12, *"Income Taxes."* The tax assets are currently not deemed to meet the criteria for recognition as management is not able to provide any convincing positive evidence that deferred tax assets should be recognized.

Notes to the Financial Statements

NOTE 7 – INTANGIBLE ASSETS

GENMAB GROUP AND PARENT COMPANY

	Goodwill	Licenses and rights	Total intangible assets
	DKK'000	DKK'000	DKK'000
2012			
Cost per January 1	340,720	152,484	493,204
Exchange rate adjustment	(5,049)	-	(5,049)
Cost per December 31	**335,671**	**152,484**	**488,155**
Accumulated amortization and impairment per January 1	(340,720)	(152,484)	(493,204)
Exchange rate adjustment	5,049	-	5,049
Accumulated amortization and impairment per December 31	**(335,671)**	**(152,484)**	**(488,155)**
Carrying amount per December 31	**-**	**-**	**-**
2011			
Cost per January 1	332,998	152,484	485,482
Exchange rate adjustment	7,722	-	7,722
Cost per December 31	**340,720**	**152,484**	**493,204**
Accumulated amortization and impairment per January 1	(332,998)	(152,484)	(485,482)
Exchange rate adjustment	(7,722)	-	(7,722)
Accumulated amortization and impairment per December 31	**(340,720)**	**(152,484)**	**(493,204)**
Carrying amount per December 31	**-**	**-**	**-**

§ ACCOUNTING POLICIES

GOODWILL – GENMAB GROUP

Goodwill is initially recognized in the balance sheet at cost. Goodwill is not amortized but tested annually for impairment and measured at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Based on management and financial structure, goodwill is allocated to the group's cash-generating units that are expected to benefit from the business combination.

The carrying amount of goodwill relates to the acquisition of the manufacturing facility in 2008. In November 2009, Genmab announced that it intended to sell its manufacturing facility due to a change in business strategy. This decision triggered an impairment review and as a result the goodwill was fully impaired in 2009. Please refer to note 16 for additional information regarding the manufacturing facility which was classified as held for sale as of December 31, 2012. The facility was sold in 2013.

RESEARCH AND DEVELOPMENT – GENMAB GROUP AND PARENT COMPANY

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

LICENSES AND RIGHTS – GENMAB GROUP AND PARENT COMPANY

Licenses and rights are initially measured at cost and include the net present value of any future payments. The net present value of any future payments is recognized as a liability. Genmab acquires licenses and rights, primarily to get access to targets and technologies identified by third parties.

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

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

Notes to the Financial Statements

NOTE 7 – INTANGIBLE ASSETS – CONTINUED

MANAGEMENT'S JUDGMENTS AND ESTIMATES

RESEARCH AND DEVELOPMENT

Internal Generated Intangible Assets

According to the IAS 38, *"Intangible Assets,"* intangible assets arising from development projects should be recognized in the balance sheet. The criteria that must be met for capitalization are that:

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

Such an intangible asset should be recognized if sufficient certainty can be documented that the future income from the development project will exceed the aggregate cost of production, development and the sale and administration of the product.

A development project involves a single product candidate undergoing a high number of tests to illustrate its safety profile and the effect on human beings prior to obtaining the necessary final approval of the product from the appropriate authorities. The future economic benefits associated with the individual development projects are dependent on obtaining such approval. Considering the significant risk and duration of the development period related to the development of biological products, management has concluded that the future economic benefits associated with the individual projects cannot be estimated with sufficient certainty until the project has been finalized and the necessary regulatory final approval of the product has been obtained. Accordingly, the group has not recognized such assets at this time and therefore all research and development costs are recognized in the income statement when incurred. The total research and development costs related to the continuing operations amounted to DKK 537 million in 2012 compared to DKK 533 million in 2011.

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

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

During both 2011 and 2012, no antibodies purchased from third parties for use in clinical trials have been capitalized, as these antibodies do not qualify for being capitalized as inventory under either the *"Framework"* to IAS/IFRS or IAS 2, *"Inventories."*

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

Collaboration Agreements

The group has entered into various collaboration agreements, primarily in connection with the group's research and development projects and the clinical testing of the product candidates, e.g., our worldwide collaboration agreements with Janssen and GSK. When accounting for new collaboration agreements, a judgment is made concerning the classification of the agreement. Collaborations are often structured so that each party contributes its respective skills in the various phases of the development project. No joint control exists for such collaborations as the parties have not established an economic activity subject to joint control. Accordingly, the collaborations are not considered to be joint ventures as defined in IAS 31, *"Financial Reporting of Interests in Joint Ventures."* Expenses in connection with collaboration agreements are treated as described under "Research and Development Costs."

Notes to the Financial Statements

NOTE 8 – TANGIBLE ASSETS

GENMAB GROUP

	Leasehold improvements	Equipment, furniture and fixtures	Assets under construction	Total tangible assets
	DKK'000	DKK'000	DKK'000	DKK'000
2012				
Cost per January 1	38,291	140,190	1,734	180,215
Exchange rate adjustment	(352)	253	-	(99)
Additions for the year	1,161	7,837	-	8,998
Transfers between the classes	-	748	(748)	-
Disposals for the year	(29,528)	(9,664)	(986)	(40,178)
Cost per December 31	**9,572**	**139,364**	**-**	**148,936**
Accumulated depreciation and impairment per January 1	(35,412)	(111,422)	(986)	(147,820)
Exchange rate adjustment	354	(170)	-	184
Depreciation for the year	(2,347)	(12,764)	-	(15,111)
Disposals for the year	29,528	9,257	986	39,771
Accumulated depreciation and impairment per December 31	**(7,877)**	**(115,099)**	**-**	**(122,976)**
Carrying amount per December 31	**1,695**	**24,265**	**-**	**25,960**
Carrying amount of assets under finance leases included above	-	1,440	-	1,440
2011				
Cost per January 1	37,682	136,748	3,762	178,192
Exchange rate adjustment	568	31	6	605
Additions for the year	41	5,261	1,903	7,205
Transfers between the classes	-	3,937	(3,937)	-
Disposals for the year	-	(5,787)	-	(5,787)
Cost per December 31	**38,291**	**140,190**	**1,734**	**180,215**
Accumulated depreciation and impairment per January 1	(33,124)	(103,252)	(386)	(136,762)
Exchange rate adjustment	(570)	(91)	-	(661)
Depreciation for the year	(1,718)	(13,329)	-	(15,047)
Impairment for the year	-	-	(600)	(600)
Disposals for the year	-	5,250	-	5,250
Accumulated depreciation and impairment per December 31	**(35,412)**	**(111,422)**	**(986)**	**(147,820)**
Carrying amount per December 31	**2,879**	**28,768**	**748**	**32,395**
Carrying amount of assets under finance leases included above	-	5,711	-	5,711

	2012	2011
	DKK'000	DKK'000
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development costs	14,133	14,712
General and administrative expenses	978	935
Total	**15,111**	**15,647**

Notes to the Financial Statements

NOTE 8 – TANGIBLE ASSETS – CONTINUED

PARENT COMPANY

	Leasehold improvements	Equipment, furniture and fixtures	Assets under construction	Total tangible assets
	DKK'000	DKK'000	DKK'000	DKK'000
2012				
Cost per January 1	7,344	18,772	1,734	27,850
Additions for the year	1,161	1,124	-	2,285
Transfers between the classes	-	748	(748)	-
Disposals for the year	(4,569)	(5,917)	(986)	(11,472)
Cost per December 31	**3,936**	**14,727**	**-**	**18,663**
Accumulated depreciation and impairment per January 1	(4,923)	(15,386)	(986)	(21,295)
Depreciation for the year	(2,160)	(1,862)	-	(4,022)
Disposals for the year	4,569	5,512	986	11,067
Accumulated depreciation and impairment per December 31	**(2,514)**	**(11,736)**	**-**	**(14,250)**
Carrying amount per December 31	**1,422**	**2,991**	**-**	**4,413**
2011				
Cost per January 1	7,344	17,572	2,633	27,549
Additions for the year	-	195	106	301
Transfers between the classes	-	1,005	(1,005)	-
Cost per December 31	**7,344**	**18,772**	**1,734**	**27,850**
Accumulated depreciation and impairment per January 1	(3,397)	(13,585)	(386)	(17,368)
Depreciation for the year	(1,526)	(1,801)	-	(3,327)
Impairment for the year	-	-	(600)	(600)
Accumulated depreciation and impairment per December 31	**(4,923)**	**(15,386)**	**(986)**	**(21,295)**
Carrying amount per December 31	**2,421**	**3,386**	**748**	**6,555**

	2012	2011
	DKK'000	DKK'000
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development costs	3,218	3,287
General and administrative expenses	804	640
Total	**4,022**	**3,927**

Notes to the Financial Statements

NOTE 8 – TANGIBLE ASSETS – CONTINUED

§ ACCOUNTING POLICIES

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

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

DEPRECIATION

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

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

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

IMPAIRMENTS

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

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

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

NOTE 9 – EQUITY INTEREST IN SUBSIDIARIES

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

Name	Domicile	Ownership and votes 2012	Ownership and votes 2011
Genmab B.V.	Utrecht, the Netherlands	100%	100%
Genmab MN, Inc.	Minnesota, USA	100%	100%
Genmab, Inc.	New Jersey, USA	100%	100%

Investments in subsidiaries are subject to a yearly assessment by the group's management for impairment indications and, if necessary, an impairment test is carried out.

In both 2012 and 2011, impairments of DKK 429 million and DKK 485 million, respectively related to the manufacturing facility owned by Genmab MN, Inc. were recognized mainly due to a change of the fair value of the manufacturing facility. The impairments were allocated to intercompany loans with Genmab MN, Inc. The investment related to the subsidiary was written down in 2009 and 2011 to zero.

The impairments are included in discontinued operation in the financial statements of the parent company.

The facility was sold in 2013.

	PARENT COMPANY	
	2012	**2011**
	DKK'000	DKK'000
Cost per January 1	466,557	456,777
Additions for the year	40,299	11,657
Disposals for the year	-	(1,877)
Cost per December 31	**506,856**	**466,557**
Impairment per January 1	(426,123)	(425,463)
Impairment for the year	(162)	(660)
Impairment per December 31	**(426,285)**	**(426,123)**
Carrying amount per December 31	**80,571**	**40,434**

Notes to the Financial Statements

NOTE 9 – EQUITY INTEREST IN SUBSIDIARIES – CONTINUED

§ ACCOUNTING POLICIES

In the separate financial statements of the parent company Genmab A/S, equity interests in subsidiaries are recognized and measured at cost. Equity interests in foreign currencies are translated to the reporting currency by use of historical exchange rates prevailing at the time of investment. The cost is written down to the recoverable amount if this is lower.

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

NOTE 10 – RECEIVABLES

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
Receivables related to development agreements	100,737	38,527	100,737	38,527
Receivables from subsidiaries	-	-	2,739	334,293
Finance lease receivables from subsidiaries	-	-	5,659	11,845
Interest receivables	14,108	10,074	14,108	9,999
Derivatives cf. note 12	3,387	52	3,387	52
Tax receivable	8,877	9,655	-	-
Other receivables	14,729	17,562	5,226	4,522
Prepayments	5,587	12,661	1,732	8,115
Transferred to assets classified as held for sale	(1,364)	(7,512)	-	-
Total	**146,061**	**81,019**	**133,588**	**407,353**
Non-current receivables	9,369	9,806	5,662	10,238
Current receivables	136,692	71,213	127,926	397,115
Total	**146,061**	**81,019**	**133,588**	**407,353**

GENMAB GROUP

In 2012 and 2011, overdue receivables and losses related to receivables were insignificant. The credit risk on receivables is considered to be limited. For further information about the derivatives and related credit risk, please refer to note 12.

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

PARENT COMPANY

Please refer to note 17 for additional information regarding receivables from subsidiaries and related impairments.

§ ACCOUNTING POLICIES

Receivables except derivatives are designated as loans and receivables and measured in the balance sheet at amortized cost, which generally corresponds to nominal value less provision for bad debts.

The provision for bad debts is calculated on the basis of an individual assessment of each receivable including analysis of capacity to pay, creditworthiness, and historical information on payment patterns and doubtful debts.

PREPAYMENTS

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

Notes to the Financial Statements

NOTE 11 – MARKETABLE SECURITIES

	2012	2011
	DKK'000	DKK'000
Cost per January 1	1,025,020	1,551,351
Additions for the year	1,775,458	1,089,957
Disposals for the year	(1,363,568)	(1,616,288)
Cost per December 31	**1,436,910**	**1,025,020**
Fair value adjustment per January 1	10,402	(3,042)
Fair value adjustment for the year	(10,555)	13,444
Fair value adjustment per December 31	**(153)**	**10,402**
Net book value per December 31	**1,436,757**	**1,035,422**
Net book value in percentage of cost	**100%**	**101%**

SPECIFICATION OF THE SECURITIES:

	Market value 2012	Average effective duration	Share %	Market value 2011	Average effective duration	Share %
	DKK'000			DKK'000		
Kingdom of Denmark bonds and treasury bills	281,280	2.06	19%	28,417	2.81	3%
Other Danish bonds	691,228	1.12	47%	449,894	1.40	43%
DKK portfolio	**972,508**	**1.40**	**66%**	**478,311**	**1.49**	**46%**
USD portfolio						
US government and federal agency notes	12,619	0.29	1%	-	-	-
GBP portfolio						
UK government bonds and treasury bills	50,212	0.07	3%	148,935	0.25	14%
EUR portfolio						
European government bonds and treasury bills	428,813	1.49	30%	414,846	1.01	40%
Total portfolio	**1,464,152**	**1.37**	**100%**	**1,042,092**	**1.12**	**100%**
Transfered to cash and cash equivalents	(27,395)			(6,670)		
Marketable securities	**1,436,757**			**1,035,422**		

YIELD:

The portfolio has generated the following yields for 2012 and 2011:

Portfolio	2012	2011
DKK	2.0%	3.5%
GBP	0.2%	0.4%
USD*	0.0%	n/a
EUR	0.2%	1.4%

* Established in 2012

The decrease in the yields compared to 2011 was mainly driven by general low market interest level for highly liquid and conservative short term securities with a low degree of risks and high credit ratings. Please refer to note 12 for additional details on our marketable securities.

Notes to the Financial Statements

NOTE 11 – MARKETABLE SECURITIES – CONTINUED

§ ACCOUNTING POLICIES

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

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

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

NOTE 12 – FINANCIAL RISK

The financial risks of the Genmab group are managed centrally.

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

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

Currently, our marketable securities are administrated by two external Danish investment managers. The guidelines and investment managers are reviewed regularly to reflect changes in market conditions, the group's activities and financial position. In 2012, the investment policy was amended due to the proceeds received from the daratumumab agreement and to mitigate and reflect the risk associated with current market conditions.

The group has identified the following key financial risk areas, which are mainly related to our marketable securities portfolio:

- credit risk;
- currency exposure;
- interest rate risk; and
- capital management.

All our marketable securities are traded in established markets. Given the current market conditions, all future cash inflows including the proceeds received from the global license and development agreement for daratumumab with Janssen and share subscription agreement with JJDC and re-investments of proceeds from the disposal of marketable securities are invested in highly liquid and conservative investments, such as European government bonds, treasury bills from Germany, Finland, Netherlands and Denmark and Danish mortgage bonds with high credit ratings. As such we consider the liquidity risk to be at an acceptable and low level.

CREDIT RISK

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

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

Our current portfolio is spread over a number of different securities and is conservative with focus on liquidity and security and, as of December 31, 2012, 100% of our marketable securities had a triple A-rating from Moody's, S&P or Fitch, compared to 99% as of December 31, 2011.

To reduce the credit risk on our bank deposits, Genmab only maintains the major part of its bank deposits in large Danish financial institutions. Currently, these financial institutions have a short-term Moody's and S&P rating of at least P-2 and A-2, respectively. In addition, Genmab only maintains limited bank deposits at a level necessary to support the short-term funding requirements of the Genmab group.

In 2011 Genmab entered a capped risk collar derivative financial instrument under an International Swaps and Derivatives Association master agreement (see below). We are exposed to credit loss in the event of non-performance by our counterparty which is a financial institution with the following short term ratings: Moody's (P-2) and S&P (A-2).

CURRENCY EXPOSURE

Assets and Liabilities in Foreign Currency

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

The most significant cash flows of the group are GBP, DKK, EUR and USD. Overall, Genmab hedges its currency exposure primarily by matching income and expenses in the same currency and by maintaining cash positions in all major currencies. Our total marketable securities are invested in EUR (30%), DKK (66%), and USD and GBP denominated securities (4%), compared to 40%, 46%, and 14%, as of December 31, 2012 and December 31, 2011, respectively. In addition,

Notes to the Financial Statements

NOTE 12 – FINANCIAL RISK – CONTINUED

Genmab is using hedging instruments such as derivatives and future contracts if it is deemed appropriate.

Based upon the amount of assets and liabilities denominated in EUR, USD and GBP as of December 31, 2012, a 1% change in the EUR to DKK and a 10% change in both USD to DKK exchange rate and GBP to DKK exchange rate will impact our net financial items by approximately:

MDKK	Cash Position	Receivables	Liabilities	Net Exposure	Percentage change in exchange rate	Impact of change in exchange rate
2012						
EUR	430	21	(42)	**409**	1%	**4.1**
USD	19	714	(14)	**719**	10%	**71.9**
GBP*	52	4	(132)	**(76)**	10%	**7.6**
2011						
EUR	424	22	(42)	**404**	1%	**4.0**
USD	1	543	(32)	**512**	10%	**51.2**
GBP*	181	-	(87)	**94**	10%	**9.4**

*excluding impact from cash flow hedges.

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

The USD currency exposure is mainly related to an intercompany loan between Genmab A/S and Genmab MN, Inc. Due to the sale of the facility in 2013, this exposure will be eliminated. The GBP currency exposure is mainly related to marketable securities denominated in GBP and our collaboration with GSK. A portion of the proceeds received from GSK, as a part of the amendment signed in July 2010, was kept in GBP to form a natural hedge of future expenses denominated in GBP and to reduce Genmab's short-term currency exposure.

The above analysis assumes that all other variables, in particular interest rates, remain constant.

During 2012, we entered a currency future contract (fair value hedge) to partly hedge the USD/DKK exposure, which was associated with the upfront payment of USD 55 million received from Janssen. The contract was settled in 2012 and a gain of DKK 2 million was recognized in the income statement under financial income.

HEDGING OF EXPECTED FUTURE CASH FLOWS (CASH FLOW HEDGES)

To reduce Genmab's long term GBP/DKK currency exposure associated with the annual funding obligation of GBP 17 million under the GSK collaboration, in October 2011 Genmab entered into a derivative contract to hedge the associated currency exposure for the period from 2013 to 2015. This exchange hedging is carried out to minimize risks and thereby increase the predictability of the group's financial results.

The overview below outlines further details about the derivative. As of December 31, 2012 the intrinsic value is zero (out-of-the-money).

The total fair value at the end of December is recognized directly in the statement of comprehensive income and will be recognized in the income statement when the yearly funding commitment is expected to be realized in the period 2013 and 2015.

( ) = debt or income	2012			2011		
Capped Risk Collar	Notional amount (MGBP)	Fair value (MDKK)	Change in time value recognized the income statement (MDKK)	Notional amount (MGBP)	Fair value (MDKK)	Change in time value recognized the income statement (MDKK)
Protection: Genmab buys GBP call option/ DKK put struck at 9.60	51	10	(10)	51	23	(23)
Obligation: Genmab sells GBP put option/ DKK call struck at 8.40	51	(7)	7	51	(28)	28
Risk Cap: Genmab buys GBP put option/ DKK call struck at 6.50	51	-	-	51	4	(4)
Total		**3**	**(3)**		**(1)**	**1**

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

Notes to the Financial Statements

NOTE 12 – FINANCIAL RISK – CONTINUED

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

IMPACT OF CHANGE IN EXCHANGE RATE IN MDKK

( ) = debt or income	-10%	Base	+10%
Fair value	(22)	3	29
Income statement	10	(3)	(10)
Statement of comprehensive income	12	-	(19)

Investments in Foreign Subsidiaries

The Genmab group holds a number of investments in foreign subsidiaries, where the translation of equity to DKK is exposed to foreign exchange risks. In addition, Genmab A/S granted one loan to a subsidiary which is classified as a part of the net investment. Gains and losses related to foreign exchange adjustments of this loan and the equity investments are recognized directly in other comprehensive income in the consolidated accounts. Due to the sale of the facility in 2013, the exposure related to the loan will be eliminated.

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

INTEREST RATE RISK

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

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

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

As of December 31, 2012, the portfolio has an average effective duration of approximately 1 year (2011: 1 year) and no securities have more than 6 years (2011: 5 years), which means that a change in the interest rates of one percentage point will cause the fair value of the securities to change by approximately 1% (2011: 1%). Due to the short-term nature of the current investments and to the extent that we are able to hold the investments to maturity, we consider our current exposure to changes in fair value due to interest rate changes to be insignificant compared to the fair value of the portfolio.

The total interest income amounted to DKK 18 million in 2012 compared to DKK 22 million in 2011. The reduction is mainly a result of a lower average cash position. The upfront payment from the Janssen daratumumab agreement was received in September 2012 and the new shares were issued in October 2012.

CAPITAL MANAGEMENT

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

Genmab is primarily financed through equity and partnership collaboration income and had, as of December 31, 2012, a cash position of DKK 1,516 million compared to DKK 1,105 million as of December 31, 2011. The cash position supports the advancement of our overall mission and strategy to maximize our chances for success.

In 2012, we announced a new license agreement between Janssen and Genmab, which significantly improved our financial position and strength.

To the extent possible, Genmab shall attempt to match the maturity and income from its investments in marketable securities with anticipated cash flow requirements.

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

The Board of Directors continuously assesses the share and capital structure to ensure that Genmab's capital resources support the strategic goals. There was no change in the group's approach to capital management procedures in 2012.

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

Based on the 2013 objectives, Genmab expects additional cash inflows and a continued focus on cost control. The Board of Directors believes it will have sufficient cash to run its operations for the next year. Therefore the Board of Directors have concluded that the financial statements have been prepared on a going concern basis.

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

In accordance with IFRS, Genmab has divided its financial assets and liabilities in the following categories:

Category	Note	2012	2011
		DKK'000	DKK'000
Financial assets at fair value through profit or loss			
Marketable securities	11	1,436,757	1,035,422
Cash and cash equivalents		27,395	6,670
Financial assets designated as hedging instruments			
Derivatives designated as cash flow hedges	10	3,387	52
Loans and receivables			
Receivables ex. prepayments	10	138,451	70,718
Cash and cash equivalents		39,597	58,527
Assets classified as held for sale	16	12,005	9,311
Financial liabilities designated as hedging instruments			
Derivatives designated as cash flow hedges	14	-	(1,460)
Financial liabilities measured at amortized cost			
Lease liability	19	(5,660)	(11,845)
Other payables	14	(200,557)	(167,836)
Liabilities classified as held for sale	16	(9,712)	(9,971)

The accounting policy for each of the categories is outlined in each note.

Notes to the Financial Statements

NOTE 12 – FINANCIAL RISK – CONTINUED

METHODS AND ASSUMPTIONS TO DETERMINE FAIR VALUE

For financial instruments that are measured in the balance sheet at fair value, IFRS 7 for financial instruments requires disclosure of fair value measurements by level of the following fair value measurement hierarchy for:

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

Marketable Securities

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

Derivative Financial Instruments

The capped risk collar is not traded on an active market based on quoted prices. The fair value is determined using valuation techniques that utilize market based data such as currency rates, yield curves and implied volatility (Level 2).

NOTE 13 – PROVISIONS

	2012	2011
	DKK'000	DKK'000
Provisions per January 1	23,065	22,964
Exchange rate adjustment	-	381
Additions during the year	7,701	136
Used during the year	(25,258)	(594)
Released during the year	(2,077)	-
Discounting	74	178
Total	**3,505**	**23,065**
Non-current provisions	2,644	23,065
Current provisions	861	-
Total	**3,505**	**23,065**

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

During 2012, an onerous contract related to our development activities was paid earlier than expected. The major part of non-current provisions is expected to be settled in 2017.

§ ACCOUNTING POLICIES

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

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

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

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

Notes to the Financial Statements

NOTE 14 – OTHER PAYABLES

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
Liabilities related to development agreements	121,513	85,783	121,513	85,783
Staff costs liabilities	31,308	32,059	6,858	6,333
Other liabilities	31,829	26,097	22,340	17,332
Derivatives cf. note 12	-	1,460	-	1,460
Payable to subsidiaries	-	-	34,559	16,425
Accounts payable	25,519	33,868	19,632	29,620
Transferred to liabilities held for sale	(9,712)	(9,971)	-	-
Total	**200,457**	**169,296**	**204,902**	**156,953**
Non-current other payables	121,513	72,165	121,513	69,462
Current other payables	78,944	97,131	83,389	87,491
Total	**200,457**	**169,296**	**204,902**	**156,953**

Please refer to note 17 for additional information regarding payables to subsidiaries.

§ ACCOUNTING POLICIES

Other payables are measured in the balance sheet at amortized cost. The carrying amount of other payables corresponds essentially to fair value.

The current other payables are comprised of liabilities which are due less than one year from the balance sheet date.

The non-current other payables include DKK 122 million (2011: DKK 68 million), which is related to our collaboration with GSK. Such amount is equal to the present value of the liability based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The nominal amount of DKK 132 million (2011: DKK 77 million) is equal to the amount due for repayment to GSK and will be repaid starting from the beginning of 2016 via predetermined maximum deductions from the Arzerra royalty income stream due to Genmab. The liability is interest free.

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

Staff Costs Liabilities

Wages and salaries, social security contributions, paid leave and bonuses, and other employee benefits are recognized in the financial year in which the employee performs the associated work. WBSO – Government grants received as a reduction to payroll tax have been deducted from the wages and salaries expenses cf. note 4.

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

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

Accounts Payable

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

NOTE 15 – WARRANTS

WARRANT PROGRAM

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

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

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

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

Notes to the Financial Statements

NOTE 15 – WARRANTS – CONTINUED

WARRANTS GRANTED FROM AUGUST 2004 UNTIL APRIL 2012

Under the August 2004 warrant program, warrants can be exercised starting from one year after the grant date. As a general rule, the warrant holder may only exercise 25% of the warrants granted per full year of employment or affiliation with Genmab after the grant date.

However, the warrant holder will be entitled to continue to be able to exercise all warrants on a regular schedule in instances where the employment relationship is terminated by Genmab without cause.

In case of a change of control event as defined in the warrant programs, the warrant holder will immediately be granted the right to exercise all of his/her warrants regardless of the fact that such warrants would otherwise only become fully vested at a later point in time.

Warrant holders who are no longer employed by or affiliated with us will, however, only be entitled to exercise such percentages as would otherwise have vested under the terms of the warrant program.

WARRANTS GRANTED FROM APRIL 2012

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

WARRANT ACTIVITY IN 2012 AND 2011

	Number of warrants held by employees	Number of warrants held by the Executive Management	Number of warrants held by the Board of Directors	Total outstanding warrants	Weighted average exercise price
					DKK
Outstanding at January 1, 2011	**4,452,015**	**990,000**	**500,675**	**5,942,690**	**210.47**
Granted (4 grants)	155,000	180,000	118,000	453,000	41.24
Cancelled	(82,012)	-	-	(82,012)	142.72
Outstanding at December 31, 2011	**4,525,003**	**1,170,000**	**618,675**	**6,313,678**	**199.20**
Exercisable at year end	3,767,369	691,250	395,800	4,854,419	223.68
Exercisable warrants in the money at year end	-	-	-	-	-
Outstanding at January 1, 2012	**4,525,003**	**1,170,000**	**618,675**	**6,313,678**	**199.20**
Granted (3 grants)	80,500	210,000	93,000	383,500	77.96
Exercised	(750)	-	-	(750)	67.50
Cancelled	(20,375)	-	-	(20,375)	90.42
Outstanding at December 31, 2012	**4,584,378**	**1,380,000**	**711,675**	**6,676,053**	**192.59**
Exercisable at year end	4,198,158	886,250	478,675	5,563,083	216.66
Exercisable warrants in the money at year end	169,498	157,500	63,750	390,748	51.16

The number of warrants held by employees includes both current and former employees in Genmab. Please see note 18 for further information about the number of warrants held by the Executive Management and the Board of Directors.

As of December 31, 2012, the Board of Directors has been authorized to grant a total of 12,471,263 (2011: 12,221,263) warrants since Genmab's inception. As of December 31, 2012, the 6,676,053 outstanding warrants amounted to 13% of the share capital (2011: 14%).

For exercised warrants in 2012 the weighted average share price at the exercise date amounted to DKK 74.30. No warrants were exercised in 2011.

Notes to the Financial Statements

NOTE 15 – WARRANTS – CONTINUED

WEIGHTED AVERAGE EXERCISE OF OUTSTANDING WARRANTS AT DECEMBER 31, 2012

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

Notes to the Financial Statements

NOTE 15 – WARRANTS – CONTINUED

WEIGHTED AVERAGE EXERCISE OF OUTSTANDING WARRANTS AT DECEMBER 31, 2011

Exercise price	Warrants exercisable from	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Number of warrants exercisable
DKK				
26.75	December 8, 2012	3,750	9.94	-
31.75	October 14, 2012	47,750	9.79	-
40.41	June 22, 2012	347,000	9.47	-
46.74	June 2, 2011	333,000	8.42	83,625
55.85	April 6, 2012	54,500	9.30	-
66.60	December 9, 2011	114,000	8.94	28,500
67.50	October 14, 2011	39,500	8.79	9,875
68.65	April 21, 2011	56,750	8.30	14,187
77.00	December 9, 2010	9,500	7.94	4,750
86.00	August 3, 2005	484,537	2.59	484,537
89.50	September 22, 2005	12,650	2.73	12,650
97.00	December 1, 2005	27,125	2.92	27,125
101.00	August 10, 2006	186,266	3.61	186,266
114.00	June 7, 2006	390,050	3.43	390,050
115.00	September 21, 2006	1,975	3.72	1,975
116.00	April 20, 2006	22,314	3.30	22,314
129.75	October 8, 2010	148,000	7.77	82,125
130.00	December 1, 2006	14,813	3.92	14,813
173.00	June 21, 2007	573,970	4.47	573,970
174.00	June 17, 2010	332,000	7.46	166,500
184.00	March 2, 2007	119,820	4.16	119,820
210.50	April 25, 2007	34,300	4.31	34,300
224.00	September 19, 2007	118,833	4.72	118,833
234.00	April 15, 2010	68,350	7.29	34,275
234.75	December 17, 2009	36,250	6.96	27,375
246.00	June 4, 2009	187,750	6.50	142,875
254.00	April 24, 2009	640,025	6.34	486,150
272.00	October 8, 2009	490,938	6.77	369,567
326.50	October 4, 2008	151,100	5.76	151,100
329.00	December 13, 2008	90,705	5.95	90,705
330.00	December 13, 2007	61,500	4.95	61,500
352.50	June 27, 2008	784,944	5.49	784,944
364.00	April 19, 2008	329,713	5.30	329,713
199.20		**6,313,678**	**5.87**	**4,854,419**

Notes to the Financial Statements

NOTE 16 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATION

In November 2009, we announced a reorganization plan to build a sustainable business with the objective of matching resources to workload. This included the intention to sell Genmab's manufacturing facility located in Brooklyn Park, Minnesota, USA.

The facility was sold in February 2013 to Baxter for USD 10 million (approximately DKK 57 million) in cash less sales related costs, resulting in a gain of approximately DKK 50 million, which will be recognized in 2013. The final few months running costs prior to the sale amounted to approximately DKK 10 million. The employees currently working at the facility will be offered employment by Baxter.

	2012	2011
	DKK'000	DKK'000
Net result of discontinued operation		
Expenses	(44,740)	(38,913)
	(44,740)	**(38,913)**
Impairments to fair value less cost to sell	(330,913)	(341,688)
Operating result	**(375,653)**	**(380,601)**
Financial income, net	11	9
Net result before tax	**(375,642)**	**(380,592)**
Corporate tax	(28)	(28)
Net result	**(375,670)**	**(380,620)**
Basic and diluted net result per share discontinued operation	(8.16)	(8.48)
Cash flows used in discontinued operation		
Net cash used in operating activities	(42,025)	(40,313)
Net cash used in discontinued operation	**(42,025)**	**(40,313)**
Assets and liabilities classified as held for sale		
Tangible assets	-	333,245
Receivables	1,364	7,512
Cash and cash equivalents	12,005	4,211
Assets classified as held for sale	**13,369**	**344,968**
Provisions	-	(617)
Other payables	(9,712)	(9,971)
Liabilities classified as held for sale	**(9,712)**	**(10,588)**
Net assets in discontinued operation	**3,657**	**334,380**

Expenses include research and development costs such as salary expenses and utility and maintenance costs.

In September 2011 we reduced the fair value from approximately USD 125 million to USD 60 million. As the sales related costs also were reduced from USD 5 million to USD 2 million, the fair value less cost to sell was reduced from USD 120 million to USD 58 million. As a result of the reduction in the fair value less cost to sell, a non-cash impairment charge of approximately DKK 342 million was recognized in the income statement.

Further in December 2012, the fair value of the facility less cost to sell has been reduced from USD 58 million to zero, resulting in the recognition of a non-cash impairment charge of approximately DKK 331 million. Despite a lot of activity and interest in the facility during 2012 no firm offer was received and due to continued uncertainty, we wrote down the facility to zero and entered into an aggressive sales process.

The above impairment was included in the result of the discontinued operation. The total impairment is allocated on a pro rata basis on the respective carrying amounts of the facility's non-current assets and was allocated as follows:

MDKK	2012	2011
Land and buildings	270	278
Manufacturing equipment	57	59
Equipment, furniture, and fixtures	4	5
Total impairment	**331**	**342**

Please refer to note 9 for information regarding the impairment related to the financial statements of the parent company.

Notes to the Financial Statements

NOTE 16 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATION – CONTINUED

§ ACCOUNTING POLICIES

ASSETS HELD FOR SALE

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

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

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

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

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

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

DISCONTINUED OPERATION

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

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

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

MANAGEMENT'S JUDGMENTS AND ESTIMATES

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

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

Notes to the Financial Statements

NOTE 17 – RELATED PARTY DISCLOSURES

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

THE PARENT COMPANY'S TRANSACTIONS WITH SUBSIDIARIES

Genmab B.V., Genmab MN, Inc., Genmab, Inc., and Genmab Ltd. (liquidated in 2011) are 100% owned subsidiaries of Genmab A/S and are included in the consolidated financial statements. They primarily perform research and development activities on behalf of the parent company. All intercompany transactions have been eliminated in the consolidated financial statements of the Genmab group.

	PARENT COMPANY	
	2012	**2011**
	DKK'000	DKK'000
Transactions with subsidiaries:		
Income related to transfer of license	33,572	-
Service fee costs	(166,502)	(159,464)
Financial income	75,698	67,764
Impairment of Genmab MN, Inc., cf. note 9	(429,403)	(484,721)
Balances with subsidiaries:		
Non-current receivables (less impairment of TDKK 877,161)	1,892	6,056
Current receivables (less impairment of TDKK 651,497)	6,506	340,082
Other current payables	(34,559)	(16,425)

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

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

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

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

Lundbeck is funding the development of the antibodies and during 2012 and 2011 the income (re-imbursement of costs and milestone payments) from the collaboration were DKK 36 million and DKK 44 million, respectively. The amount is included in revenue.

As of December 31, 2012, Lundbeck owed Genmab DKK 13 million (2011: DKK 18 million). The amount is included in receivables.

THE PARENT COMPANY'S TRANSACTIONS WITH THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

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

Other than the remuneration and other transactions relating to the Board of Directors and Executive Management described in note 18, no other significant transactions have taken place with the Board of Directors or the Executive Management during 2011 and 2012.

NOTE 18 – REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The total remuneration of the Board of Directors and Executive Management is outlined below:

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
Wages and salaries	17,283	13,058	4,041	3,646
Warrant compensation expenses	8,305	14,530	3,147	5,460
Defined contribution plans	930	777	-	-
Total	**26,518**	**28,365**	**7,188**	**9,106**

Notes to the Financial Statements

NOTE 18 – REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT – CONTINUED

In accordance with Genmab's accounting policies, cf. note 4, warrant compensation is included in the income statement and reported in the remuneration tables in this note. Such warrant compensation expense represents a calculated theoretical value of warrants granted and does not represent actual cash compensation received by the board members. Please refer to note 15 regarding information about Genmab's warrant program.

REMUNERATION TO THE BOARD OF DIRECTORS

Board Fee

Remuneration of the Board of Directors is comprised of a fixed board fee and additional fees for the board committee obligations. The fees are denominated in USD and are, apart from an increase in the Audit Committee's chairman fee, identical to the Board of Directors' remuneration for 2011.

Warrant Compensation

In addition, the members of the Board of Directors participate in Genmab's warrant programs. According to our general guidelines for incentive programs, a new member of the Board of Directors is granted up to 25,000 warrants upon election. In addition, the members of the Board of Directors may be granted up to 20,000 warrants on an annual basis dependent on the financial results of the year in question, the progress of our product pipeline, as well as specific major important events.

The warrant compensation expense for 2012 of DKK 3 million shown below includes the amortization of the non-cash warrant expense relating to warrants granted over several periods, including a portion of the warrants granted in the year of the report. In 2012, 93,000 warrants were granted to the Board of Directors, with a Black Scholes value of DKK 3 million (2011: 118,000 warrants, with a value of DKK 3 million), please refer to the "Number of warrants held" overview below for further details.

	Base board fee	Fee Committees	Warrant compensation expenses	2012	Base board fee	Fee Committees	Warrant compensation expenses	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Anders Gersel Pedersen	454	86	330	870	244	86	612	942
Burton G. Malkiel	259	202	319	780	244	114	695	1,053
Michael B. Widmer	323	75	626	1,024	488	81	1,224	1,793
Karsten Havkrog Pedersen	259	112	319	690	244	116	612	972
Hans Henrik Munch-Jensen	259	127	319	705	244	130	695	1,069
Toon Wilderbeek**	259	72	253	584	185	-	230	415
Tom Vink*	259	-	136	395	244	-	128	372
Daniel J. Bruno*	259	-	136	395	244	-	128	372
Nedjad Losic*	259	-	136	395	244	-	128	372
Total	**2,590**	**674**	**2,574**	**5,838**	**2,381**	**527**	**4,452**	**7,360**

* Employee elected board member.
** Elected by the Annual General Meeting in April 2011.

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

REMUNERATION TO THE EXECUTIVE MANAGEMENT

Base Salary, Defined Contribution Plans and Other Benefits

Remuneration of the Executive Management team, which at the end of 2012 consists of the President & Chief Executive Officer and the Executive Vice President & Chief Financial Officer, comprised base salary, cash bonus, non-monetary benefits such as company car allowance, telephone etc. and participation in Genmab's defined contribution pension plans. The base salary and related benefits are denominated in EUR and USD. The average salary increase in local currency was 2% in 2012 and 3% in 2011.

Cash Bonus

The bonus program for the members of Executive Management is based on the achievement of predetermined and well-defined milestones for each financial year as set by the Board of Directors. Currently, the Executive Management may receive a maximum annual bonus of 60% to 100% of their base salaries. In addition, the Executive Management may receive an extraordinary bonus of a maximum up to 15% of their annual base salaries, based on the occurrence of certain special events or achievements. The bonus programs may enable the Executive Management members to earn a bonus per calendar year of up to an aggregate amount of approximately DKK 7 million (annual) and DKK 1 million (extraordinary). In 2012, the current Executive Management team received a total cash bonus of DKK 6 million (2011: DKK 3 million).

Warrant Compensation

In addition, the members of the Executive Management team participate in Genmab's warrant programs. According to our general guidelines for incentive programs, a new member of Executive Management is usually granted warrants upon engagement. In addition, the members of Executive Management may be granted a maximum of 150,000 warrants annually as an incentive to increase the future value of the company but also in recognition of past contributions and accomplishments.

The warrant compensation expense for 2012 of DKK 6 million shown below includes the amortization of the non-cash warrant expense relating to warrants granted over several periods, including a portion of the warrants granted in the year of the report. In 2012 210,000 warrants were granted to the Executive Management, with a Black Scholes value of DKK 7 million (2011: 180,000 warrants, with a value of DKK 4 million), please refer to the "Number of warrants held" overview below for further details.

Notes to the Financial Statements

NOTE 18 – REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT – CONTINUED

						2012	
	Base salary	Cash bonus	Defined contribution plans	Other Benefits	Warrant compensation expenses	Genmab Group	Parent Company*
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Jan van de Winkel	4,925	4,483	787	243	3,239	13,677	816
David A. Eatwell	2,829	1,539	143	-	2,492	7,003	534
Total	**7,754**	**6,022**	**930**	**243**	**5,731**	**20,680**	**1,350**

						2011	
	Base salary	Cash bonus	Defined contribution plans	Other Benefits	Warrant compensation expenses	Genmab Group	Parent Company*
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Jan van de Winkel	4,803	1,949	700	243	5,930	13,625	1,073
David A. Eatwell	2,518	637	77	-	4,148	7,380	673
Total	**7,321**	**2,586**	**777**	**243**	**10,078**	**21,005**	**1,746**

* Included base salary and other remuneration of DKK 0.8 million (2011: DKK 0.7 million) and warrant compensation expenses of DKK 0.6 million (2011: DKK 1.0 million).

For further information about the Executive Management, please refer to the section "Senior Leadership Team" in the annual report.

Severance Payments:
In the event Genmab terminates the service agreements with each member of the Executive Management team without cause, Genmab is obliged to pay the Executive Officer his existing salary for one or two years after the end of the one year notice period.

Please refer to the Directors' Report section regarding the potential impact in the event of change of control of Genmab.

NUMBER OF ORDINARY SHARES OWNED AND WARRANTS HELD

Number of ordinary shares owned	December 31, 2011	Acquired	Sold	December 31, 2012	Market value DKK'000*
Board of Directors					
Anders Gersel Pedersen	-	-	-	-	-
Burton G. Malkiel	-	-	-	-	-
Michael B. Widmer	-	-	-	-	-
Karsten Havkrog Pedersen	-	-	-	-	-
Hans Henrik Munch-Jensen	300	-	-	300	23
Toon Wilderbeek	-	-	-	-	-
Tom Vink	-	-	-	-	-
Daniel J. Bruno	-	-	-	-	-
Nedjad Losic	800	-	-	800	62
	1,100	**-**	**-**	**1,100**	**85**
Executive Management					
Jan van de Winkel	230,000	-	-	230,000	17,894
David A. Eatwell	-	-	-	-	-
	230,000	**-**	**-**	**230,000**	**17,894**
Total	**231,100**	**-**	**-**	**231,100**	**17,979**

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

Notes to the Financial Statements

NOTE 18 – REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT – CONTINUED

Number of warrants held	December 31, 2011	Granted	Exercised	Expired	December 31, 2012	Black Scholes value warrants granted in 2012	Weighted average exercise price outstanding warrants
						DKK	DKK
Board of Directors							
Anders Gersel Pedersen	89,500	18,000	-	-	107,500	622,980	158.99
Burton G. Malkiel	79,500	9,000	-	-	88,500	311,490	235.83
Michael B. Widmer	179,000	9,000	-	-	188,000	311,490	170.25
Karsten Havkrog Pedersen	89,500	9,000	-	-	98,500	311,490	166.15
Hans Henrik Munch-Jensen	79,500	9,000	-	-	88,500	311,490	235.83
Toon Wilderbeek	25,000	9,000	-	-	34,000	311,490	57.85
Tom Vink	20,425	9,000	-	-	29,425	311,490	67.43
Daniel J. Bruno	28,500	12,000	-	-	40,500	378,450	83.74
Nedjad Losic	27,750	9,000	-	-	36,750	311,490	65.92
	618,675	**93,000**	**-**	**-**	**711,675**	**3,181,860**	**164.36**
Executive Management							
Jan van de Winkel	810,000	120,000	-	-	930,000	4,153,200	147.87
David A. Eatwell	360,000	90,000	-	-	450,000	3,114,900	119.41
	1,170,000	**210,000**	**-**	**-**	**1,380,000**	**7,268,100**	**138.59**
Total	**1,788,675**	**303,000**	**-**	**-**	**2,091,675**	**10,449,960**	**147.36**

NOTE 19 – COMMITMENTS

GUARANTEES AND COLLATERALS

The group has, through a bank deposit, established a bank guarantee of DKK 3 million (2011: DKK 3 million) relating to the lease of an office building. In the separate financial statements of the parent company, no such guarantees have been established.

OPERATING LEASES

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

Future minimum payments under our operating leases as of December 31, 2012, are as follows:

	GENMAB GROUP		PARENT COMPANY	
	2012	2011	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000
Payment due				
Within 1 year	13,937	18,521	2,537	9,624
From 1 to 5 years	36,374	41,863	9,456	6,083
After 5 years	-	1,879	-	-
Total	**50,311**	**62,263**	**11,993**	**15,707**
Expenses recognized in the income statement	19,427	25,276	8,090	9,889

FINANCE LEASES

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

This arrangement is neutral to the parent company, as all terms and conditions of the lease agreement are passed on to the subsidiary on the same terms as from the external lessor. As a result, Genmab A/S has lease receivables from the subsidiary totaling DKK 6 million (2011: DKK 12 million). All finance lease commitments recorded in the separate financial statements of the parent company are fully reflected in subleases entered into with the subsidiary Genmab B.V.

Notes to the Financial Statements

NOTE 19 – COMMITMENTS – CONTINUED

The average effective interest rate in the parent company's and the group's lease arrangements are approximately 4.2% (2011: 4.5%).

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

	2012	2011
	DKK'000	DKK'000
Minimum lease payments		
Within 1 year	3,946	6,204
From 1 to 5 years	1,911	6,253
	5,857	12,457
Future finance charges	(197)	(612)
Total	**5,660**	**11,845**
Net present value of future payments		
Within 1 year	3,768	5,789
From 1 to 5 years	1,892	6,056
Total	**5,660**	**11,845**
Fair value	**5,650**	**11,849**

FINANCIAL OBLIGATIONS UNDER COLLABORATION AGREEMENTS

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

Genmab's funding obligations for the development of ofatumumab in oncology indications will be capped at a total of GBP 145 million (DKK 1,314 million at the date of the agreement), including a yearly cash funding cap of GBP 17 million (DKK 154 million at the date of the agreement) for the six year period beginning January 1, 2010 and ending December 31, 2015. As of December 31, 2012, Genmab had expenses in total of GBP 65 million.

OTHER PURCHASE OBLIGATIONS

The parent company and the group have entered into a number of agreements primarily related to research and development activities carried out by Genmab. Under the current development plans, the contractual obligations amounted to DKK 112 million (2011: DKK 129 million). In the parent company, the contractual obligations amounted to DKK 112 million (2011: DKK 129 million).

§ ACCOUNTING POLICIES

LEASING

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

Fair value is calculated based on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

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

Lease contracts, where the lessor retains the significant risks and rewards associated with the ownership of the asset, are classified as operating leases.

Lease payments under operating leases are recognized in the income statement over the lease term. The total lease commitment under operating leases is disclosed in the notes to the financial statements.

Notes to the Financial Statements

NOTE 20 – CONTINGENT ASSETS, CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

CONTINGENT ASSETS AND LIABILITIES

License and Collaboration Agreements

We are entitled to potential milestone payments and royalties on successful commercialization of products developed under license and collaboration agreements with our partners. Since the size and timing of such payments are uncertain until the milestones are reached, the agreements may qualify as contingent assets. However, it is impossible to measure the value of such contingent assets, and, accordingly, no such assets have been recognized.

As part of the license and collaboration agreements that Genmab has entered into, once a product is developed and commercialized, Genmab may be required to make milestone and royalty payments e.g. to Medarex/Bristol-Myers Squibb. It is impossible to measure the value of such future payments, but Genmab expects to generate future income from such products which will exceed any milestone and royalty payments due, accordingly no such liabilities have been recognized.

Derivative Financial Instruments

In 2011 Genmab entered a capped risk collar derivative financial instrument – see note 12 – under an International Swaps and Derivatives Association master agreement. The master agreement with Genmab's financial institution counterparty also includes a credit support annex which contains provisions that require Genmab to post collateral should the value of the derivative liabilities exceed DKK 26 million. As of December 31, 2012 and 2011, Genmab has not been required to post any collateral.

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

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

In October 2009, under the collaboration agreement between GSK and Genmab, GSK filed a declaratory judgment action at the United States District Court for the Southern District of Florida seeking a declaration that US Patent No 6,331,415 (the "Cabilly II" patent) owned by Genentech, Inc. and City of Hope, is invalid, unenforceable and not infringed by Arzerra. The case has been settled by the parties in March 2012. The settlement also included a further US Patent in the series, US No 7,923,221 (the Cabilly III patent) issued to Genentech, Inc. and City of Hope.

In March 2010, Genentech, Inc. and Biogen Idec, Inc. filed a patent infringement lawsuit with the US District Court in San Diego, California claiming Arzerra infringed US Patent No 7,682,612 covering methods of treating CLL with CD20 antibodies. GSK denied infringement and claimed the patent was invalid and unenforceable. In November 2011 the US District Court entered a final judgment in favor of GSK. The decision came after the court defined certain terms of the patent claims. Based on this Genentech and Biogen Idec conceded to a judgment in favor of GSK's counterclaim of non-infringement. In December 2011 Genentech and Biogen Idec filed an appeal to the US Court of Appeals for the Federal Circuit. An oral hearing was held on November 8, 2012 subsequent to which a decision will be made.

SUBSEQUENT EVENTS

In February 2013, we announced royalty income of approximately DKK 27 million following net sales for Arzerra for the fourth quarter of 2012 of GBP 14.5 million.

Further in February, we announced the sale of the manufacturing facility to Baxter. Under the terms of the agreement, Genmab received USD 10 million (approx. DKK 57 million) in cash. The employees currently working at the facility will be offered employment by Baxter.

Subsequent to the balance sheet date, no other events that could significantly affect the financial statements as of December 31, 2012 have occurred.

§ ACCOUNTING POLICIES

CONTINGENT ASSETS AND LIABILITIES

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

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

NOTE 21 – FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

	GENMAB GROUP		PARENT COMPANY	
	2012	**2011**	**2012**	**2011**
	DKK'000	DKK'000	DKK'000	DKK'000
PricewaterhouseCoopers				
Audit services	1,208	922	881	664
Audit-related services	609	114	609	91
Tax and VAT services	333	797	185	344
Other services	-	9	-	9
Total	**2,150**	**1,842**	**1,675**	**1,108**

Notes to the Financial Statements

NOTE 22 – CASH FLOWS

		GENMAB GROUP		PARENT COMPANY	
	Note	2012	2011	2012	2011
		DKK'000	DKK'000	DKK'000	DKK'000
Adjustments for non-cash transactions:					
Depreciation and amortization	8	15,111	15,047	4,022	3,327
Impairment loss	8,16	330,913	342,288	-	600
Impairment of Genmab MN, Inc.	9	-	-	429,403	484,721
Net loss (gain) on sale of equipment		(229)	(80)	(190)	-
Warrant compensation expenses	4,15	11,999	20,043	5,271	8,386
Provisions		5,159	305	5,624	136
Total		**362,953**	**377,603**	**444,130**	**497,170**
Changes in assets and liabilities:					
Receivables		(47,033)	(876)	(56,088)	323
Provisions paid		(25,403)	(1,308)	(25,258)	(594)
Deferred income		227,145	(226,098)	227,145	(226,098)
Other payables		20,743	25,255	24,430	39,281
Total		**175,452**	**(203,027)**	**170,229**	**(187,088)**

Directors' And Management's Statement On The Annual Report

Today the Board of Directors and Executive Management have discussed and approved the annual report of Genmab A/S for the financial year 1 January to 31 December 2012.

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

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2012 and of the results of the group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2012.

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

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

Copenhagen, March 7, 2013

EXECUTIVE MANAGEMENT

Jan van de Winkel
(President & CEO)

David A. Eatwell
(Executive Vice President & CFO)

BOARD OF DIRECTORS

Anders Gersel Pedersen
(Chairman)

Burton G. Malkiel
(Deputy Chairman)

Michael B. Widmer

Karsten Havkrog Pedersen

Hans Henrik Munch-Jensen

Toon Wilderbeek

Tom Vink
(Employee elected)

Daniel J. Bruno
(Employee elected)

Nedjad Losic
(Employee elected)

Independent Auditor's Report

TO THE SHAREHOLDERS OF GENMAB A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the parent company financial statements of Genmab A/S for the financial year 1 January to 31 December 2012 pages 34-74, which comprises Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and Notes, including summary of significant accounting policies, for the group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

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

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

Auditor's Responsibility

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

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

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

The audit has not resulted in any qualification.

Opinion

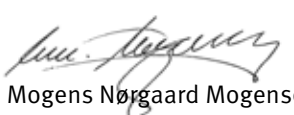
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2012 and of the results of the group's and parent company's operations and cash flows for the financial year 1 January to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on Directors' Report

We have read the Directors' Report pages 2-32 in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit performed of the consolidated financial statements and the parent company financial statements. On this basis, in our opinion, the information provided in the Directors' Report is in accordance with the consolidated financial statements and the parent company financial statements.

Copenhagen, March 7, 2013

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab



Mogens Nørgaard Mogensen
State Authorized
Public Accountant

Torben Jensen
State Authorized
Public Accountant

Forward Looking Statement

This annual report contains forward looking statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward looking statements. Actual results or performance may differ materially from any future results or performance expressed or implied by such statements. The important factors that could cause our actual results or performance to differ materially include, among others, risks associated with product discovery and development, uncertainties related to the outcome and conduct of clinical trials including unforeseen safety issues, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products obsolete, and other factors. For a further discussion of these risks, please refer to the section “Risk Management” in this annual report. Genmab does not undertake any obligation to update or revise forward looking statements in this annual report nor to confirm such statements in relation to actual results, unless required by law.

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About Genmab A/S

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

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