ANNUAL REPORT 2015

Innovating antibodies, improving lives

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VEDTAGET PÅ ORDINÆR GENERAL FORSAMLING 17/3 2016

JØRGEN K. MADSEN

Genmab

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3 office locations

Facilities in Denmark, the Netherlands & USA

186 full time employees

Highly experienced and skilled employees

DKK

54.6 B

2015 year end market cap

"Our core purpose is to improve the lives of patients by creating and developing innovative antibody products"

Genmab At-A-Glance

2 marketed products

DARZALEX™ marketed in the U.S.
Arzerra™ marketed globally

7 products in clinical development

Daratumumab in late stage clinical development
Tisotumab vedotin (HuMax®-TF-ADC) in early stage clinical development

2 proprietary technologies

DuoBody® bispecific platform and HexaBody® technology

2 categories of cancer

Generate products to treat both solid tumors and hematological cancers

>25 projects

Extensive partnered and own pre-clinical pipeline

20 INDs

Investigational new drug applications filed by Genmab and partners in 16 years

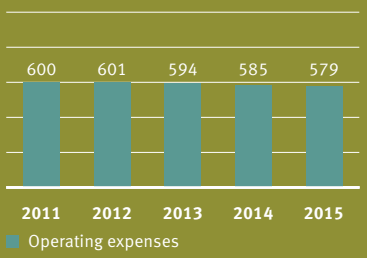
DKK
1,133 M
2015 Revenue
33% increase versus 2014

DKK
579 M
2015 operating expenses
Held flat for 5 years

DKK
3,493 M
2015 year end cash position

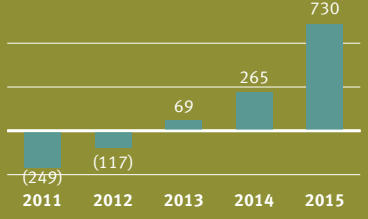
Controlling Costs

MDKK



Operating Result

MDKK



What is Genmab?

- An international, publicly traded biotechnology company
- Creates and develops differentiated antibody therapeutics focused on the treatment of cancer
- Two products on the market – DARZALEX and Arzerra
- Clinical product pipeline includes five additional antibody products
- Pre-clinical pipeline includes over 25 programs
- Proprietary technologies include the DuoBody technology, which creates antibodies that can target two molecules at once (a bispecific technology), and the HexaBody technology, which allows for the creation of more potent antibodies
- Forms strategic partnerships with pharmaceutical and biotechnology companies to help fund our research and development activities and bring products to the market
- Ultimate goal is to take to market our own product of which we own at least 50% of the rights

We are determined to make a difference and believe that our work developing new antibody treatments can transform the way cancer is being treated

Our Vision

By 2025, our own product has transformed cancer treatment, and we have a pipeline of knock-your-socks-off antibodies

Our Three-pronged Strategy

Focus on core competence

- Identify the best disease targets
- Develop unique best-in-class or first-in-class antibodies
- Develop next generation technologies

Turn science into medicine

- Generate differentiated antibody therapeutics with significant commercial potential

Build a profitable and successful biotech

- Maintain a flexible and capital efficient model
- Maximize relationships with partners
- Retain ownership of select products

What are Antibodies?

Antibodies are Y-shaped proteins that play a central role in immunity against bacteria and viruses (also known as pathogens). As we develop immunity, our bodies generate antibodies that bind to pathogen structures (known as antigens), which are specific to the pathogen. Once bound, the antibodies attract other parts of the immune system to eliminate the pathogen. In modern medicine, we have learned how to create and develop specific human antibodies against antigens associated with diseased human cells for use in the treatment of human diseases such as cancer, autoimmune disease, inflammation and cardiometabolic diseases.

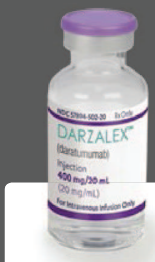
We are deeply knowledgeable
about antibody biology

Our Focus is Cancer

SOLID TUMORS
A solid tumor is an abnormal mass of tissue that usually does not contain any liquid or cysts. Solid tumors may be malignant (cancerous) or benign (non-cancerous). Solid tumors can occur in several places including the bones, muscles and organs. Sarcomas and carcinomas are examples of solid tumors.

HEMATOLOGICAL CANCER
Hematological cancer, also called blood cancer, begins in the tissues that form blood, such as the bone marrow, or in the cells of the immune system. The three main types of blood cancers are leukemia, lymphoma and myeloma.

Marketed Products



DARZALEX
(daratumumab)

DARZALEX was approved by the U.S. Food and Drug Administration (FDA) in November 2015 to treat patients with multiple myeloma who have received at least three prior lines of therapy, including a proteasome inhibitor (PI) and an immunomodulatory agent, or who are double-refractory to a PI and an immunomodulatory agent. DARZALEX is the first monoclonal antibody (mAb) to receive FDA approval to treat multiple myeloma. DARZALEX is the second antibody created by Genmab to reach the market. DARZALEX is being developed, manufactured and commercialized by Janssen Biotech, Inc. (Janssen) under an exclusive worldwide license from Genmab.

Arzerra
ofatumumab

Arzerra is marketed globally, including in the U.S. in combination with chlorambucil for first-line chronic lymphocytic leukemia (CLL) and in Europe in combination with chlorambucil or bendamustine for first-line CLL. Arzerra is approved for extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL in the U.S. Arzerra is also approved for CLL refractory to fludarabine and alemtuzumab in all major markets. Arzerra is the first antibody created by Genmab to reach the market. Arzerra is marketed under a collaboration agreement between Genmab and Novartis.

SHAREHOLDER LETTER

"2015 has been a transformational year for Genmab"

DEAR SHAREHOLDER,

As I look back at 2015, I am struck by what an amazing year it has been for Genmab, for our shareholders and for patients. We made progress across all business areas by advancing our pipeline, progressing our next generation technologies and entering new collaborations while exceeding our financial goals.

DARZALEX LAUNCHED IN THE U.S.

The greatest success of 2015 was the approval of DARZALEX (daratumumab) by the U.S. FDA more than three months ahead of schedule. We announced positive data from a Phase II study of DARZALEX in double-refractory multiple myeloma early in the year. Based on that data, our collaboration partner, Janssen, submitted a Biologics License Application (BLA) to the U.S. FDA and a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA). Both marketing applications were granted accelerated review processes by the authorities – Priority Review in the U.S. and accelerated assessment in the EU. Then, in November, DARZALEX became the first antibody to be approved anywhere in the world for the treatment of multiple myeloma. It was approved by the FDA to treat patients with multiple myeloma who have received at least three prior lines of therapy, including a proteasome inhibitor (PI) and an immunomodulatory agent, or who are double-refractory to a PI and an immunomodulatory agent. The approval and launch of DARZALEX in the U.S. is a landmark event for Genmab, and one that was founded on strong teamwork, perseverance and dedication. We are both proud and humbled that our work has resulted in the creation of a product which has the potential to make a real difference in the lives of cancer patients. We eagerly await the decision of the EMA regarding marketing approval of DARZALEX in the EU in 2016.

KEY PROGRAMS CONTINUE TO ADVANCE

Together with Janssen, we continue to work on the further development of daratumumab, both within the multiple myeloma space as well as in other cancer indications. Our other key programs also progressed effectively throughout 2015. Supplemental regulatory applications for Arzerra, which is approved in first-line and refractory settings for CLL, were submitted in the U.S. and EU for use as maintenance therapy in relapsed CLL. The FDA approved Arzerra for extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL in the U.S. in January 2016. Positive Phase III data for ofatumumab in combination with fludarabine and cyclophosphamide in relapsed CLL was also reported last year, and Novartis intends to submit regulatory applications in 2016. Novartis gained rights to ofatumumab in all indications in 2015, and intends to start Phase III studies in multiple sclerosis in 2016. Data from the dose-escalation part of the first clinical study of tisotumab vedotin (HuMax-TF-ADC) in solid tumors was also presented in 2015. The data were encouraging, resulting in an expansion of the study to clinically evaluate the determined optimal antibody dose and measure efficacy in additional patients, and initiation of a second clinical study to investigate an alternative more intensive dose regimen.

"We are proud to have created DARZALEX, a product that has the potential to make a difference in patients' lives"

BUILDING A ROBUST PIPELINE FOR FUTURE SUCCESS

Throughout 2015 we have focused on building a broad and very strong early stage pipeline to ensure future growth through both internal programs and partnership activities. Our most advanced internal pre-clinical program, HuMax-AXL-ADC is expected to enter the clinic during 2016. During the year we also acquired new antibody assets, DR5 antibodies from iDD Biotech and CD19 antibodies from Bristol-Myers Squibb. We continue to leverage access to our unique antibody technology platforms to further build future revenue streams. For example, Janssen recently started a Phase I study in the first program to come out of our productive DuoBody technology collaboration. The study investigates the bispecific antibody JNJ-61186372, which targets EGFr and cMet, for potential use in treating non-small cell lung cancer (NSCLC). We also signed two immuno-oncology deals for the DuoBody technology with BioNovion (subsequently acquired by Aduro Biotech) and BioNTech, enabling Genmab to enter one of the hottest areas in cancer research at present. Furthermore, we entered a new DuoBody technology agreement with Novo Nordisk outside the cancer field. These technology deals, together with the other antibody assets we acquired this year, will help us to further build our own internal pipeline and establish potential future revenue streams in the form of milestone payments and royalties.

ON TRACK TOWARDS OUR 2025 VISION

2015 has been a transformational year for the company. We now have two antibodies on the market, one in clinical development in solid tumors, and an additional four products that are clinically evaluated by partners. In 2016, we will work to capitalize on our successes to further broaden and strengthen our pipeline for the future. We will continue to develop daratumumab and ofatumumab, with Janssen and Novartis, respectively. We will work to move pre-clinical programs toward the clinic and leverage our DuoBody and HexaBody technologies to create more opportunities for success. We will selectively reinvest revenue into programs that have the greatest potential for Genmab and for cancer patients.

We will continue to work hard with our goal of improving the lives of cancer patients constantly in mind. I thank our dedicated and talented employees, without whom this success would not be possible, and our shareholders for continuing to support our company.

Sincerely yours,

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

2015 Achievements

Business Progress

Priority	Targeted Milestone	Status
MAXIMIZE DARATUMUMAB CLINICAL PROGRESS	• Phase II multiple myeloma (MM) monotherapy data and, if favorable, discuss regulatory next steps with health authorities	☑
	• Start multiple new MM trials	☑
	• Start non-MM clinical trial	☑
OPTIMIZE OFATUMUMAB VALUE	• File for an additional indication	☑
	• Phase III relapsed chronic lymphocytic leukemia (CLL) data	☑
	• Start Phase III subcutaneous autoimmune trials	2016
STRENGTHEN DIFFERENTIATED PRODUCT PIPELINE	• Phase I tisotumab vedotin (HuMax-TF-ADC) data	☑
	• Progress HuMax-AXL-ADC	☑
	• Progress pre-clinical DuoBody and HexaBody projects	☑
BROADEN PARTNERSHIP PORTFOLIO WITH NEXT GENERATION TECHNOLOGIES	• Expand DuoBody and HexaBody collaborations	☑
	• Progress partnered programs	☑
	• New Investigational New Drug (IND) filings	☑
DISCIPLINED FINANCIAL MANAGEMENT	• Maintain cost base while selectively investing to advance pipeline	☑

☑ = milestone achieved 2016 = milestone moved to 2016

2015 Timeline

JANUARY

FEBRUARY

POSITIVE PHASE II daratumumab data in double-refractory multiple myeloma

DUOBODY AGREEMENT with BioNovion

MARCH

ACQUIRED DR5 ANTIBODIES from iDD Biotech

OFATUMUMAB COLLABORATION transferred from GSK to Novartis

APRIL

$10M daratumumab milestone

POSITIVE PHASE III ofatumumab plus fludarabine and cyclophosphamide data in relapsed CLL

MAY

DUOBODY AGREEMENT with BioNTech

FIRST TISOTUMAB VEDOTIN (HUMAX-TF-ADC) data presented at ASCO Annual Meeting

JUNE

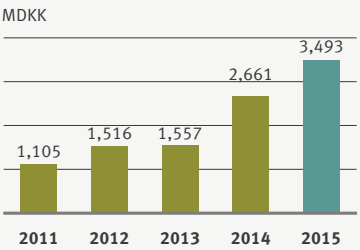
SUBMISSION OF ROLLING BLA TO FDA for daratumumab started

LICENSED CD19 ANTIBODIES from Bristol-Myers Squibb

Financial Performance

- Revenue increased by DKK 283 million, from DKK 850 million in 2014 to DKK 1,133 million in 2015, mainly driven by higher revenue related to our daratumumab and DuoBody collaborations with Janssen.
- Operating expenses were reduced from DKK 585 million in 2014 to DKK 579 million in 2015.
- Operating income improved by DKK 465 million, from DKK 265 million in 2014 to DKK 730 million in 2015.
- 2015 year end cash position of DKK 3,493 million, compared to DKK 2,661 million as of December 31, 2014.

CASH POSITION



"Throughout 2015 we have focused on building the pipeline to ensure future growth via both internal programs and partnerships"

JULY

SUBMISSION OF ROLLING BLA TO FDA for daratumumab completed, $15M milestone

REGULATORY APPLICATIONS for ofatumumab as maintenance therapy for relapsed CLL submitted in U.S. and EU

AUGUST

DUOBODY AGREEMENT with Novo Nordisk

SEPTEMBER

FDA GRANTS PRIORITY REVIEW FOR DARATUMUMAB for double-refractory multiple myeloma

FDA GRANTS PRIORITY REVIEW FOR OFATUMUMAB as maintenance therapy for relapsed CLL

REGULATORY APPLICATION for daratumumab submitted to EMA, $10M milestone

DARATUMUMAB GRANTED ACCELERATED ASSESSMENT in EU for double-refractory multiple myeloma

OCTOBER

ACHIEVED MILESTONES in DuoBody collaboration with Janssen

NOVEMBER

DARZALEX APPROVED by U.S. FDA

$45M DARZALEX U.S. first commercial sale milestone

OFATUMUMAB HOMER STUDY stopped for futility

DECEMBER

$5M daratumumab milestone in NHL

ACHIEVED MILESTONES in DuoBody collaboration with Janssen

RIGHTS TO OFATUMUMAB in autoimmune indications transferred to Novartis

Consolidated Key Figures

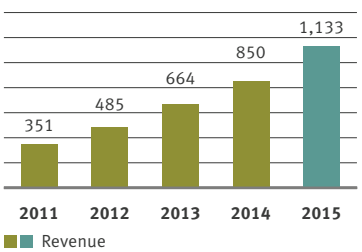
	2011	2012	2013	2014	2015
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*
INCOME STATEMENT					
Revenue	350,936	484,636	663,570	850,385	1,133,041
Research and development expense	(532,507)	(536,702)	(527,576)	(505,679)	(487,656)
General and administrative expense	(67,851)	(64,613)	(66,741)	(79,529)	(91,224)
Operating expenses	(600,358)	(601,315)	(594,317)	(585,208)	(578,880)
Other income	-	-	-	-	176,218
Operating result	(249,422)	(116,679)	69,253	265,177	730,379
Net financial items	39,594	2,598	(3,851)	32,169	27,148
Net result for discontinued operation	(380,620)	(375,670)	42,207	-	-
Net result	(596,368)	(487,118)	112,362	301,296	763,513
BALANCE SHEET					
Cash position*	1,104,830	1,515,754	1,556,979	2,660,515	3,493,229
Non-current assets	47,632	39,076	38,544	100,327	234,659
Assets	1,564,432	1,692,886	1,731,527	2,866,681	3,902,548
Shareholders' equity	486,418	383,187	659,523	2,032,939	3,486,720
Share capital	44,907	50,308	51,756	56,967	59,531
Investments in intangible and tangible assets	7,205	8,998	11,078	75,442	135,389
CASH FLOW STATEMENT					
Cash flow from operating activities	(437,225)	70,919	(127,999)	132,671	311,449
Cash flow from investing activities	514,750	(416,343)	66,953	(1,010,656)	(480,883)
Cash flow from financing activities	(6,091)	357,814	151,663	1,035,352	643,092
Cash, cash equivalents and bank overdraft	69,408	78,997	168,135	359,087	873,986
Cash position increase/(decrease)	(441,391)	410,924	41,225	1,103,536	832,714
FINANCIAL RATIOS					
Basic net result per share	(13.28)	(10.58)	2.20	5.35	13.05
Diluted net result per share	(13.28)	(10.58)	2.16	5.26	12.56
Year-end share market price	37.60	77.80	212.00	360.30	917.50
Price / book value	3.47	10.21	16.64	10.09	15.67
Shareholders' equity per share	10.83	7.62	12.74	35.69	58.57
Equity ratio	31%	23%	38%	71%	89%
Average number of employees (FTE)**	181	180	164	168	180
Number of employees (FTE) at year-end	179	179	157	173	186

* Cash, cash equivalents, bank overdraft and marketable securities

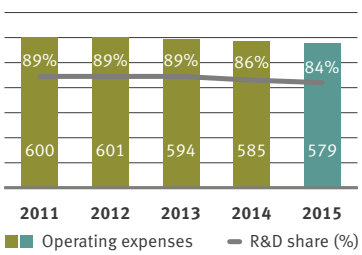
** Full-time equivalent

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015) and key figures in accordance with IFRS.

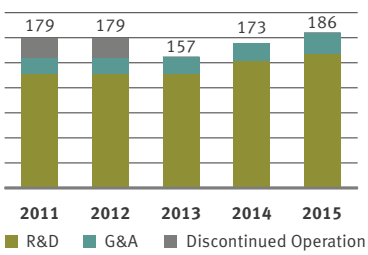
REVENUE



OPERATING EXPENSES



FTE AT YEAR END



2016 Outlook

We expect our 2016 revenue to be in the range of DKK 825–875 million, compared to DKK 1,133 million in 2015. Our projected revenue for 2016 consists primarily of daratumumab milestones of DKK 400 million and DARZALEX royalties of DKK 200–250 million that are based on an estimated USD 250–300 million of DARZALEX sales in 2016. The remainder of the revenue mainly consists of Arzerra royalties, DuoBody milestones, and non-cash amortization of deferred revenue.

The decrease in revenue compared to 2015 is primarily due to a reduction in deferred revenue of over DKK 200 million, as the Novartis/GSK ofatumumab deferred revenue was fully amortized at the end of 2015, and timing of daratumumab milestones.

We anticipate that our 2016 operating expenses will be in the range of DKK 775–825 million, compared to 2015 operating expenses of DKK 579 million. The increase is driven by the additional investment in our pipeline of products, including the advancement of tisotumab vedotin, HuMax-AXL-ADC, HexaBody-DR5/DR5, DuoBody-CD3xCD20, and our pre-clinical programs.

We expect the operating income for 2016 to be approximately DKK 25–75 million compared to DKK 730 million reported for 2015. The operating income in 2015 benefited from a one-time credit related to the reversal of the GSK long term liability of DKK 176 million.

We are projecting a cash position at the end of 2016 of DKK 3,300–3,400 million compared to DKK 3,493 million as of December 31, 2015.

MDKK	2016 Guidance	2015 Actual Result
Revenue	825 – 875	1,133
Operating expenses	(775) – (825)	(579)
Reversal of GSK liability	–	176
Operating income	25 – 75	730
Cash position at end of year*	3,300 – 3,400	3,493

* Cash, cash equivalents, and marketable securities

In addition to factors already mentioned, the estimates above are subject to change due to numerous reasons, including but not limited to the achievement of certain milestones associated with our collaboration agreements; the timing and variation of development activities (including activities carried out by our collaboration partners) and related income and costs; Arzerra and DARZALEX sales and corresponding royalties to Genmab; fluctuations in the value of our marketable securities; and currency exchange rates. The financial guidance does not include any potential proceeds from future warrant exercises and also assumes that no significant agreements are entered into during 2016 that could materially affect the results.

2016 Objectives

Our goals for 2016 are aligned with our three-pronged strategy: we focus on our core competence of antibody development, turn science into medicine by creating differentiated antibody therapeutics and aim to build a profitable and successful biotech by maintaining a capital efficient model, maximizing relationships with partners and retaining ownership of select products.

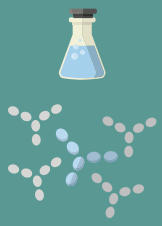
2016 Goals

Priority	Targeted Milestone
MAXIMIZE DARATUMUMAB PROGRESS	• Launch DARZALEX in US and other approved territories • CHMP decision on monotherapy application • Phase III multiple myeloma (MM) interim efficacy analysis in relapsed / refractory MM settings [Pollux and Castor trials] • File for label in relapsed / refractory settings if results of interim analyses are favorable • Start multiple clinical trials in MM and non-MM indications • Report initial clinical data non-MM indications
OPTIMIZE OFATUMUMAB VALUE	• Start Phase III subcutaneous autoimmune trials ✓ Regulatory decision for CLL maintenance • File for label in relapsed CLL • Phase III refractory follicular lymphoma (FL) interim efficacy data
STRENGTHEN DIFFERENTIATED PRODUCT PIPELINE	• Phase I tisotumab vedotin additional data • IND for HuMax-AXL-ADC and start clinical trial • Progress HexaBody-DR5/DR5 program • Progress pre-clinical DuoBody and HexaBody projects
BROADEN PARTNERSHIP PORTFOLIO WITH NEXT GENERATION TECHNOLOGIES	• Sign new / expanded DuoBody and HexaBody collaborations • Progress partnered programs • New IND filings
DISCIPLINED FINANCIAL MANAGEMENT	• Selectively invest to progress and broaden differentiated product pipeline

Research and Development Capabilities

At Genmab we understand how antibodies work. We are deeply knowledgeable about antibody biology and function and our scientists exploit this expertise to create and develop differentiated antibody therapeutics. We employ a sophisticated and mostly automated process to efficiently generate, select, produce and evaluate human antibody therapeutics. Our research and development teams have established a streamlined process to coordinate the activities of product discovery, pre-clinical testing, manufacturing, clinical trial design, data management and regulatory submissions across Genmab's international operations. Our highly skilled and experienced employees work closely together to ensure that our pipeline includes antibody products which are scientifically, clinically and commercially substantiated.

Antibody Discovery Process

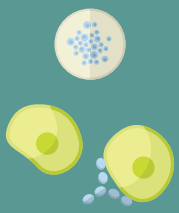


1

Identification and purification of antibodies that bind to disease target

2

Analysis of the biochemical properties of the antibodies



3

Explore efficacy and mechanism of action in laboratory tests (in vitro)

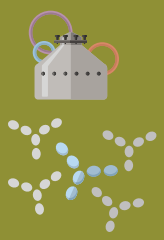
4

Screen for efficacy in animal models (in vivo)

5

Test antibody binding to human and animal tissue and pre-clinical toxicity experiments

Clinical Development Process



1

Production of antibody for clinical development

2

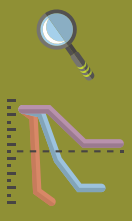
Design protocol for first-in-human clinical study in consultation with key opinion leaders

3

Submission of protocol to regulatory authorities to begin testing in humans

4

Phase I/II development to explore safety



5

Phase II/III development to explore efficacy

6

Analyze results of Phase II/III trials and apply for marketing approval with regulatory authorities

Product Pipeline

Our product pipeline includes seven antibodies in clinical development, including two marketed products, and over 25 in-house and partnered pre-clinical programs. An overview of the development status of each of our products is provided in the following sections. Detailed descriptions of dosing, efficacy and safety data from certain clinical trials have been disclosed in company announcements and media releases published via the Nasdaq Copenhagen stock exchange and are available on Genmab's website, www.genmab.com.

Marketed Products

DARZALEX® (daratumumab)

Approved Indication

Treatment of patients with multiple myeloma who have received at least three prior lines of therapy, including a proteasome inhibitor (PI) and an immunomodulatory agent or who are double-refractory to a PI and an immunomodulatory agent in U.S.

Arzerra™ ofatumumab

Approved Indications

- First-line CLL in combination with chlorambucil in U.S.
- First-line CLL in combination with chlorambucil or bendamustine in EU
- Extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL in U.S.
- CLL refractory to fludarabine and alemtuzumab in all major markets

Products in Development

Product	Disease	Development Phase* (Pre-clin. I I/II II III)
Daratumumab Target: CD38 Partner: Janssen	Multiple myeloma (MM)	
	Non-Hodgkin's lymphoma (NHL)	
Ofatumumab Target: CD20 Partner: Novartis	Chronic lymphocytic leukemia (CLL)	
	Follicular lymphoma (FL)	
Ofatumumab Subcutaneous formulation Target: CD20 Partner: Novartis	Pemphigus vulgaris (PV)	
	Relapsing remitting multiple sclerosis (RRMS)	ANNOUNCED
	Neuromyelitis optica (NMO)	ANTICIPATED
Tisotumab vedotin (HuMax-TF-ADC) Target: TF Partner: Seattle Genetics	Solid cancers	
Teprotumumab Target: IGF-1R Partner: River Vision	Graves' orbitopathy	
	Diabetic macular edema	
HuMax-TAC-ADC Target: CD25 Partner: ADCT	Lymphoma	
	Acute myeloid leukemia (AML)	ANNOUNCED
HuMax-IL8 Target: IL-8 Partner: Cormorant	Metastatic solid tumors	
JNJ-61186372 Target: EGFR, cMET Partner: Janssen	Non-small cell lung cancer (NSCLC)	ANNOUNCED
› 25 Active Pre-clinical programs incl. HuMax-AXL-ADC	Partnered and proprietary programs: HuMab, HuMab-ADC, DuoBody, DuoBody-ADC and HexaBody	

* Chart illustrates the most advanced development phase for each product/disease

Products and Technologies

DARZALEX (daratumumab) – A First-in-Class Antibody

AT-A-GLANCE

- First-in-class CD38 antibody in development to treat cancer
- Approved by FDA for heavily pretreated or double-refractory multiple myeloma
- MAA granted accelerated assessment by EMA
- Five Phase III studies ongoing in multiple myeloma
- First study in three different types of NHL ongoing
- Collaboration with Janssen

OUR STRATEGY IN ACTION

- Created to be a first-in-class therapeutic antibody
- Identified CD38 as promising target for multiple myeloma
- Collaboration with Janssen to ensure very broad development program

DARZALEX™ (daratumumab) injection for intravenous infusion is indicated in the U.S. for the treatment of patients with multiple myeloma who have received at least three prior lines of therapy, including a PI and an immunomodulatory agent, or who are double-refractory to a PI and an immunomodulatory agent. DARZALEX is the first mAb to receive FDA approval to treat multiple myeloma.

A MAA for daratumumab as a monotherapy for patients with relapsed or refractory multiple myeloma was submitted in Europe in September 2015, and has been granted accelerated review by the authorities.

Daratumumab is a human IgG1k mAb that binds with high affinity to the CD38 molecule, which is highly expressed on the surface of multiple myeloma cells. It induces rapid tumor cell death through multiple diverse mechanisms of action. Five Phase III clinical studies with daratumumab in relapsed and front line settings are currently ongoing, and additional studies are ongoing or planned to assess its potential in other malignant and pre-malignant diseases on which CD38 is expressed, such as smoldering myeloma and non-Hodgkin's lymphoma.

Genmab granted Janssen an exclusive worldwide license to develop, manufacture and commercialize daratumumab in 2012 (see Daratumumab Collaboration with Janssen Biotech, Inc. section for more information).

APPROVED IN DOUBLE-REFRACTORY MULTIPLE MYELOMA

In November 2015, DARZALEX™ (daratumumab) injection for intravenous infusion was approved by the U.S. FDA for the treatment of patients with multiple myeloma who have received at least three prior lines of therapy, including a PI and an immunomodulatory agent, or who are double-refractory to a PI and an immunomodulatory agent. The approval was predominantly based on results from the pivotal Phase II MMY2002 (SIRIUS) study which showed that treatment with single-agent DARZALEX resulted in an overall response rate (ORR) of 29.2% in patients who had received a median of five prior lines of therapy, including a PI and an immunomodulatory agent. Stringent complete response (sCR) was reported in 2.8% of patients, very good partial response (VGPR) was reported in 9.4% of patients, and partial response (PR) was reported in 17% of patients.

For responders, the median duration of response was 7.4 months. At baseline, 97% of patients were refractory to their last line of therapy, 95% were refractory to both a PI and an immunomodulatory agent, and 77% were refractory to alkylating agents. Additional efficacy data from the Phase I/II GEN501 monotherapy study also supported this approval.

SAFETY INFORMATION FOR DARZALEX

The warnings and precautions for DARZALEX include infusion reactions, interference with serological testing and interference with determination of complete response. The most frequently

Multiple Myeloma

DISEASE	PREVALENCE	SURVIVAL	U.S. INCIDENCE	GLOBAL INCIDENCE	MARKET
No cure	3rd	46.6%	26,850	124,225	8.9B
A blood cancer that occurs when malignant plasma cells grow uncontrollably in bone marrow and for which there is no cure at present	Third most common blood cancer in the U.S.[1]	5-year survival rate of 46.6% in the U.S.[2]	Approximately 26,850 people will be newly diagnosed with multiple myeloma and approximately 11,240 people will die from the disease in the U.S. in 2015[3]	Globally, an estimated 124,225 people worldwide will be diagnosed with multiple myeloma and 87,084 will die from the disease in 2015[4]	Global multiple myeloma market expected to increase from USD 8.9 billion in 2014 to USD 22.4 billion by 2023[5]

Sources:
1 National Cancer Institute. "A Snapshot of Myeloma." Available at www.cancer.gov/research/progress/snapshots/myeloma. Accessed September 2015.
2 Surveilance, Epidemiology and End Results Program (SEER). SEER Stat Fact Sheets: Myeloma. Available at http://seer.cancer.gov/statfacts/html/mulmy.html. Accessed May 11, 2015.
3 American Cancer Society. "What are the key statistics about multiple myeloma?" http://www.cancer.org/cancer/multiplemyeloma/detailedguide/multiple-myeloma-key-statistics. Accessed September 2015.
4 GLOBOCAN 2012: Estimated Cancer Incidence, Mortality and Prevalence Worldwide: Number of New Cancers in 2015. Available at: http://globocan.iarc.fr/old/burden.asp?selection_pop=224900&Text-p=World&selection_cancer=17270&Text-c=Multiple+myeloma&pYear=3&type=0&window=1&submit=%C2%A0Execute. Accessed September 2015.
5 GlobalData. PharmaPoint: Multiple Myeloma – Global Drug Forecast and Market Analysis to 2023. Published November 2015.

Expansive Daratumumab Development Program

Disease	Disease Stage	Therapy	Patients*	Development Phase (I / I/II / II / III)
Multiple Myeloma**	High Risk Smoldering	Mono	120	SMM2001 (Centaurus)
	Front line (transplant & non-transplant)	Dara + VMP	700	MMY3007 (Alcyone)
		Dara + Revlimid + Dex	730	MMY3008 (Maia)
		Dara + VTD	1,080	MMY3006 (Cassiopeia)
		Multi combo: 1 Study (6 arms)	190	MMY1001 (Equuleus)
	Relapsed or Refractory	Dara + Revlimid + Dex	45	GEN503
		Dara + Revlimid + Dex	570	MMY3003 (Pollux)
		Dara + Velcade + Dex	480	MMY3004 (Castor)
		Dara + Velcade + Dex, Japan	6	MMY1005
		Subcutaneous	128	MMY1004
NHL (DLBCL, MCL, FL)	Relapsed or Refractory	Mono	210	LYM2001 (Carina)

* Approx. no. based on clinicaltrials.gov
** Maintenance integrated into some study protols
Mono = monotherapy Dara = daratumumab VMP = bortezomib & melphalan & prednisone VTD = bortezomib, thalidomide & dexamethasone

reported adverse reactions (incidence ≥20%) were: fatigue, nausea, back pain, pyrexia, cough and upper respiratory tract infection.

In data from three pooled clinical studies including a total of 156 patients, 4% of patients discontinued treatment due to adverse reactions. Infusion reactions were reported in approximately half of all patients treated with DARZALEX. Common (≥5%) symptoms of infusion reactions included nasal congestion, chills, cough, allergic rhinitis, throat irritation, dyspnea (shortness of breath) and nausea. Severe infusion reactions included bronchospasm, dyspnea, hypoxia and hypertension (<2% each).

Please consult the full U.S. Prescribing information for all the labeled safety information for DARZALEX.

2015 SALES

Net sales of DARAZLEX by Janssen following FDA approval on November 16, 2015 were USD 19.7 million, resulting in royalty income of DKK 16 million to Genmab.

Fourth Quarter 2015 Updates

December

- Achieved a USD 5 million milestone in the ongoing Phase II study ("Carina" LYM2001) of daratumumab in NHL. This study has three arms treating three different types of NHL, and the milestone was triggered by progress in the arm treating patients with diffuse large B-cell lymphoma (DLBCL).

November

- Achieved a USD 45 million milestone triggered by the first commercial sale of DARZALEX in the United States.
- U.S. FDA approved DARZALEX for the treatment of patients with multiple myeloma who have received at least three prior lines of therapy, including a PI and an immunomodulatory agent, or who are double-refractory to a PI and an immunomodulatory agent.
- U.S. FDA granted daratumumab orphan drug designation for DLBCL. Daratumumab was granted orphan drug designation for FL and mantle cell lymphoma (MCL) by the FDA in August.

October

- Patient enrollment was completed in the Phase III study ("Castor" MMY3004) which compares daratumumab in combination with bortezomib and dexamethasone to bortezomib and dexamethasone alone for the treatment of relapsed or refractory multiple myeloma. A safety and efficacy analysis which includes stopping boundaries for superiority and futility is built in to the protocol for this study.

Updates from First Quarter to Third Quarter 2015

September

- The Committee for Medicinal Products for Human Use (CHMP) of the EMA granted accelerated assessment to the MAA for daratumumab as a treatment for patients with relapsed and refractory multiple myeloma.
- A MAA for daratumumab as a treatment for patients with relapsed and refractory multiple myeloma was submitted to the EMA by Janssen-Cilag International NV. The submission triggered a USD 10 million milestone payment to Genmab from Janssen.
- Announced that the U.S. FDA granted Priority Review to the BLA for daratumumab as a treatment for patients with double-refractory multiple myeloma. The FDA assigned a Prescription Drug User Fee Act (PDUFA) target date of March 9, 2016. Daratumumab was subsequently approved by the FDA in November 2015.

July

- The rolling submission of a BLA to the U.S. FDA for daratumumab was completed by Janssen, triggering a USD 15 million milestone payment to Genmab.

June

- An expanded access program for daratumumab was opened for eligible patients in the U.S. by Janssen.
- Announced initiation of a rolling submission of a BLA to the U.S. FDA for daratumumab by Janssen.

May

- Patient enrollment was completed in the Phase III study ("Pollux" MMY3003) which compares daratumumab in combination with Revlimid and dexamethasone to Revlimid and dexamethasone alone in patients with relapsed or refractory multiple myeloma. A safety and efficacy analysis, which includes stopping boundaries for superiority and futility, is built in to the protocol for this study.
- Janssen planned to start enrolling patients in a Phase Ib study of a subcutaneous formulation of daratumumab in multiple myeloma in 2015. The first patient was treated in the study in November.

April

- Achieved a USD 10 million milestone payment in the daratumumab collaboration with Janssen for progress in the ongoing Phase III study ("Alcyone" MMY3007) which compares daratumumab in combination with VMP (bortezomib, melphalan and prednisone) to VMP alone as front line treatment for multiple myeloma patients who are not considered candidates for stem cell transplantation.

February

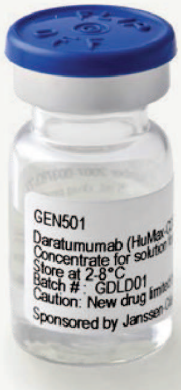
- Announced preliminary results from the Phase II study of daratumumab in double-refractory multiple myeloma. The ORR in the study was 29.2% in the 16 mg/kg dosing group and the median duration of response was 7.4 months as determined by an Independent Review Committee (IRC). Daratumumab was well tolerated and showed a manageable safety profile. These data were presented in an oral presentation at the 2015 American Society of Clinical Oncology (ASCO) Annual Meeting in June and additional data was presented at the 57th American Society of Hematology (ASH) Annual Meeting and Exposition in December.

Read more

About daratumumab: www.genmab.com/product-pipeline/products-in-development/daratumumab
About the collaboration with Janssen: www.genmab.com/partnering/current-partnerships#tab2
For more information, visit www.DARZALEX.com

Daratumumab Collaboration with Janssen Biotech, Inc. (Janssen)

In 2012, Genmab and Janssen Biotech, Inc., one of the Janssen Pharmaceutical Companies of Johnson & Johnson, entered a global license and development agreement for daratumumab. Genmab received an upfront license fee of USD 55 million and Johnson & Johnson Development Corporation (JJDC) invested USD 80 million to subscribe for 5.4 million new Genmab shares. Genmab could also be entitled to up to USD 1 billion in development, regulatory and sales milestones, in addition to tiered double digit royalties between 12% and 20%. Janssen is fully responsible for all costs associated with developing and commercializing daratumumab.



Arzerra (ofatumumab) – Our First Marketed Product

AT-A-GLANCE

- Human CD20 monoclonal antibody in development to treat cancer and autoimmune disease
- Arzerra launched in U.S. in combination with chlorambucil for first-line CLL and in Europe in combination with chlorambucil or bendamustine for first-line CLL
- Arzerra approved in U.S. for extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL
- Arzerra marketed in all major markets for CLL refractory to fludarabine and alemtuzumab
- 2015 Novartis and GSK sales of Arzerra were GBP 37.3 million
- Interim data from pivotal Phase III study in refractory FL expected in 2016
- Pivotal study ongoing in PV and studies planned in RRMS
- Collaboration with Novartis

OUR STRATEGY IN ACTION

- Transformed our antibody knowledge into an approved medicine
- Royalty stream helps to build financial base
- Expanded label into first-line CLL in 2014 and as extended treatment for recurrent or progressive CLL in 2016 to increase market potential
- In development for disease areas with significant commercial potential

Arzerra (ofatumumab) is a human monoclonal antibody which targets an epitope on the CD20 molecule encompassing parts of the small and large extracellular loops. It is marketed and developed under a collaboration agreement with Novartis Pharma AG (see Ofatumumab Collaboration with Novartis Pharma AG section for more information). Arzerra is approved in the U.S. in combination with chlorambucil and in Europe in combination with chlorambucil or bendamustine for first-line CLL. Arzerra is approved in the U.S. for extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL. Arzerra is also approved to treat CLL in patients who are refractory to fludarabine and alemtuzumab in all major markets.

APPROVED IN FIRST-LINE CLL

In April 2014, the U.S. FDA approved the use of Arzerra in combination with chlorambucil for the treatment of previously untreated patients with CLL for whom fludarabine-based therapy is considered inappropriate. In July 2014, EU authorization was granted for the use of Arzerra in combination with chlorambucil or bendamustine for the treatment of patients with CLL who have not received prior therapy and who are not eligible for fludarabine-based therapy.

The approvals were based on results from a Phase III study (COMPLEMENT 1) evaluating the combination of Arzerra and chlorambucil (N=221) versus chlorambucil alone (N=226) which demonstrated statistically significant improvement in median progression free survival (PFS) in patients randomized to Arzerra and chlorambucil compared to patients randomized to chlorambucil alone (22.4 months versus 13.1 months, respectively) (HR=0.57 [95% CI, 0.45, 0.72] p<0.001).

The EU approval was also based on results from a supportive Phase II study evaluating Arzerra in combination with bendamustine in 44 patients with previously untreated CLL for whom fludarabine-based treatment was considered inappropriate. Results of this study demonstrated that Arzerra in combination with bendamustine provided an ORR of 95% (95% CI, 85, 99) and a CR rate of 43%.

APPROVED IN REFRACTORY CLL

Arzerra is marketed to treat CLL in patients who are refractory to fludarabine and alemtuzumab in all major markets. The approval was based on interim results from a pivotal study of 154 patients; 59 patients with CLL refractory to fludarabine and alemtuzumab comprised the efficacy population. The ORR was 42% (all partial responses; no complete responses) and median duration of response was 6.5 months.

APPROVED AS EXTENDED TREATMENT FOR RECURRENT OR PROGRESSIVE CLL

In January 2016, the U.S. FDA approved the use of Arzerra for extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL. This approval was based on data from the Phase III study PROLONG (OMB114517), evaluating ofatumumab maintenance therapy versus no further treatment (observa-

Chronic Lymphocytic Leukemia

DISEASE	PREVALENCE	RATIO	SURVIVAL	INCIDENCE	MARKET
CLL	Common	30%	64-83%	39,295	1.4B
A cancer in which the bone marrow produces too many white blood cells called lymphocytes	Most common form of leukemia in the western world[1] – no curative chemotherapy is available at present	Accounts for 30% of all adult leukemia and 25% of all non-Hodgkin's lymphoma[1]	Relatively good prognosis with a 5-year survival rate of 64% to 83% in the U.S. and 5 major EU markets[1]	Approximately 39,295 new cases of CLL forecast in the U.S. & 5 major EU markets in 2015, increasing to 45,683 new cases in 2023[1]	In 2013, branded sales for CLL in the U.S. and 5 EU reached USD 1.4 billion, with anticipated growth to USD 3.6 billion in CLL 2018[2]

Sources:
1 GlobalData. EpiCast Report: Chronic Lymphocytic Leukemia Epidemiology Forecast to 2023. Published May 2014.
2 GlobalData. OpportunityAnalyzer: Chronic Lymphocytic Leukemia – Opportunity Analysis and Forecasts to 2018. Published June 2014.

Follicular Lymphoma

DISEASE	RATIO	SURVIVAL	INCIDENCE	MARKET
FL	20%	62%	24,391	2.4B
A slow growing cancer of the B-cells	Accounts for approximately 20% of all NHL and 70% of all indolent NHL[3]	Median survival ranges from 8 to 15 years, with a 62% 10-year relative survival rate[3]	Estimated number of new cases of FL in 2015 in the U.S. and 5 major EU markets, increasing to 28,528 in 2023[4]	In 2013 branded sales for FL were approximately USD 2.4 billion in the U.S. and 5 major EU markets, with anticipated growth to USD 3.4 billion in 2022[5]

Sources:
3 GlobalData. Non-Hodgkin's B-Cell Lymphoma: Opportunity Analysis and Forecast to 2018. Published August 2014.
4 GlobalData. EpiCast Report: Non-Hodgkin's Lymphoma – Epidemiology Forecast to 2023. Published May 2014.
5 Datamonitor. NHL: Follicular Lymphoma Forecast. Published March 2014.

Multiple Sclerosis

DISEASE	RATIO	PREVALENCE	INCIDENCE	MARKET
MS	80%	2.5M	37,737	14.9B
An inflammatory disease of the central nervous system	Relapsing remitting multiple sclerosis (RRMS) is characterized by unpredictable recurrent attacks and accounts for 80% of MS cases[6]	Affects approximately 2.5 million people worldwide[7]	Estimated number of new cases of MS in 2014 in the U.S. and 5 major EU markets[7]	MS market in the U.S. and 5 major EU countries was estimated at USD 14.9 billion in 2014 and is forecast to reach USD 18.6 billion by 2018 and USD 19.2 billion in 2023[8]

Sources:
6 Datamonitor. Multiple Sclerosis Treatment. Published January 2015.
7 GlobalData. EpiCast Report: Multiple Sclerosis – Epidemiology Forecast to 2024. Published September 2015.
8 Datamonitor. Multiple Sclerosis Forecast. Published December 2014.

tion) in patients with relapsed CLL who responded to induction treatment at relapse (N=474). Results from the study showed that patients who received ofatumumab maintenance treatment lived 14.2 months longer without their disease worsening than patients who received no further treatment. Median PFS as assessed by the investigators was 29.4 months for the ofatumumab treatment arm and 15.2 months for the observation arm (Hazard Ratio 0.50; p<0.0001). Novartis submitted a regulatory filing to the EMA for ofatumumab as maintenance therapy in relapsed CLL in July 2015.

SAFETY INFORMATION FOR ARZERRA

The overall safety profile of Arzerra in CLL (previously untreated and relapsed or refractory) is based on data from more than 3,500 patients treated alone or in combination with other therapies in clinical trials.

The most common side effects for Arzerra include adverse events associated with infusion reactions, cytopenias (neutropenia, anemia, thrombocytopenia), and infections (lower respiratory tract infection, including pneumonia, upper respiratory tract infection, sepsis, including neutropenic sepsis and septic shock, herpes virus infection, urinary tract infection).

Please consult the full European Summary of Product Characteristics and full U.S. Prescribing information, including Boxed Warning, for all the labeled safety information for Arzerra.

2015 SALES

Net sales of Arzerra by Novartis and GSK for the full year 2015 were GBP 37.3 million, resulting in royalty income of DKK 76 million to Genmab. In 2014, sales were GBP 54.5 million, resulting in royalty income of DKK 101 million to Genmab. Sales were negatively impacted by increased competition, primarily from Imbruvica. In addition, sales in 2014 were enhanced by sales related to the supply of ofatumumab for clinical trials run by other companies.

Subsequent Event

January

- The U.S. FDA approved a sBLA for the use of Arzerra for extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL.

Fourth Quarter 2015 Updates

December

- The agreement under which GSK granted Novartis the remaining rights to ofatumumab, including rights in autoimmune diseases, became effective.

November

- After a planned interim analysis, the decision was made to stop the Phase III study (HOMER) of single agent ofatumumab compared to single agent rituximab in patients with follicular NHL that have relapsed at least 6 months after completion of treatment with a rituximab-containing regimen early. The decision came after the interim analysis showed that it was unlikely that ofatumumab would show superiority if the trial was to be completed as planned.

Updates From First Quarter To Third Quarter 2015

September

- The U.S. FDA granted Priority Review to the sBLA for ofatumumab as maintenance therapy for patients with relapsed CLL. The FDA assigned a PDUFA target date of January 21, 2016.

August

- Novartis announced an agreement to acquire all remaining rights for ofatumumab, including in autoimmune disease, subject to the expiry of any waiting period under the U.S. Hart-Scott-Rodino Act and other customary closing conditions.

July

- Announced that regulatory applications were submitted to the EMA and FDA for the use of ofatumumab as maintenance therapy for patients with relapsed CLL by Novartis.

June

- A supplemental New Drug Application (sNDA) was submitted to the U.S. FDA by Gilead based on data from a Phase III study of Zydelig® (idelalisib) in combination with ofatumumab in previously treated patients with CLL.

April

- The European Commission issued a decision converting the conditional marketing approval for Arzerra to a non-conditional authorization.
- Announced positive top-line results from the Phase III COMPLEMENT 2 study which showed that treatment with ofatumumab plus fludarabine and cyclophosphamide (OFC) met the primary endpoint of improved PFS in patients with relapsed CLL (HR 0.67, p = 0.0032) compared to those given fludarabine and cyclophosphamide (FC) alone. Additional data showing the PFS as assessed by an IRC was 28.9 months in the OFC arm compared to 18.8 months in the FC arm was reported in May and was presented at the 20th Congress of the European Hematology Association (EHA). The ORR by IRC assessment was 84% for OFC and 68% for FC (p=0.0004). Median overall survival was 56.4 months in the OFC arm and 45.8 months in the FC arm (p=0.1404, HR=0.78) with a median follow-up of 34 months. Regulatory filings in relapsed CLL are now scheduled in 2016 to allow more time for finalizing the applications following Novartis' acquisition of ofatumumab from GSK.

March

- Announced that the agreement to transfer the ofatumumab collaboration for oncology from GSK to Novartis became effective. As a result of the transfer, Genmab is not liable for any ofatumumab development costs in 2015 and beyond, and is not required to pay the existing deferred funding liability of DKK 176 million.

Read more

About Arzerra: http://www.genmab.com/product-pipeline/products-in-development/ofatumumab
About the ofatumumab collaboration: www.genmab.com/partnering/current-partnerships#tab2

Ofatumumab Collaboration with Novartis Pharma AG

Genmab and GlaxoSmithKline (GSK) entered a co-development and collaboration agreement for ofatumumab in 2006. The full rights to ofatumumab were subsequently transferred from GSK to Novartis in 2015. Novartis is now responsible for the development and commercialization of ofatumumab in all potential indications, including cancer and autoimmune diseases. Genmab is entitled to potential regulatory and sales milestones, in addition to double digit royalties. Novartis is fully responsible for all costs associated with developing and commercializing ofatumumab.

Tisotumab vedotin (HuMax-TF-ADC) – A Next Generation Therapeutic

AT-A-GLANCE

- Antibody-drug conjugate (ADC, antibody coupled to a cell-killing agent) in development to treat solid tumors
- Two clinical studies in solid tumors ongoing
- Collaboration with Seattle Genetics

OUR STRATEGY IN ACTION

- Ongoing clinical studies cover broad array of cancer types to maximize future commercial potential
- Opportunity to retain 50% or 100% ownership
- Seattle Genetics collaboration provides access to ADC technology

HuMax-TF-ADC, which has been assigned the International Non-proprietary Name (INN) tisotumab vedotin, is an ADC targeted to Tissue Factor (TF), a protein involved in tumor signaling and angiogenesis. Based on its high expression on many solid tumors and its rapid internalization, TF is a suitable target for an ADC approach. Tisotumab vedotin is in Phase I/II development for solid tumors. Genmab has a collaboration for tisotumab vedotin with Seattle Genetics under which Seattle Genetics has the right to exercise a co-development option at the end of Phase I clinical development. Genmab is working with Ventana Medical Systems to develop a companion diagnostic.

Updates From First Quarter To Third Quarter 2015

September

- A new Phase I study of tisotumab vedotin with an intensive dosing regimen to treat solid tumors was announced.

May

- Presented first preliminary clinical data from the ongoing Phase I/II study of tisotumab vedotin in solid tumors at the 2015 ASCO Annual Meeting. The analysis included data from 24 patients. Preliminary data show that tisotumab vedotin is well tolerated at doses of up to and including 1.8 mg/kg. Dose limiting toxicities were observed in the 2.2 mg/kg dose cohort and 2.0 mg/kg has been determined as the maximum tolerated dose. Encouraging evidence of efficacy was seen, with 25% of patients experiencing clinically meaningful, long term disease control. Part 2 of the study has been expanded and the total number of patients in this study for both Part 1 and Part 2 will be approximately 136.

Read more

About tisotumab vedotin: www.genmab.com/product-pipeline/products-in-development/humax-tf-adc
About the Seattle Genetics collaboration: www.genmab.com/partnering/current-partnerships#tab3
About ADCs: www.genmab.com/research-and-technology/genmab-technology#tab5

Tisotumab vedotin (HuMax-TF-ADC) Collaboration with Seattle Genetics, Inc.

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

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

Teprotumumab

AT-A-GLANCE

- In clinical development by River Vision
- In Phase I and Phase II clinical studies for diseases of the eye

OUR STRATEGY IN ACTION

- Low risk, no cost collaboration that could potentially provide future income

Teprotumumab is a fully human antibody that targets the Insulin-like Growth Factor-1 Receptor (IGF-1R), which is a well validated target. Teprotumumab was created by Genmab under a 2001 collaboration with Roche. Clinical development of teprotumumab is being conducted by River Vision Development Corporation, who licensed the product from Roche. Teprotumumab is in Phase II development for Graves' orbitopathy and in Phase I for diabetic macular edema. Teprotumumab has been granted Fast Track designation and Orphan Drug designation for Graves' orbitopathy by the U.S. FDA.

Fourth Quarter 2015 Updates

October

- Patient enrollment was completed in the Phase II study of teprotumumab for the treatment of Graves' orbitopathy.

Read more

About teprotumumab: www.genmab.com/product-pipeline/products-in-development/teprotumumab
About the Roche collaboration: www.genmab.com/partnering/current-partnerships#tab4

HuMax-TAC-ADC

AT-A-GLANCE

- ADC in development under a Collaboration and License Agreement with ADC Therapeutics
- Phase I clinical study for lymphomas ongoing and Phase I study in AML announced

OUR STRATEGY IN ACTION

- Access to ADC technology provided via collaboration with ADC Therapeutics
- Genmab retains 25% of rights to HuMax-TAC-ADC and has no funding obligation

HuMax-TAC-ADC, also known as ADCT-301, is an ADC that combines Genmab's HuMax-TAC antibody and ADC Therapeutics' PBD-based warhead and linker technology. HuMax-TAC-ADC targets CD25, which is expressed on a variety of hematological tumors and shows limited expression on normal tissues, which makes it an attractive target for antibody-payload approaches.

HuMax-TAC-ADC is in development under a Collaboration and License Agreement between Genmab and ADC Therapeutics, under which Genmab owns 25% of the product rights. A Phase I study for HuMax-TAC-ADC to treat lymphomas is ongoing and ADC Therapeutics has announced plans to start a Phase I clinical study in AML.

Updates From First Quarter To Third Quarter 2015

March

- Announced decision not to exercise co-development right for HuMax-TAC-ADC under our Collaboration and License Agreement with ADC Therapeutics. Genmab will retain 25% of the rights to the product. An IND was subsequently filed for this product by ADC Therapeutics and a Phase I study in lymphomas was announced.

Read more

About HuMax-TAC-ADC: www.genmab.com/product-pipeline/products-in-development/humax-tac-adc
About the ADC Therapeutics collaboration: www.genmab.com/partnering/current-partnerships#tab2

HuMax-IL8

AT-A-GLANCE

- Fully human antibody in development under a collaboration with Cormorant Pharmaceuticals
- Phase Ib clinical study for metastatic solid tumors ongoing

OUR STRATEGY IN ACTION

- Low risk, no cost program that could result in future royalty income

HuMax-IL8 is a high affinity fully human antibody directed towards IL-8. IL-8 has been shown to be involved in several aspects of tumor development, including tumor spread (metastasis), cancer stem cell renewal and tumor immunosuppression. HuMax-IL8 has been shown to inhibit these processes and to inhibit tumor growth in pre-clinical tumor models. HuMax-IL8 is in development for the treatment of solid tumors under an agreement with Cormorant Pharmaceuticals.

Updates From First Quarter To Third Quarter 2015

June

- Cormorant filed an IND for a Phase Ib clinical study of HuMax-IL8 for the treatment of metastatic solid tumors. The study is ongoing.

Read more

About HuMax-IL8: www.genmab.com/product-pipeline/products-in-development/humax-il8
About the Cormorant collaboration: www.genmab.com/partnering/current-partnerships#tab2

JNJ-61186372

AT-A-GLANCE

- DuoBody product targeting EGFR and cMet
- Phase I study announced in NSCLC
- First DuoBody product to enter clinical development
- Developed by Janssen under DuoBody technology collaboration

OUR STRATEGY IN ACTION

- Technology collaboration with Janssen helps to validate DuoBody platform
- Potential to earn milestone payments and royalties
- Janssen fully responsible for development and commercialization

JNJ-61186372 is a bispecific antibody that targets EGFR and cMet, two validated cancer targets. JNJ-61186372 was created under a collaboration between Genmab and Janssen using Genmab's DuoBody technology. The two antibodies used to create JNJ-61186372 were both created by Genmab. JNJ-61186372 is being investigated in a Phase I clinical study to treat NSCLC and is the first bispecific antibody created with the DuoBody technology to enter clinical development.

Fourth Quarter 2015 Updates

November

- A Phase I study of JNJ-61186372 to treat NSCLC was announced by Janssen via www.clinicaltrials.gov.

Read more

About JNJ-61186372: www.genmab.com/product-pipeline/products-in-development/JNJ-61186372
About the DuoBody technology collaboration with Janssen: www.genmab.com/partnering/current-partnerships#tab3

Pre-Clinical Programs

AT-A-GLANCE

- Broad pre-clinical pipeline of over 25 programs including HuMax-AXL-ADC, HexaBody-DR5/DR5, and DuoBody-CD3xCD20
- Pre-clinical pipeline includes both partnered products and in-house programs based on our proprietary technologies and in-licensed ADC technologies
- Multiple new INDs expected to be submitted over coming years

OUR STRATEGY IN ACTION

- Broad early stage pipeline provides maximum chance for success
- Collaborations minimize Genmab's risk and investment while providing potential future revenue streams
- Opportunity to retain ownership of select pre-clinical collaboration programs

Genmab has over 25 active in-house and partnered pre-clinical programs. Our pre-clinical pipeline includes naked antibodies, immune effector function enhanced antibodies developed with our HexaBody technology, bispecific antibodies created with our DuoBody platform, and ADCs including HuMax-AXL-ADC. A majority of Genmab's own pre-clinical programs are based on our proprietary DuoBody and HexaBody technologies, with the remainder being ADC programs. A number of the pre-clinical programs are carried out under cooperation with our collaboration partners. These include: DuoBody programs with Novartis, Janssen, BioNTech, Aduro Biotech Europe (previously BioNovion), and Novo Nordisk; antibodies for disorders of the central nervous system with H. Lundbeck A/S; and AMG 714 which is being developed by Celimmune LLC.

Updates From First Quarter To Third Quarter 2015

June

- Pre-clinical data for the HuMax-AXL-ADC program was presented at the 2015 ASCO Annual Meeting.
- Entered an agreement for an exclusive license from Bristol-Myers Squibb to a panel of human antibodies targeting CD19. Genmab made a one-time USD 4 million licensing payment to Bristol-Myers Squibb upon execution of the license. Other financial terms were not disclosed.

March

- Announced that Genmab Holding B.V. entered into an agreement to purchase antibodies targeting DR5 and related patents and know-how from iDD Biotech SAS. Under the agreement, Genmab paid iDD Biotech an upfront fee of EUR 2.5 million. Future payments range from a minimum of EUR 3.5 million to potentially EUR 101.5 million in development and sales milestones and single-digit royalties on commercialized products.
- Amgen has out-licensed AMG 714 to a private company, Celimmune. AMG 714 is an antibody targeting IL15 developed under a collaboration with Amgen.

Read more

About our pre-clinical pipeline: www.genmab.com/product-pipeline/products-in-development/pre-clinical
About our collaborations: www.genmab.com/partnering/current-partnerships
About ADCs: www.genmab.com/research-and-technology/genmab-technology#tab5
About the DuoBody platform: www.genmab.com/research-and-technology/genmab-technology#tab3
About the HexaBody technology: www.genmab.com/research-and-technology/genmab-technology#tab6

Protecting Our Pipeline Through Intellectual Property

Proprietary protection for our antibody products, processes, technologies and know-how are important to our business. We own and license patents, patent applications, and other proprietary rights relating to our antibody products and uses of these products in the treatment of diseases as well as antibody technologies and processes. Our policy is to file patent applications to protect inventions relating to antibody products, processes and technologies that we consider important to the development of our business. **Please refer to the "Risk Management" section and note 5.5 of the financial statements for further details.**

Antibody Technologies

Genmab is developing antibody therapeutics using a broad, state-of-the-art toolbox. Genmab has developed proprietary antibody technologies including the DuoBody platform for the creation of bispecific antibodies and the HexaBody technology to increase the potency of antibodies. Information about these technologies can be found in the following sections.

We also use several other technologies to increase the potency of some of our antibody therapeutics on a product-by-product basis. For example, we license an antibody-drug conjugate (ADC) technology from Seattle Genetics. ADCs are monoclonal antibodies with potent toxic agents coupled to them. By using antibodies that recognize specific targets on tumor cells, these toxic agents are preferentially delivered to the tumor cells. In this way, malignant cells are killed while healthy cells are left intact.

Forming the basis of our antibody development are technologies for the generation of diverse libraries of high quality, functional antibodies that we license from other companies. These technologies include the clinically and commercially validated UltiMAb® transgenic mouse technology from Medarex, Inc., a wholly owned subsidiary of Bristol-Myers Squibb, the transgenic mouse and rat OmniAb™ platforms from Open Monoclonal Technology, Inc. (OMT) (acquired by Ligand Pharmaceuticals Incorporated) and the rabbit antibody platform from MAB Discovery GmbH.

The Main Technologies We Use

DuoBody

DuoBody Platform

- Genmab's proprietary bispecific antibody technology
- Generates antibodies that bind to two targets
- Potential application in cancer, autoimmune, infectious and central nervous system diseases

ADC

Antibody-Drug Conjugates

- Monoclonal antibodies with potent toxic agents coupled to them
- Expanding development area for cancer immunotherapy

HexaBody

HexaBody Platform

- Genmab's proprietary technology designed to increase the potency of antibodies
- Potential application in cancer and infectious diseases

Antibody Generation Technology Platforms

- UltiMAb transgenic mouse technology
- OmniAb transgenic mouse and rat platforms
- MAB Discovery's rabbit antibody platform

The DuoBody Platform – Innovative Technology for Bispecific Antibody Therapeutics

AT-A-GLANCE

- Bispecific antibody technology platform
- Potential in cancer, autoimmune, infectious and central nervous system diseases
- Commercial collaborations with Janssen, Novartis, Aduro Biotech Europe, BioNTech, and Novo Nordisk, plus multiple research collaborations

OUR STRATEGY IN ACTION

- Next generation antibody technology that is differentiated from competitor platforms
- Potential to create differentiated antibody therapeutics
- Multiple collaborations bring in milestones, potential royalty income and opportunities for 50:50 programs

The DuoBody platform is Genmab's innovative platform for the discovery and development of bispecific antibodies. Bispecific antibodies bind to two different epitopes (or "docking" sites) either on the same, or on different targets (also known as dual-targeting). Dual-targeting may improve binding specificity and enhance therapeutic efficacy. Bispecific antibodies generated with the DuoBody platform can be used for the development of therapeutics for cancer, autoimmune, infectious and central nervous system diseases. DuoBody molecules are unique in combining the benefits of bispecificity with the strengths of conventional antibodies, which allows DuoBody molecules to be administered and dosed the same way as other antibody therapeutics. Genmab's DuoBody platform generates bispecific antibodies via a versatile and broadly applicable process which is easily performed at standard bench, as well as commercial manufacturing scale. Genmab uses the DuoBody platform to create our own bispecific antibody programs and the technology is also available for licensing. Genmab has numerous alliances for the DuoBody platform including collaborations with Janssen, Novartis, Novo Nordisk, Aduro Biotech Europe and BioNTech.

During 2015 Genmab achieved pre-clinical milestones under the DuoBody collaboration with Janssen totalling USD 16.25 million.

Fourth Quarter 2015 Updates

December

- Achieved three pre-clinical progress milestones under our DuoBody technology collaboration with Janssen, triggering total payments of USD 6.5 million to Genmab.
- Achieved a USD 1.25 million milestone for progress in our DuoBody technology collaboration with Novo Nordisk.

October

- Achieved five pre-clinical milestones under our DuoBody technology collaboration with Janssen, triggering total payments of USD 8.5 million to Genmab.
- The DuoBody research collaborations with Kyowa Hakko Kirin and Cormorant have been completed.

DuoBody Product Collaborations

Janssen Biotech, Inc.

In July 2012, Genmab entered into a collaboration with Janssen Biotech, Inc. to create and develop bispecific antibodies using our DuoBody platform. Under the original July 2012 agreement, Janssen has the right to use the DuoBody technology to create panels of bispecific antibodies (up to 10 DuoBody programs) to multiple disease target combinations. Genmab received an upfront payment of USD 3.5 million from Janssen and will potentially be entitled to milestone and license payments of up to approximately USD 175 million, as well as royalties for each commercialized DuoBody product.

Under the terms of a December 2013 amendment, Janssen is entitled to work on up to 10 additional programs. Genmab received an initial payment of USD 2 million from Janssen. For each of the 10 additional programs that Janssen successfully initiates, develops and commercializes, Genmab will potentially be entitled to receive average milestone and license payments of approximately USD 191 million. In addition, Genmab will be entitled to royalties on sales of any commercialized products. All research work in the collaboration is funded by Janssen.

Novartis

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

Aduro Biotech Europe

In February 2015, Genmab entered a co-development and commercialization agreement with BioNovion (acquired by Aduro Biotech in September 2015) to evaluate five DuoBody product candidates targeting immune checkpoints. Genmab and Aduro Biotech Europe will contribute panels of antibodies for the creation of bispecific antibody products using our DuoBody platform. If the companies jointly select a product candidate for clinical development, development costs will be shared equally, with each party retaining a 50% share of the product rights. If one of the companies decides not to move a therapeutic candidate forward, the other company is entitled to continue developing the product at predefined licensing terms. The agreement also includes terms which allow the parties to opt out of joint development at key points in each product's clinical development.

BioNTech

In May 2015, Genmab entered an agreement with BioNTech AG to jointly research, develop and commercialize bispecific antibody products using Genmab's DuoBody technology platform. Under the terms of the agreement, BioNTech will provide proprietary antibodies against key immunomodulatory targets, while Genmab provides access to its DuoBody technology platform. Genmab paid an upfront fee of USD 10 million to BioNTech and will pay additional potential near-term payments of up to USD 5 million if certain BioNTech assets are selected for further development. If the companies jointly select any product candidates for clinical development, development costs and product ownership will be shared equally going forward. If one of the companies does not wish to move a product candidate forward, the other company is entitled to continue developing the product on predetermined licensing terms. The agreement also includes provisions which will allow the parties to opt out of joint development at key points.

Novo Nordisk

In August 2015, Genmab entered an agreement to grant Novo Nordisk commercial licenses to use the DuoBody technology platform to create and develop bispecific antibody candidates for two therapeutic programs. The bispecific antibodies will target a disease area outside of cancer therapeutics. Under the terms of the agreement, Genmab received an upfront payment of USD 2 million from Novo Nordisk. After an initial period of exclusivity for the two target combinations, Novo Nordisk has an option to maintain exclusivity or take the licenses forward on a non-exclusive basis. Genmab is entitled to potential development, regulatory and sales milestones of up to approximately USD 250 million for each exclusive license, or approximately USD 200 million for each non-exclusive license. In addition, Genmab will be entitled to single-digit royalties on sales of any commercialized products.

Updates From First Quarter To Third Quarter 2015

September

- Achieved two pre-clinical milestones under the DuoBody collaboration with Janssen, triggering total payments of USD 1.25 million to Genmab.
- Genmab received a program reservation fee for activation of a bispecific antibody program by Janssen under our DuoBody collaboration. A total of 11 of a possible 20 programs have been optioned under this collaboration.

August

- Entered an agreement to grant Novo Nordisk commercial licenses to use the DuoBody technology platform to create and develop bispecific antibody candidates for two therapeutic programs. Genmab received an upfront payment of USD 2 million from Novo Nordisk. After an initial period of exclusivity for the two target combinations, Novo Nordisk has an option to maintain exclusivity or take the licenses forward on a non-exclusive basis. Genmab is entitled to potential development, regulatory and sales milestones of up to approximately USD 250 million for each exclusive license, or approximately USD 200 million for each non-exclusive license. In addition, Genmab will be entitled to single-digit royalties on sales of any commercialized products.
- Entered a research collaboration for the DuoBody platform with Pierre Fabre.

May

- Entered an agreement with BioNTech AG to jointly research, develop and commercialize bispecific antibody products within the field of immuno-oncology using the DuoBody technology platform. Genmab paid an upfront fee of USD 10 million to BioNTech and may pay additional potential near-term payments of up to USD 5 million if certain BioNTech assets are selected for further development. If the companies jointly select any product candidates for clinical development, development costs and product ownership will be shared equally going forward. If one of the companies does not wish to move a product candidate forward, the other company is entitled to continue developing the product on predetermined licensing terms. The agreement also includes provisions which will allow the parties to opt out of joint development at key points.
- The DuoBody research collaboration with Eli Lilly and Company was completed.

April

- Pre-clinical data on the DuoBody platform was presented at the Biopharmaceutical Development & Production Conference.

February

- Entered a co-development and commercialization agreement with BioNovion (acquired by Aduro Biotech in September 2015) to evaluate a number of DuoBody product candidates targeting immune checkpoints.

Read more

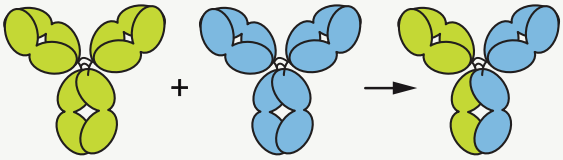
About our DuoBody collaborations: www.genmab.com/partnering/current-partnerships#tab3
About the DuoBody platform: www.duobody.com

DuoBody Research Collaborations

- Humabs BioMed
- Agenus
- Gilead Sciences
- Pierre Fabre

The DuoBody Platform

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



HexaBody Technology – Creating Differentiated Therapeutics

AT-A-GLANCE

- Enhanced potency antibody technology platform
- Broadly applicable technology builds on natural antibody biology
- Pre-clinical proof-of-concept achieved
- Research collaborations with Humabs BioMed, Agenus and Gilead Sciences

OUR STRATEGY IN ACTION

- Developed HexaBody technology based on our deep antibody expertise and innovative approach
- Opportunity to create differentiated products and manage product life cycle
- Collaborations serve to validate this new technology

The HexaBody technology is Genmab's proprietary technology that is 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 allows for the creation of potent therapeutics by inducing antibody hexamer formation (clusters of six antibodies). The HexaBody platform builds on natural antibody biology and enhances direct or complement-mediated killing, allowing antibodies with limited or absent killing capacity to be transformed into potent, cytotoxic antibodies. The HexaBody technology creates opportunities to explore new product candidates, to repurpose drug candidates unsuccessful in previous clinical trials due to insufficient potentcy and may provide a useful strategy in product life cycle extension. The HexaBody technology is broadly applicable and can be combined with Genmab's DuoBody platform as well as other antibody technologies. The technology has the potential to enhance antibody therapeutics for a broad range of applications in cancer and infectious diseases. Genmab intends to use the HexaBody technology for our own antibody programs and the technology is also available for licensing. Genmab has entered HexaBody research collaborations with Humabs BioMed, Agenus and Gilead Sciences.

Updates From First Quarter To Third Quarter 2015

June

- Pre-clinical data on the HexaBody technology was presented at the 15th European Meeting on Complement in Human Disease.

May

- Entered a research license agreement for the HexaBody technology with Agenus.

Read more

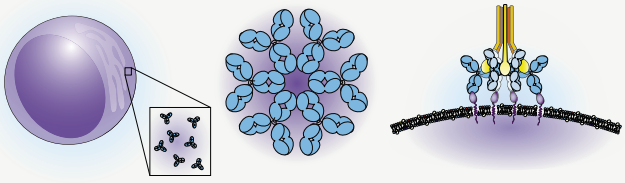
About our HexaBody collaborations: www.genmab.com/partnering/current-partnerships#tab3
About the HexaBody technology: www.hexabody.com

HexaBody Research Collaborations

- Humabs BioMed
- Agenus
- Gilead Sciences

HexaBody Process

The HexaBody platform is an innovative approach to enhance the ordered clustering of antibodies after they bind to their target on cells. This biological mechanism can be exploited to robustly enhance the killing of target cells by the antibody.



Corporate Governance

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

All Danish companies listed on the Nasdaq 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 May 2013, revised by November 2014, (the "Recommendations") applying the "comply-or-explain" principle.

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

- The Recommendations provide that according to a company's takeover contingency procedures, the board of directors shall not attempt to counter a takeover bid without the acceptance of the general meeting. Genmab does not have such a restriction in its takeover contingency procedures and retains the right in certain circumstances to reject takeover bids without consulting the shareholders. Genmab believes this provides the Board with the needed flexibility to best respond to takeover bids and negotiate with bidders. Actions will be determined on a case-by-case basis with due consideration to the interests of the shareholders and other stakeholders.
- The Recommendations provide that remuneration of the board members shall not include share options. However, Genmab's remuneration of the board members includes restricted stock units (RSUs), which are a form of share compensation. Share options 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. Following the most recent amendment of the guidelines for incentive-based remuneration of the Board of Directors and Executive Management by the general meeting in 2014, share options granted to board members may only be in the form of RSUs.
- The Recommendations provide that share options 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. RSUs are subject to a cliff vesting period and become fully vested after three years from the date of grant and comply with the Recommendations.
- The Recommendations provide that Genmab, in exceptional cases, should be able to reclaim variable components of remuneration. It is, however, Genmab's assessment that a claim to repayment, in whole or in part, of variable components of remuneration, which have been paid on the basis of information later proven incorrect, should be based on the general Danish legal principles.

Genmab publishes its statutory report on Corporate Governance for the financial year 2015 cf. Section 107 b of the Danish Financial Statements Act ("Lovpligtig redegørelse for virksomhedsledelse jf. årsregnskabslovens § 107 b") on the company's website, including a detailed description of the Board of Directors' consideration in respect of all the Recommendations. The statutory report on Corporate Governance can be found on Genmab's website ✪ http://ir.genmab.com/governance.cfm.

THE BOARD OF DIRECTORS

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

BOARD COMMITTEES

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

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

GUIDELINES FOR INCENTIVE REMUNERATION

Pursuant to section 139 of the Danish Companies Act (in Danish "Selskabsloven"), the board of directors is required, before the company enters into a specific incentive payment agreement with a member of the board of directors or executive management, to lay down general guidelines governing the company's incentive remuneration of such member. The guidelines are 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, 2012, 2014, and 2015.

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

DISCLOSURE REGARDING CHANGE OF CONTROL

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

For information on change of control clauses in our collaboration, development and license agreements as well as certain service agreements with the Executive Management and employees, please refer to note 5.5. Change of control clauses related to our warrant & RSU programs are outlined in note 4.6.

More information on share capital is included in note 4.7. 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).

Read more

Corporate Governance reports: http://ir.genmab.com/governance.cfm
Charters and guidelines: http://ir.genmab.com/charters.cfm
Articles of Association: http://ir.genmab.com/articles.cfm

Corporate Social Responsibility (CSR)

Being socially responsible is at the core of how we do business at Genmab and is reflected in Genmab's core values. We believe that a company has a responsibility to conduct itself in a way that benefits not only the company's main stakeholders, in our case patients, shareholders and employees, but also society as a whole.

At Genmab we seek to create new medicines to help patients, with a specific focus on cancer. When carrying out our business we strive to comply with all relevant laws, standards and guidelines. At the same time, we consider the well-being of our employees a top priority, and we take actions to minimize our impact on the environment to the extent possible. We have high ethical standards and aim to conduct business with companies and within countries which share our ethics. We do not conduct business in high risk countries where human rights are not upheld. Since we have a limited number of employees and must therefore carefully allocate our resources, we have chosen not to implement a specific human rights policy. However, Genmab supports and respects the protection of internationally proclaimed human rights through other policies which address responsible supply chain management, ethical procedures, health and safety procedures and issues regarding access to medicine. In addition, Genmab only conducts clinical trials in markets where a drug is planned to become available.

Our CSR Committee is comprised of representatives from our human resources, investor relations & communications, legal, finance and research & development functions. The committee ensures that Genmab carries out its CSR activities effectively and communicates clearly and openly about them.

Genmab's CSR report discloses the main highlights of our CSR initiatives but does not reflect all of our ongoing initiatives and procedures. As part of our commitment to CSR we monitor new developments and practices and have a process via which we consider implementing new initiatives that could further enhance our CSR activities.

Genmab publishes its statutory report on CSR for the financial year 2015 cf. Section 99 a of the Danish Financial Statements Act on the company's website, including additional information about policies, progress made during 2015 and expected activities for 2016. Genmab has adopted a target figure for women in the Board of Directors and a policy regarding the proportion of gender in other management levels of the Genmab group. In accordance with section 99 b of the Danish Financial Statements Act, Genmab discloses the target figure, the policy and current performance in its statutory report on CSR for the financial year 2015. The statutory report on CSR can be found at ✱ http://ir.genmab.com/csr.cfm.

✱ Read more

CSR reports: http://ir.genmab.com/csr.cfm#tab3
Gender policy: http://ir.genmab.com/csr.cfm#tab2
Target figure for women in the Board of Directors: www.genmab.com/about-us/board-of-directors/target-figure

Human Resources

Our Core Purpose

To improve the lives of patients by creating and developing innovative antibody products

Core Values

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

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

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 our goals and ensuring Genmab's success. Genmab's team is very experienced in the pharmaceutical and biotechnology industry, particularly among the more senior personnel.

KEY EMPLOYEE RATIOS

Male/Female Ratios	2015		2014	
	Male	Female	Male	Female
Genmab Group	44%	56%	46%	54%
Director level and above	54%	46%	56%	44%
Below director level	40%	60%	43%	57%

OTHER KEY EMPLOYEE RATIOS

	2015	2014
FTE at the end of the year	186	173
Research and development employees	87%	88%
Administrative employees	13%	12%
Average age of workforce	41 years	41 years
Number of nationalities	12	14
Employees holding an advanced degree (Ph.D., Doctoral or Master)	47%	48%
More than 5 years' experience in pharma/biotech industry	90%	91%
Seniority	7 years	7 years
Employee turnover[1]	3%	3%
Employee absence[2]	2%	3%

Read more

Gender policy: http://ir.genmab.com/csr.cfm#tab2
Core purpose and values: http://www.genmab.com/about-us/core-purpose-and-values
Our culture: http://www.genmab.com/careers/our-culture

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

Skill, knowledge, experience and employee motivation are essential to Genmab as a biotech company"

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 mitigate 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.

Risk related to	Risk areas	Mitigation	Risk trend
BUSINESS	Identification and development of successful technologies and products, expensive, time-consuming clinical trials with uncertain outcome and risk of failure	Genmab has established various committees to ensure optimal selection of disease targets and antibody candidates and to monitor progress. We strive to have a well-balanced product pipeline and continue to identify and search for new product candidates and closely follow the market.	=
	Dependent on development and access to new technologies such as ADC technology including exposure to safety issues related to use thereof	Genmab strives to continue its development of new technologies such as the DuoBody and HexaBody platforms and gain access to competitive new technologies such as ADC technology. We closely monitor our clinical trials to mitigate any unforeseen safety issues associated with the use of ADC technology.	=
	We 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 our business and develop and commercialize our products	Our business may suffer if our collaboration partners do not devote sufficient resources to our programs and products or do not successfully maintain, defend and enforce their intellectual property rights. Genmab strives to be an attractive and respected collaboration partner and pursues a close and open dialogue with our 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.	=

Risk Level in Relation to Last Year: ★ = New = Unchanged ‹ = Decreased › = Increased

Risk related to	Risk areas	Mitigation	Risk trend
REGULATION AND LEGISLATION	Subject to extensive regulatory requirements both during clinical development and post-marketing approval, including healthcare laws and regulations	To ensure compliance with regulatory requirements including current Good Laboratory Practices (cGLP), current Good Clinical Practices (cGCP) and current Good Manufacturing Practices (cGMP), Genmab has established a quality assurance department and makes every effort to stay abreast of regulatory changes to legislation to ensure compliance. To ensure compliance with healthcare laws and regulations regarding interactions with healthcare professionals and promotion of pharmaceuticals, Genmab has implemented global compliance guidelines for interactions with healthcare professionals and promotion of pharmaceuticals with mandatory training, as well as guidelines for company communications regarding products in development.	=
	Legislation, regulations and practices may change from time to time and we may receive warnings from regulatory authorities regarding use in certain patient populations	To prevent unwarranted consequences of new and amended legislation, regulations etc., Genmab strives to be up to date with all relevant new legislation, regulations and practices by means of internal as well as external legal counsel. Also, internal procedures for review of contracts have been implemented to ensure contractual consistency and compliance with legislation and regulation.	=
INTELLECTUAL PROPERTY	Dependent on protecting own intellectual property rights and avoiding infringement of third party intellectual property rights	Genmab files and prosecutes patent applications to optimally protect its products and technologies. To protect trade secrets and technologies, Genmab maintains strict confidentiality standards and agreements for employees and collaborating parties. Genmab actively monitors third party patent positions within our relevant fields to secure freedom-to-operate for our products and technologies to avoid violating any third party patent rights.	=
FINANCES	Genmab may need additional funding	Because Genmab's future commercial potential and operating results are hard to predict, Genmab's policy is to maintain a strong capital base and cash position so as to maintain investor, creditor and market confidence, and a continuous advancement of Genmab's product pipeline and business in general.	=
	Genmab is exposed to different kinds of financial risks, including currency exposure and changes in interest rates	The financial risks of the Genmab group are managed centrally. Group financial risk management guidelines have been established to identify and analyze the risks faced by the Genmab group, to set the appropriate risk limits and controls and to monitor the risks and adherence to limits. For further details, refer to note 4.2 of 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, Genmab offers competitive remuneration packages, including share-based remuneration. For further details on share-based remuneration, refer to note 4.6 of the financial statements.	=

Risk Level in Relation to Last Year: ★ = New = = Unchanged ‹ = Decreased › = Increased

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 2015, we improved our 2015 financial guidance, lastly on November 16, 2015. Comparing the November guidance with the original guidance, the expected operating result was improved due to an increase in revenue as a result of the achievement of additional milestone payments under our daratumumab and DuoBody collaborations with Janssen combined with lower operating expenses due to timing of research and development costs. The cash position was improved due to the proceeds from warrant exercises of DKK 643 million and improved operating performance.

RESULT AND GUIDANCE FOR 2015

(MDKK)	Original Guidance	Latest Guidance	Actual
Revenue	650 – 725	1,025 – 1,100	1,133
Operating expenses	(600) – (650)	(550) – (600)	(579)
Reversal of GSK Liability	175	175	176
Operating income	200 – 275	625 – 700	730
Cash position at end of year*	2,300 – 2,400	3,000 – 3,100	3,493

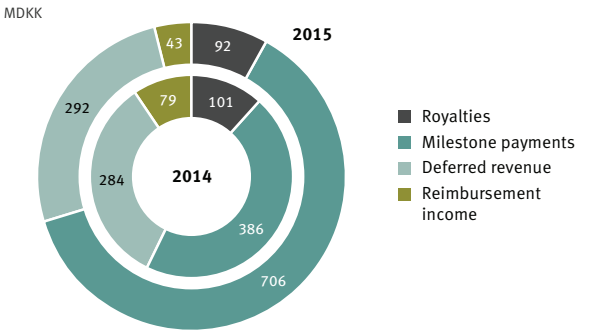
*Cash, cash equivalents and marketable securities

Overall, our financial performance is better than the latest guidance of November 16, 2015. Revenue is above the projected range due to achievement of additional DuoBody milestones and positive foreign exchange impact on milestones achieved during the fourth quarter. Operating expenses are within the projected range while operating income exceeded the top end of the guidance range mainly due to higher revenue. Our cash position exceeded the top end of the guidance range as we received payment of the USD 45 million daratumumab milestone shortly before year-end.

REVENUE

Genmab's revenue was DKK 1,133 million in 2015 compared to DKK 850 million in 2014. The increase of DKK 283 million, or 33%, was mainly driven by higher revenue related to our daratumumab and DuoBody collaborations with Janssen.

SPLIT OF REVENUE



Royalties

Royalty income amounted to DKK 92 million in 2015 compared to DKK 101 million in 2014. The decrease of DKK 9 million, or 9%, was driven by lower Arzerra royalties which were partly offset by DARZALEX royalties.

Novartis and GSK net sales of Arzerra were GBP 37.3 million in 2015 compared to GBP 54.5 million in 2014, a decrease of 32%. Sales were negatively impacted by increased competition, primarily from Imbruvica. In addition, sales in 2014 were positively impacted by sales related to the supply of ofatumumab for clinical trials run by other companies and as such did not reflect ongoing commercial demand. The total recognized royalties on net sales of Arzerra for 2015 were DKK 76 million compared to DKK 101 million in 2014. The decrease in royalties of 25% is lower than the decrease in the underlying sales due to currency fluctuations between the USD, GBP, and DKK.

Net sales of DARZALEX by Janssen following FDA approval on November 16, 2015 were USD 19.7 million, resulting in royalty income of DKK 16 million to Genmab.

Milestone Payments

During 2015, sixteen milestone payments totaling DKK 706 million were earned under our collaborations, with DKK 587 million and DKK 110 million related to our daratumumab and DuoBody collaborations with Janssen, respectively. During 2014, twelve milestone payments totaling DKK 386 million were earned under our collaborations, with DKK 315 million and DKK 71 million related to our daratumumab and DuoBody collaborations with Janssen, respectively.

Deferred Revenue

During 2015, deferred revenue amounted to DKK 292 million compared to DKK 284 million in 2014. The deferred revenue is related to our collaboration agreements and is recognized in the income statement on a straight line basis over planned development periods. The increase of DKK 8 million, or 3%, was mainly related to the USD 2 million up-front payment received in connection with the Novo Nordisk DuoBody license agreement. As of December 31, 2015, DKK 283 million was included as deferred income in the balance sheet. **Please refer to note 2.1 of the financial statements for further details about the accounting treatment of deferred revenue.**

Reimbursement Income

Reimbursement income, mainly comprised of the reimbursement of certain research and development costs related to the development work under Genmab's collaboration agreements, amounted to DKK 43 million in 2015 compared to DKK 79 million in 2014. The decrease of DKK 36 million, or 46%, was mainly due to lower reimbursement income under our daratumumab collaboration as Janssen is executing all new clinical trials.

OPERATING EXPENSES

Total operating expenses decreased by DKK 6 million, or 1%, from DKK 585 million in 2014 to DKK 579 million in 2015.

Research and Development Costs

Research and development costs amounted to DKK 488 million in 2015 compared to DKK 506 million in 2014. The decrease of DKK 18 million, or 4%, was driven by lower costs associated with the ofatumumab and daratumumab programs, which were partly offset by increased investment in clinical and pre-clinical projects including our technology platforms.

Research and development costs accounted for 84% of the total operating expenses in 2015 compared to 86% in 2014.

General and Administrative Expenses

General and administrative expenses were DKK 91 million in 2015 compared to DKK 80 million in 2014. The increase of DKK 11 million, or 14%, was driven by higher non-cash share-based compensation mainly due to an increasing share price and increased general consultancy expenses.

General and administrative expenses accounted for 16% of the total operating expenses in 2015 compared to 14% in 2014.

OTHER INCOME

In March 2015, the agreement to transfer the ofatumumab collaboration for oncology from GSK to Novartis became effective. As a result of the transfer, Genmab was not required to pay the existing deferred funding liability of DKK 176 million, which was reversed during the first quarter of 2015, and the corresponding gain was recognized in the income statement as other income.

OPERATING RESULT

Operating income was DKK 730 million in 2015 compared to DKK 265 million in 2014. The improvement of DKK 465 million was driven by the gain on reversal of the ofatumumab funding liability combined with significantly higher revenue.

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 2015 were a net income of DKK 27 million compared to a net income of DKK 32 million in 2014. The main drivers for the variance between the two periods were realized and unrealized losses on marketable securities, net and foreign exchange movements which positively impacted our USD and GBP portfolios. **Please refer to note 4.5 of the financial statements for further details about the net financial items.**

CORPORATE TAX

Corporate tax consists of current tax and the adjustment of deferred taxes during the year. The corporate tax income in both 2015 and 2014 was due to Denmark's research and development tax credit.

NET RESULT

Net income for 2015 was DKK 764 million compared to a net income of DKK 301 million in 2014. The improvement of DKK 463 million was driven by the items described above.

CASH POSITION

As of December 31, 2015, the balance sheet reflected cash, cash equivalents and marketable securities (cash position) of DKK 3,493 million. This represents a net increase of DKK 832 million from the beginning of 2015, which was primarily related to net proceeds of DKK 643 million received from the exercise of warrants and income from operations. This compares to a net increase of DKK 1,104 million in 2014, which was primarily related to the net proceeds of DKK 972 million received from the private placement in January 2014, exercise of warrants, and income from operations.

MDKK	2015	2014
Marketable securities	2,619	2,302
Cash and cash equivalents	874	359
Cash position	**3,493**	**2,661**

Given the current market conditions, all future cash inflows and re-investments of proceeds from the disposal of marketable securities are invested in highly secure, liquid and conservative investments with short effective maturity. As of December 31, 2015, 98% of our marketable securities had a triple A- rating, compared to 100% at December 31, 2014. The weighted average effective duration was approximately one and a half years, which is unchanged from December 31, 2014. **Please refer to notes 4.2 and 4.4 for further details about our financial risks and marketable securities.**

BALANCE SHEET

As of December 31, 2015, total assets were DKK 3,903 million, compared to DKK 2,867 million as of December 31, 2014. As of December 31, 2015, the assets were mainly comprised of the cash position of DKK 3,493 million and intangible assets of DKK 193 million.

Intangible assets increased from DKK 63 million as of December 31, 2014, to DKK 193 million as of December 31, 2015. The increase was driven by the agreement to purchase antibodies targeting DR5 and related patents and know-how from iDD Biotech SAS, the agreement with BioNTech AG to jointly research, develop and commercialize bispecific antibody products within the field of immuno-oncology, and the agreement for an exclusive license from Bristol-Myers Squibb to a panel of human antibodies targeting CD19. **Please refer to note 3.1 for further information on intangible assets.**

Other payables decreased from DKK 282 million as of December 31, 2014, to DKK 132 million as of December 31, 2015. The decrease was driven by the transfer of the ofatumumab collaboration for oncology from GSK to Novartis in March 2015. As a result of the transfer, the existing funding liability of DKK 176 million was reversed and the corresponding gain was recognized in the income statement as other income. **Please refer to note 3.5 for further information on the transfer of the ofatumumab collaboration and the reversal of the existing liability.**

Shareholders' equity as of December 31, 2015 equaled DKK 3,487 million, compared to DKK 2,033 million at December 31, 2014. On December 31, 2015, Genmab's equity ratio was 89%, compared to 71% at the end of 2014. The increase was driven by our net income as well as proceeds from the exercise of warrants in 2015.

“In 2015 we made progress across all business areas, while exceeding our financial goals”

Shareholders and Share Information

OWNERSHIP

Genmab is listed on the Nasdaq Copenhagen A/S under the symbol GEN. Our communication with the capital markets complies with the disclosure rules and regulations of this exchange. Since December 23, 2013, Genmab has been included in the OMXC20 index. As of December 31, 2015, the number of registered shareholders totaled 48,147 shareholders holding a total of 56,243,809 shares, which represented 94.48% of the total share capital of 59,531,263. In February 2016, Johnson & Johnson Innovation – JJDC, Inc.'s ownership in Genmab A/S fell below the 5% threshold with regard to both voting rights and share capital in Genmab A/S, as they sold a portion of their share holding.

The following shareholder has a minimum of 5% of the votes or a minimum of 5% of the share capital:

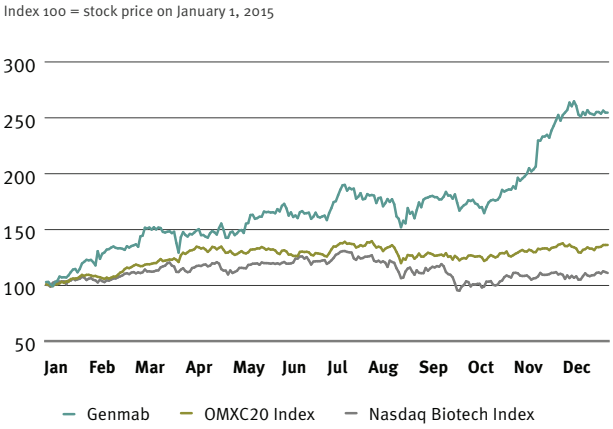
- FMR LLC (Fidelity Management and Research), 245 Summer Street, Boston, Massachusetts 02210, United States of America (9.96%*)

* FMR LLC's holding as per the major shareholder announcement dated November 17, 2015.

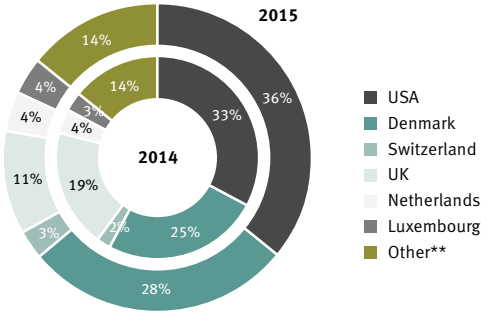
Shareholders registered in the company's shareholder registry may sign up for electronic shareholder communications via Genmab's investor portal. **The investor portal can be accessed at Genmab's website www.genmab.com.** Electronic shareholder communication enables Genmab to, among other things, quickly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

The following charts illustrate the performance of the Genmab share during 2015 and the geographical distribution of our shareholders. **Please refer to note 4.7 for further details about Genmab's share capital.**

STOCK PERFORMANCE 2015



GEOGRAPHICAL SHAREHOLDER DISTRIBUTION*



* Based on figures from the internal shareholder register per December 31, 2015 and December 31, 2014

** "Other" includes shares held in other countries and shares not held in nominee accounts, including OTC traded shares

AMERICAN DEPOSITARY RECEIPT (ADR) PROGRAM

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

Investor Relations (IR)

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

As part of our Investor Relations activities we:

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

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

CORPORATE INFORMATION

Commercial Bankers

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

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

Legal Counsel

Kromann Reumert
Sundkrogsgade 5
DK-2100 Copenhagen Ø

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

Independent Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Annual Report

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

2015 Summary in Danish

A Danish language publication providing an overview of the year will be available on the company's website following the publication of the 2015 Annual Report.

Annual General Meeting

The annual general meeting will be held on March 17, 2016 at 2:00 PM local time at:

Tivoli Hotel & Congress Center
Arni Magnussons Gade 2-4
DK-1577 Copenhagen V

Financial Calendar for 2016

Annual General Meeting 2016	Thursday, March 17, 2016
Publication of the Interim Report for the first quarter 2016	Tuesday, May 10, 2016
Publication of the Interim Report for the first half 2016	Tuesday, August 9, 2016
Publication of the Interim Report for the first nine months 2016	Wednesday, November 2, 2016

2015 Company Announcements

February

3 Genmab Announces Preliminary Results in Phase II Study of Daratumumab in Double Refractory Multiple Myeloma
4 Fourth Quarter and Full Year 2014 Net Sales Figures for Arzerra (ofatumumab)
19 Genmab Enters Commercial DuoBody Technology Agreement with BioNovion in the Field of Immuno-Oncology

March

2 Genmab Announces That Agreement to Transfer Ofatumumab Collaboration to Novartis is Now Effective
2 Genmab 2014 Annual Report
3 Genmab A/S Summons Annual General Meeting
16 Genmab Retains Partial Rights for HuMax-TAC-ADC — Will Not Exercise Co-development Right
18 Genmab Acquires Antibody Assets from iDD Biotech
26 Passing of Genmab A/S' Annual General Meeting
26 Constitution of the Board of Directors in Genmab A/S, Grant of Restricted Stock Units to two Board Members and Grant of Warrants to Employees in Genmab

April

16 Genmab Achieves USD 10 Million Milestone in Daratumumab Collaboration with Janssen
27 Genmab Announces Phase III Study of Arzerra® Met Primary Endpoint of Improved Progression-Free Survival in Patients with Relapsed CLL

May

6 First Quarter 2015 Net Sales Figures for Arzerra® (Ofatumumab)
12 Genmab Announces Financial Results for the First Quarter of 2015
13 HuMax-TF-ADC and Daratumumab Data to Be Presented at 2015 ASCO Annual Meeting
19 Genmab Enters Commercial DuoBody® Technology Agreement with BioNTech in Field of Immuno-oncology

June

2 Genmab Gains License to Antibody Panel Targeting CD19
5 Genmab Announces Start of Rolling Submission of Biologics License Application for Daratumumab for Double Refractory Multiple Myeloma to the FDA
11 Grant of Warrants to Genmab Employees

July

7 Genmab Announces European Regulatory Submission for Ofatumumab as Maintenance Therapy for Relapsed CLL
9 Genmab Announces Completion of Rolling Submission of Biologics License Application for Daratumumab in Multiple Myeloma and Achievement of a USD 15 Million Milestone

July

22 Genmab Announces Submission of Supplemental Biologics License Application to FDA for Ofatumumab as Maintenance Therapy for Relapsed CLL

August

11 Genmab Announces Financial Results for the First Half of 2015
14 Genmab Enters Commercial License Agreement with Novo Nordisk for DuoBody Technology

September

4 U.S. FDA Grants Priority Review for Daratumumab for Double Refractory Multiple Myeloma
9 Genmab Announces European Regulatory Submission for Daratumumab in Double Refractory Multiple Myeloma
19 U.S. FDA Grants Priority Review for Ofatumumab as Maintenance Therapy for Relapsed CLL
25 CHMP Grants Accelerated Assessment for Daratumumab for Double Refractory Multiple Myeloma

October

5 Genmab Reaches $3 Million Milestone Payment in DuoBody Platform Collaboration with Janssen
7 Grant of Warrants to Genmab Employees
22 Genmab's Financial Calendar for 2016
25 Genmab Achieves $3 Million Milestone Payment in DuoBody Platform Collaboration with Janssen

November

3 Genmab Announces Financial Results for the First Nine Months of 2015 and Improves 2015 Financial Guidance
16 Genmab Announces U.S. FDA Approval of DARZALEX™ (daratumumab) for Multiple Myeloma and Updates Financial Guidance
19 Genmab Achieves USD 45 Million Milestone in DARZALEX™ (daratumumab) Collaboration with Janssen
23 Genmab Announces Ofatumumab Phase III Study in Follicular Lymphoma to be Stopped Following Planned Interim Analysis

December

9 Genmab Achieves USD 5 Million Milestone in Daratumumab Collaboration with Janssen
10 Grant of Restricted Stock Units to Board Members and Management and Grant of Warrants to Management and Employees in Genmab
18 Genmab Achieves $3 Million Milestone for Progress in DuoBody Platform Collaboration with Janssen
21 Genmab Achieves $3 Million Milestone in DuoBody Platform Collaboration with Janssen

Other Company Announcements

Report Pursuant to Section 28a of the Danish Securities Trading Act
March 11, March 12, March 26, May 20, August 14, August 19, August 20, November 11, November 17, December 10

Major Shareholder Announcement
February 4, July 10, September 2, September 29, October 8, October 16, October 23, November 17

Capital Increase in Genmab as a Result of Employee Warrant Exercise
March 11, May 20, August 19, November 11

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

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

Board of Directors

Mats Pettersson, B.Sc.

Swedish, 70, Male
Board Chairman (Independent, elected by the General Meeting); Chairman of the Nominating & Corporate Governance Committee and Member of the Audit Committee and Compensation Committee
First elected 2013, current term expires 2016

SPECIAL COMPETENCES
Extensive experience from international research-based biotech and pharmaceutical companies. Founder and CEO of SOBI AB. Responsible for several transforming Business Development deals and member of various Executive management committees at Pharmacia.

CURRENT BOARD POSITIONS
Chairman: Moberg Pharma AB

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

Danish, 64, Male
Deputy Chairman (Non-independent, elected by the General Meeting); Chairman of the Compensation Committee and Member of the Nominating & Corporate Governance Committee
First elected 2003, current term expires 2016

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: ALK-Abelló A/S
Deputy Chairman: Bavarian Nordic A/S

Burton G. Malkiel, Ph.D.

American, 83*, Male
Board Member (Independent, elected by the General Meeting); Chairman of the Audit Committee
First elected 2007, current term expires 2016

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

CURRENT POSITION, INCLUDING MANAGERIAL POSITIONS
Chemical Bank Chairman's Professor Emeritus of Economics at Princeton University; Chief Investment Officer, Wealthfront, Inc.

CURRENT BOARD POSITIONS
Member: Vanguard Group Ltd., Theravance Biopharma, American Philosophical Society and Maldeb Foundation
Audit Committee Chairman: Theravance Biopharma
Investment Committee Member: American Philosophical Society, Maldeb Foundation

Pernille Erenbjerg

Danish, 48, Female
Board Member (Independent, elected by the General Meeting); Member of the Audit Committee and Nominating & Corporate Governance Committee
First elected 2015, current term expires 2016

SPECIAL COMPETENCES
Senior executive management and broad business experience from the telecoms industry. Comprehensive all round background within finance including extensive exposure to stock markets, equity and debt investors. Certified Public Accountant background. Responsible for major transformation processes in complex organizations including M&A.

CURRENT POSITION, INCLUDING MANAGERIAL POSITIONS
Group CEO and President of TDC A/S

CURRENT BOARD POSITIONS
Member: DFDS A/S
Audit Committee Chairman: DFDS A/S
Member of the Fiscal Policy Committee of the Confederation of Danish Industry
Member of the Business Policy Committee of the Confederation of Danish Industry

* 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, 2013, 2014 and 2015 respectively, an exception was adopted by the shareholders at the Annual General Meeting.

Paolo Paoletti, M.D.

Italian, 65, Male
Board Member (Independent, elected by the General Meeting); Member of the Compensation Committee
First elected 2015, current term expires 2016

SPECIAL COMPETENCES
Extensive experience in research, development and commercialization in the pharmaceutical industry. Successfully conducted submissions and approvals of new cancer drugs and new indications in the USA and in Europe. Responsible for seven new medicines for cancer patients during his 10 years at GlaxoSmithKline and one new cancer medicine during his time at Eli Lilly. Last position in GSK: President of Oncology Business Unit.

CURRENT POSITION, INCLUDING MANAGERIAL POSITIONS
CEO Kesios Therapeutics Limited

CURRENT BOARD POSITIONS
Chairman: PsiOxus Therapeutics Limited
Member: Kesios Therapeutics Limited, Forma and NuCana BioMed Limited

Tom Vink, Ph.D.

Dutch, 53, Male
Board Member (Non-independent, elected by the employees)
First elected 2010, current term expires 2016

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

CURRENT POSITION, INCLUDING MANAGERIAL POSITIONS
Associate Director, Cell & Molecular Science at Genmab

Nedjad Losic, M.Sc.

Swedish, 46, Male
Board Member (Non-independent, elected by the employees)
First elected 2010, current term expires 2016

SPECIAL COMPETENCES
Extensive pharmaceutical experience with a specialty in statistics relevant to clinical development.

CURRENT POSITION, INCLUDING MANAGERIAL POSITIONS
Director, Biostatistics at Genmab

Senior Leadership

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

Dutch, 54, Male
President & Chief Executive Officer

SPECIAL COMPETENCES
Extensive antibody creation and development expertise, broad knowledge of the biotechnology industry and executive management skills.

CURRENT BOARD POSITIONS
Member: ISA Pharmaceuticals, Celdara Medical, Forward Pharma
Chairman: Regenesance
Scientific Advisory Board: Thuja Capital Healthcare Fund
Advisory Board: Capricorn Health-tech Fund

David A. Eatwell

British, 55, Male
Executive Vice President & Chief Financial Officer

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

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

Dutch, 52, Male
Senior Vice President & Scientific Director

SPECIAL COMPETENCES
In-depth knowledge of antibody research, drug discovery & development.

Birgitte Stephensen

Danish, 55, Female
Senior Vice President, IPR & Legal

SPECIAL COMPETENCES
Intellectual property and legal expertise in the biotechnology field.

Michael K. Bauer, Ph.D.

German, 52, Male
Senior Vice President, Clinical Development

SPECIAL COMPETENCES
Wide, international scientific and pharmaceutical industry background; significant experience in clinical drug development; cross-functional and cross-cultural strategic leadership.

Rachel Curtis Gravesen

British, 47, Female
Senior Vice President, Investor Relations and Communications

SPECIAL COMPETENCES
Extensive experience in strategic communication, investor relations, corporate communication, healthcare communication, issues management, crisis communication, internal communication, employee engagement and change communication.

Anthony Pagano

American, 38, Male
Senior Vice President, Global Finance

SPECIAL COMPETENCES
Significant knowledge and experience in the life sciences industry particularly as relates to corporate finance, corporate development, strategic planning, general management, treasury, accounting and corporate governance.

Martine J. van Vugt, Ph.D.

Dutch, 45, Female
Senior Vice President Strategic Initiatives

SPECIAL COMPETENCES
Extensive knowledge and experience in portfolio, project and alliance management, as well as business development operations related to corporate transactions and licensing.

Financial Statements

Financial Statements

Introduction

The financial statements in the 2015 annual report are grouped into six sections: Primary Statements; Basis of Presentation; Results for the Year; Operating Assets and Liabilities; Capital Structure, Financial Risk and Related Items; and Other Disclosures. Each note to the financial statements includes information about the accounting policies applied and significant management judgments and estimates in addition to the financial numbers. The statements of the parent company represent the stand alone financial statements of Genmab A/S.

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

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

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Primary Statements

Statement of Comprehensive Income

I/S INCOME STATEMENT		GENMAB GROUP		PARENT COMPANY	
	Note	2015	2014	2015	2014
		DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Revenue	2.1, 2.2	**1,133,041**	**850,385**	**1,136,370**	**853,024**
Research and development expense	2.3, 3.1, 3.2	(487,656)	(505,679)	(414,694)	(453,403)
General and administrative expense	2.3, 3.2	(91,224)	(79,529)	(93,619)	(77,447)
Operating expenses		**(578,880)**	**(585,208)**	**(508,313)**	**(530,850)**
Other income	1.1	176,218	-	176,218	-
Operating result		**730,379**	**265,177**	**804,275**	**322,174**
Financial income	4.5	56,706	57,921	56,287	58,896
Financial expenses	4.5	(29,558)	(25,752)	(29,059)	(25,674)
Net result before tax		**757,527**	**297,346**	**831,503**	**355,396**
Corporate tax	2.4	5,986	3,950	6,000	6,125
Net result		**763,513**	**301,296**	**837,503**	**361,521**
Basic net result per share	2.5	13.05	5.35		
Diluted net result per share	2.5	12.56	5.26		

STATEMENT OF COMPREHENSIVE INCOME					
Net result		**763,513**	**301,296**	**837,503**	**361,521**
Other comprehensive income:					
Amounts which will be re-classified to the income statement:					
Adjustment of foreign currency fluctuations on subsidiaries		10,375	9,614	-	-
Fair value adjustments of cash flow hedges:					
Fair value adjustments during the period		-	2,417	-	2,417
Fair value adjustments reclassified to the income statement to financial income		-	(5,110)	-	(5,110)
Total comprehensive income		**773,888**	**308,217**	**837,503**	**358,828**

DISTRIBUTION OF THE YEAR'S RESULT

The Board of Directors proposes that the parent company's 2015 net income of DKK 838 million (2014: net income of DKK 362 million) be carried forward to next year by transfer to accumulated deficit.

Primary Statements

Balance Sheet

B/S

	Note	GENMAB GROUP December 31, 2015	GENMAB GROUP December 31, 2014	PARENT COMPANY December 31, 2015	PARENT COMPANY December 31, 2014
		DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
ASSETS					
Intangible assets	2.2, 3.1	192,642	62,530	152,287	62,530
Property, plant and equipment	2.2, 3.2	28,812	25,684	982	1,612
Equity interests in subsidiaries	5.3	-	-	303,130	227,895
Receivables	3.3	6,863	6,428	1,311	1,142
Deferred tax assets	2.4	6,342	5,685	-	-
Total non-current assets		**234,659**	**100,327**	**457,710**	**293,179**
Receivables	3.3	174,660	105,839	155,614	92,594
Marketable securities	4.4	2,619,243	2,301,428	2,619,243	2,301,428
Cash and cash equivalents		873,986	359,087	856,279	342,970
Total current assets		**3,667,889**	**2,766,354**	**3,631,136**	**2,736,992**
Total assets		**3,902,548**	**2,866,681**	**4,088,846**	**3,030,171**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital	4.7	59,531	56,967	59,531	56,967
Share premium	4.7	7,560,991	6,920,226	7,560,991	6,920,226
Other reserves		94,476	84,101	-	-
Accumulated deficit		(4,228,278)	(5,028,355)	(3,974,380)	(4,848,447)
Total shareholders' equity		**3,486,720**	**2,032,939**	**3,646,142**	**2,128,746**
Provisions	3.4	1,433	1,433	1,433	1,433
Lease liability	5.4	-	118	-	-
Other payables	3.5	-	176,223	-	176,218
Total non-current liabilities		**1,433**	**177,774**	**1,433**	**177,651**
Provisions	3.4	-	-	-	-
Lease liability	5.4	118	237	-	-
Deferred income	2.1	282,708	550,243	282,708	550,243
Other payables	3.5	131,569	105,488	158,563	173,531
Total current liabilities		**414,395**	**655,968**	**441,271**	**723,774**
Total liabilities		**415,828**	**833,742**	**442,704**	**901,425**
Total shareholders' equity and liabilities		**3,902,548**	**2,866,681**	**4,088,846**	**3,030,171**

Primary Statements

Statement of Cash Flows

		GENMAB GROUP		PARENT COMPANY	
	Note	2015	2014	2015	2014
		DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Cash flows from operating activities:					
Net result before tax		**757,527**	**297,346**	**831,503**	**355,396**
Reversal of financial items, net	4.5	(27,148)	(32,169)	(27,228)	(33,222)
Adjustment for non-cash transactions	5.7	68,386	40,039	31,846	14,829
Change in working capital	5.7	(538,442)	(221,757)	(543,637)	(217,521)
Cash generated by operating activities before financial items		**260,323**	**83,459**	**292,484**	**119,482**
Financial interest received		45,257	44,898	45,012	44,942
Financial expenses paid		(117)	(59)	-	(1)
Corporate taxes received/(paid)		5,986	4,373	6,000	1,250
Net cash generated by operating activities		**311,449**	**132,671**	**343,496**	**165,673**
Cash flows from investing activities:					
Investment in intangible assets	3.1	(125,945)	(63,259)	(107,296)	(63,259)
Investment in tangible assets	3.2	(9,444)	(12,183)	(106)	(322)
Disposal of tangible assets		-	82	-	-
Transactions with subsidiaries		-	-	(58,790)	(21,790)
Marketable securities bought	4.4	(2,075,458)	(2,679,286)	(2,075,458)	(2,679,286)
Marketable securities sold		1,729,964	1,743,990	1,729,964	1,743,990
Net cash used in investing activities		**(480,883)**	**(1,010,656)**	**(511,686)**	**(1,020,667)**
Cash flows from financing activities:					
Shares issued for cash		2,564	998,200	2,564	998,200
Exercise of warrants		640,765	65,804	640,765	65,805
Costs related to issuance of shares		-	(26,524)	-	(26,524)
Paid installments on lease liabilities		(237)	(2,128)	-	(1,892)
Net cash from financing activities		**643,092**	**1,035,352**	**643,329**	**1,035,589**
Changes in cash and cash equivalents		**473,658**	**157,367**	**475,139**	**180,595**
Cash and cash equivalents at the beginning of the period		359,087	168,135	342,970	131,345
Exchange rate adjustments		41,241	33,585	38,170	31,030
Cash and cash equivalents at the end of the period		**873,986**	**359,087**	**856,279**	**342,970**
Cash and cash equivalents include:					
Bank deposits and petty cash		873,986	359,087	856,279	342,970
Short-term marketable securities	4.4	-	-	-	-
Cash and cash equivalents at the end of the period		**873,986**	**359,087**	**856,279**	**342,970**

Primary Statements

Statement of Changes in Equity

	Number of shares	Share capital	Share premium	Translation reserves	Cash flow hedges	Accumulated deficit	Shareholders' equity
		DKK'000	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*
GENMAB GROUP							
Balance at December 31, 2013	**51,755,722**	**51,756**	**5,887,957**	**74,487**	**2,693**	**(5,357,370)**	**659,523**
Total comprehensive income				9,614	(2,693)	301,296	308,217
Transactions with owners:							
Shares issued for cash	4,600,000	4,600	993,600				998,200
Exercise of warrants	611,697	611	65,193				65,804
Expenses related to capital increases			(26,524)				(26,524)
Share-based compensation expenses						27,719	27,719
B/S **Balance at December 31, 2014**	**56,967,419**	**56,967**	**6,920,226**	**84,101**	**-**	**(5,028,355)**	**2,032,939**
Total comprehensive income				10,375	-	763,513	773,888
Transactions with owners:							
Exercise of warrants	2,563,844	2,564	640,765				643,329
Share-based compensation expenses						36,564	36,564
B/S **Balance at December 31, 2015**	**59,531,263**	**59,531**	**7,560,991**	**94,476**	**-**	**(4,228,278)**	**3,486,720**
PARENT COMPANY							
Balance at December 31, 2013	**51,755,722**	**51,756**	**5,887,957**	**-**	**2,693**	**(5,237,687)**	**704,719**
Total comprehensive income					(2,693)	361,521	358,828
Transactions with owners:							
Shares issued for cash	4,600,000	4,600	993,600				998,200
Exercise of warrants	611,697	611	65,193				65,804
Expenses related to capital increases			(26,524)				(26,524)
Share-based compensation expenses						27,719	27,719
B/S **Balance at December 31, 2014**	**56,967,419**	**56,967**	**6,920,226**	**-**	**-**	**(4,848,447)**	**2,128,746**
Total comprehensive income						837,503	837,503
Transactions with owners:							
Exercise of warrants	2,563,844	2,564	640,765				643,329
Share-based compensation expenses						36,564	36,564
B/S **Balance at December 31, 2015**	**59,531,263**	**59,531**	**7,560,991**	**-**	**-**	**(3,974,380)**	**3,646,142**

I Section 1 – Basis of Presentation

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

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

1.1 – Accounting Policies

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), and with the International Financial Reporting Standards as endorsed by the EU and additional Danish disclosure requirements for annual reports of listed companies. Except as outlined in note 1.2, the financial statements have been prepared using the same accounting policies as 2014.

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

§ **ACCOUNTING POLICIES**

II Section 2 – Results for the Year
2.1 Revenue
2.2 Information about Geographical Areas
2.3 Staff Costs
2.4 Corporate and Deferred Tax
2.5 Result per Share

III Section 3 – Operating Assets and Liabilities
3.1 Intangible Assets
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3.4 Provisions
3.5 Other Payables

IV Section 4 – Capital Structure, Financial Risk and Related Items
4.3 Financial Assets and Liabilities
4.4 Marketable Securities
4.5 Financial Income and Expenses

V Section 5 – Other Disclosures
5.3 Equity Interests in Subsidiaries
5.4 Commitments
5.5 Contingent Assets, Contingent Liabilities and Subsequent Events

DEFINING MATERIALITY

The group's annual report is based on the concept of materiality and the group focuses on information that is considered material and relevant to the users of the consolidated financial statements. The consolidated financial statements consist of a large number of transactions. These transactions are aggregated into classes according to their nature or function and presented in classes of similar items in the consolidated financial statements as required by IFRS and Danish disclosure requirements for listed companies. If items are individually immaterial, they are aggregated with other items of similar nature in the financial statements or in the notes.

The disclosure requirements are substantial in IFRS and for Danish listed companies and the group provides these specific required disclosures unless the information is considered immaterial to the economic decision-making of the readers of the financial statements or not applicable.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include Genmab A/S (the parent company) and subsidiaries over which the parent company has control. The parent controls a subsidiary when the parent is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power to direct the activities of the subsidiary. A group overview is included in note 5.3.

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

There was no change in the scope of consolidation during 2015 and 2014.

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. Translation reserves cannot be used for distribution.

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.

I Section 1 – Basis of Presentation

1.1 – 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.

CLASSIFICATION OF OPERATING EXPENSES IN THE INCOME STATEMENT

Research and Development Expense

Research and development expenses primarily include salaries, benefits and other employee related costs of our research and development staff, license costs, manufacturing costs, preclinical costs, clinical trials, contractors and outside service fees, amortization of licenses and rights, and depreciation and impairment of intangible assets and property, plant and equipment, to the extent that such costs are related to the group's research and development activities. Research and development activities are expensed as incurred.

Please see note 3.1 for a more detailed description.

General and Administrative Expense

General and administrative expenses relate to the management and administration of the group. This includes salaries, benefits and other headcount costs related to management, human resources, information technology and the finance departments. In addition, depreciation and impairment of intangible assets and property, plant and equipment, to the extent such expenses are related to the administrative functions are also included. General and administrative expenses are recognized in the income statement in the period to which they relate.

Other Income

Other income is comprised of income that is secondary in nature in relation to the main activities of the group. In March 2015, the agreement to transfer the ofatumumab collaboration for oncology from GSK to Novartis became effective. As a result of the transfer, Genmab was not required to pay the existing deferred funding liability of DKK 176 million, which was reversed during the first quarter of 2015, and the corresponding gain was recognized as other income.

STATEMENT OF CASH FLOW

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 result adjusted for net financial items, non-cash operating items such as depreciation, amortization, impairment losses, share-based compensation expenses, provisions, and for changes in working capital, interest paid and received, and corporate taxes paid. Working capital mainly comprises changes in receivables, deferred income, provisions paid and other payables excluding the items included in cash and cash equivalents. Changes in non-current assets and liabilities are included in working capital, if related to the main revenue-producing activities of Genmab.

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

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

Finance lease transactions are considered non-cash transactions.

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

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

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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

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

There were no hedges of currency exposure in subsidiaries in 2015 and 2014.

At the inception of a 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.

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

Fair Value Hedge

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

Cash Flow Hedge

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

I Section 1 – Basis of Presentation

1.2 – New Accounting Policies and Disclosures

NEW ACCOUNTING POLICIES AND DISCLOSURES FOR 2015

Genmab has, with effect from January 1, 2015, implemented the annual improvements to IFRSs 2010-2012 and 2011-2013 cycles. The implementation has not impacted the recognition and measurement of Genmab's assets and liabilities.

NEW ACCOUNTING POLICIES AND DISCLOSURES EFFECTIVE IN 2016 OR LATER

The IASB has issued, and the EU has endorsed, a number of new standards and updated some existing standards, the majority of which are effective for accounting periods beginning on January 1, 2016 or later. Therefore, they are not incorporated in the consolidated financial statements. Only standards and interpretations issued before December 31, 2015 and of relevance for the Genmab group are described below.

The IASB has issued IFRS 9 *"Financial Instruments"*, with an effective date of January 1, 2018. It currently awaits EU endorsement. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The new hedging rules align hedge accounting more closely with the Genmab's financial risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation. Genmab is currently evaluating the guidance to determine the potential impact on the consolidated financial statements.

The IASB has issued IFRS 15 *"Revenue from contracts with customer"*, with an effective date of January 1, 2018. It currently awaits EU endorsement. IFRS 15 will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The standard requires entities to recognize revenue through an evaluation that includes identification of the contract, identification of the performance obligations, determination of the transaction price, allocation of the transaction price to the performance obligations, and recognition of revenue as the entity satisfies the performance obligations. Genmab is currently evaluating the guidance to determine the potential impact on the consolidated financial statements.

The IASB has issued IFRS 16 *"Leasing"*, with an effective date of January 1, 2019. It currently awaits EU endorsement. The standard requires that all leases be recognized in the balance sheet with a corresponding lease liability, except for short term assets and minor assets. Leased assets are amortized over the lease term, and payments are allocated between installments on the lease obligation and interest expense, classified as financial items. Genmab is currently evaluating the guidance to determine the potential impact on the consolidated financial statements.

The following new or amended standards are not expected to have a significant impact on the consolidated financial statements.

NEW ACCOUNTING POLICIES AND DISCLOSURES

Standard	Effective for accounting period beginning on or after	Endorsed by EU as of December 31, 2015
Improvements to IFRSs 2012-2014	January 1, 2016	Yes
Equity method in separate financial statements – Amendments to IAS 27	January 1, 2016	Yes
Clarification of acceptable methods of depreciation & amortization – Amendments to IAS 16 & IAS 38	January 1, 2016	Yes
Acquisition of an interest in a joint operation – Amendments to IFRS 11	January 1, 2016	Yes
Contribution of assets in jointly controlled enterprises and associates – Amendments to IFRS 10 & IAS 28	January 1, 2016	No
Disclosure Initiative – Amendments to IAS1	January 1, 2016	Yes

1.3 Management's Judgments and Estimates under IFRS

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

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

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

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

MANAGEMENT'S JUDGMENTS AND ESTIMATES

2.1 Revenue Recognition
2.3 Share-based Compensation
2.4 Deferred Tax Assets
3.1 Research and Development Costs

II Section 2 – Results for the Year

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

Research and development costs are described in note 3.1.

2.1 – Revenue

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Revenue:				
Royalties	92,381	101,427	92,381	101,427
Milestone payments	705,688	385,603	705,688	385,603
Deferred revenue	292,426	284,130	292,426	284,130
Reimbursement income	42,546	79,225	45,875	81,864
I/S **Total**	**1,133,041**	**850,385**	**1,136,370**	**853,024**
Revenue split by collaboration partner:				
Janssen (Daratumumab & DuoBody)	832,810	531,172	832,810	531,172
Novartis/GSK (Ofatumumab)	284,269	310,013	284,269	310,013
Other collaboration partners	15,962	9,200	19,291	11,839
I/S **Total**	**1,133,041**	**850,385**	**1,136,370**	**853,024**

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

§ ACCOUNTING POLICIES

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

Revenue from research and development activities is considered as rendering of services.

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

MANAGEMENT'S JUDGMENTS AND ESTIMATES

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

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

II Section 2 – Results for the Year

2.1 – Revenue – Continued

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 2015 and 2014 for any of our collaborations.

During 2015, Genmab announced it entered into a commercial license agreement with Novo Nordisk granting use of the DuoBody technology platform. Genmab received an upfront payment of USD 2 million, which was deferred and amortized over the planned development period. Under our DuoBody collaboration with Janssen, Genmab received one program reservation fee and two exclusivity extension fees in 2015 compared to four program reservation fees in 2014. The program reservation and exclusivity extension fees are amortized over a period of up to four years.

	Amortization Period (months)	Amortization Ends (year)	2015	2014
			DKK'000	*DKK'000*
Deferred income split by collaboration partner:				
Novartis/GSK (Ofatumumab)	66	2015	-	207,453
Janssen (Daratumumab)	84	2019	228,090	290,296
Janssen (DuoBody)	Up to 60	2019	41,175	48,263
Novo Nordisk (DuoBody)	48	2019	12,198	-
Other collaboration partners	Up to 48	2016	1,245	4,231
B/S **Total**			**282,708**	**550,243**
To be recognized in the income statement:				
2015			-	288,622
2016			87,428	78,783
2017			77,605	72,494
2018			71,448	66,879
2019			46,227	43,645
B/S **Total**			**282,708**	**550,423**

The group does have certain obligations under the collaboration agreements that 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.

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 2015, sixteen milestone payments totaling DKK 706 million were earned under our collaborations with DKK 587 million and DKK 110 million related to our daratumumab and DuoBody collaborations with Janssen, respectively. During 2014, twelve milestone payments totaling DKK 386 million were earned under our collaborations with DKK 315 million and DKK 71 million related to our daratumumab and DuoBody collaborations with Janssen, respectively.

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.

II Section 2 – Results for the Year

2.2 – Information about Geographical Areas

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

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

	Revenue	Non-current assets	Revenue	Non-current assets
	2015		2014	
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Denmark	1,133,041	153,269	850,343	64,142
Netherlands	-	68,135	42	23,959
USA	-	50	-	113
I/S B/S **Total**	**1,133,041**	**221,454**	**850,385**	**88,214**

§ **ACCOUNTING POLICIES**

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

2.3 – Staff Costs

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Wages and salaries	144,121	124,735	62,337	52,063
Share-based compensation	36,570	27,719	13,571	10,334
Defined contribution plans	14,001	13,623	4,033	3,831
Other social security costs	10,780	9,065	320	378
Total	**205,472**	**175,142**	**80,261**	**66,606**
Staff costs are included in the income statement as follows:				
Research and development expenses	150,632	130,607	56,740	46,217
General and administrative expenses	54,840	44,535	23,521	20,389
Total	**205,472**	**175,142**	**80,261**	**66,606**
Average number of FTE	**180**	**168**	**46**	**46**
Number of FTE at year end:				
Denmark	52	46	52	46
Netherlands	124	119	-	-
USA	10	8	-	-
Total	**186**	**173**	**52**	**46**

II Section 2 – Results for the Year

2.3 – Staff Costs – Continued

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

Government grants (reduction of payroll taxes in the Netherlands) amounted to DKK 10 million in 2015 and DKK 6 million in 2014. The amount has been deducted from the wages and salaries.

ACCOUNTING POLICIES

SHARE-BASED COMPENSATION EXPENSES

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

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

GOVERNMENT GRANTS

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

MANAGEMENT'S JUDGMENTS AND ESTIMATES

SHARE-BASED COMPENSATION EXPENSES

In accordance with IFRS 2 *"Share-based Payment,"* the fair value of the warrants and RSUs 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 remeasured.

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 the 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 2015 and 2014

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

Weighted average	2015	2014
Fair value per warrant on grant date	259.01	111.54
Share price	789.60	292.24
Exercise price	789.60	292.24
Expected dividend yield	0%	0%
Expected stock price volatility	40.6%	47.7%
Risk-free interest rate	0.2%	0.3%
Expected life of warrants	5 years	5 years

Based on a weighted average fair value per warrant of DKK 259.01 (2014: DKK 111.54) the total fair value of warrants granted amounted to DKK 46 million (2014: DKK 29 million) on the grant date.

The fair value of each RSU granted during the year is equal to the closing market price on the date of grant of one Genmab A/S share. Based on a weighted average fair value per RSU of DKK 849.96 (2014: DKK 337.40) the total fair value of RSUs granted amounted to DKK 24 million (2014: DKK 15 million) on the grant date.

II Section 2 – Results for the Year

2.4 – Corporate and Deferred Tax

TAXATION – INCOME STATEMENT

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Current tax on result	(5,778)	(5,999)	(5,875)	(6,125)
Adjustment to prior years	450	464	(125)	-
Adjustment to deferred tax	(254,961)	(211,294)	(103,368)	(11,577)
Adjustment to valuation allowance	254,303	212,879	103,368	11,577
Total corporate tax for the period	**(5,986)**	**(3,950)**	**(6,000)**	**(6,125)**

A reconciliation of Genmab's effective tax rate relative to the Danish statutory tax rate is as follows:

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Net result before tax	757,527	297,346	831,503	355,396
Computed 23.5% (2014: 24.5%)	**178,019**	**72,850**	**195,403**	**87,072**
Tax effect of:				
Tax losses not capitalized and change in valuation allowance	(184,005)	(76,800)	(201,403)	(93,197)
Total tax effect	**(184,005)**	**(76,800)**	**(201,403)**	**(93,197)**
Total corporate tax for the period	**(5,986)**	**(3,950)**	**(6,000)**	**(6,125)**

II Section 2 – Results for the Year

2.4 – Corporate and Deferred Tax – Continued

TAXATION – BALANCE SHEET

Significant components of the deferred tax asset are as follows:

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Tax deductible losses	1,565,591	1,357,368	671,318	665,693
Deferred income	49,657	100,336	49,657	100,336
Other temporary differences	315,707	218,290	315,434	217,950
	1,930,955	**1,675,994**	**1,036,409**	**983,979**
Valuation allowance	(1,924,613)	(1,670,309)	(1,036,409)	(983,979)
B/S **Total deferred tax assets**	**6,342**	**5,685**	**-**	**-**

On December 31, 2015, the group had net tax loss carry-forwards of DKK 5.5 billion (2014: DKK 4.9 billion) for income tax purposes, of which DKK 3.1 billion (2014: DKK 3.0 billion) can be carried forward without limitation.

§ ACCOUNTING POLICIES

CORPORATE TAX

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

Current tax liabilities include taxes payable based on the expected taxable income for the year and any adjustments to prior years' tax expense as recorded in the income statement. Any current tax liabilities are recognized in other payables in the balance sheet. Please refer to note 3.5.

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

DEFERRED TAX

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

Deferred tax is calculated in accordance with the tax regulations in the individual countries and the tax rates expected to be in force at the time the deferred tax is utilized. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement.

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

MANAGEMENT'S JUDGMENTS AND ESTIMATES

DEFERRED TAX

Genmab recognizes deferred tax assets, including the tax base of tax loss carry-forwards, if management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. This judgment is made on an ongoing basis and is based on actual results, 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 tax losses, and as a consequence, we have unused tax losses.

The tax asset is mainly related to current and historical tax losses of Genmab A/S. Genmab A/S has generated a taxable loss in 2015, is expected to generate a taxable loss again in 2016, and the generation of sustainable future taxable earnings is highly uncertain. Accordingly, management has concluded, except for one subsidiary, that deferred tax assets should not be recognized as of December 31, 2015, and a 100% valuation allowance of the deferred tax asset is recognized in accordance with IAS 12, *"Income Taxes."*

Realization of deferred tax assets is dependent upon a number of factors, including future taxable earnings, the timing and amount of which is highly uncertain. ■

II Section 2 – Results for the Year

2.5 – Result Per Share

	2015	2014
	DKK'000	*DKK'000*
I/S **Net result**	**763,513**	**301,296**

	2015	2014
	Shares'000	*Shares'000*
Average number of shares	58,521	56,315
Average number of share-based instruments, dilution	2,253	936
Average number of shares, diluted	**60,774**	**57,251**
Basic net result per share	13.05	5.35
Diluted net result per share	12.56	5.26

In the calculation of the diluted net result per share for 2015, 101,750 warrants (of which none were vested) and 23,145 RSUs (of which none were vested), have been excluded as these share-based instruments are out of the money. These share based instruments could potentially have a future dilutive effect on the net result per share.

§ ACCOUNTING POLICIES

BASIC NET RESULT PER SHARE

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

DILUTED NET RESULT PER SHARE

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

III Section 3 – Operating Assets and Liabilities

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

3.1 – Intangible Assets

GENMAB GROUP

	Licenses, Rights, and Patents	Total Intangible Assets
	DKK'000	*DKK'000*
2015		
Cost per January 1	218,466	218,466
Additions for the year	152,756	152,756
Disposals for the year	-	-
Exchange rate adjustment	-	-
Cost at December 31	**371,222**	**371,222**
Accumulated amortization and impairment per January 1	(155,936)	(155,936)
Amortization for the year	(22,644)	(22,644)
Disposals for the year	-	-
Exchange rate adjustment	-	-
Accumulated amortization and impairment per December 31	**(178,580)**	**(178,580)**
B/S **Carrying amount at December 31**	**192,642**	**192,642**
2014		
Cost per January 1	155,207	155,207
Additions for the year	63,259	63,259
Disposals for the year	-	-
Exchange rate adjustment	-	-
Cost at December 31	**218,466**	**218,466**
Accumulated amortization and impairment per January 1	(152,666)	(152,666)
Amortization for the year	(3,270)	(3,270)
Disposals for the year	-	-
Exchange rate adjustment	-	-
Accumulated amortization and impairment per December 31	**(155,936)**	**(155,936)**
B/S **Carrying amount at December 31**	**62,530**	**62,530**

	2015	2014
	DKK'000	*DKK'000*
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development expenses	22,644	3,270
General and administrative expenses	-	-
	22,644	**3,270**

III Section 3 – Operating Assets and Liabilities

3.1 – Intangible Assets – Continued

PARENT COMPANY

	Licenses, Rights, and Patents	Total Intangible Assets
	DKK'000	*DKK'000*
2015		
Cost per January 1	218,466	218,466
Additions for the year	107,296	107,296
Disposals for the year	-	-
Exchange rate adjustment	-	-
Cost at December 31	**325,762**	**325,762**
Accumulated amortization and impairment per January 1	(155,936)	(155,936)
Amortization for the year	(17,539)	(17,539)
Disposals for the year	-	-
Exchange rate adjustment	-	-
Accumulated amortization and impairment per December 31	**(173,475)**	**(173,475)**
B/S **Carrying amount at December 31**	**152,287**	**152,287**
2014		
Cost per January 1	155,207	155,207
Additions for the year	63,259	63,259
Disposals for the year	-	-
Exchange rate adjustment	-	-
Cost at December 31	**218,466**	**218,466**
Accumulated amortization and impairment per January 1	(152,666)	(152,666)
Amortization for the year	(3,270)	(3,270)
Disposals for the year	-	-
Exchange rate adjustment	-	-
Accumulated amortization and impairment per December 31	**(155,936)**	**(155,936)**
B/S **Carrying amount at December 31**	**62,530**	**62,530**

	2015	2014
	DKK'000	*DKK'000*
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development expenses	17,539	3,270
General and administrative expenses	-	-
	17,539	**3,270**

III Section 3 – Operating Assets and Liabilities

3.1 – Intangible Assets – Continued

§ **ACCOUNTING POLICIES**

RESEARCH AND DEVELOPMENT – GENMAB GROUP AND PARENT COMPANY

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

LICENSES AND RIGHTS – GENMAB GROUP AND PARENT COMPANY

Licenses, rights, and patents 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.

During 2015, Genmab entered into agreements to purchase patents, know-how, and antibodies from iDD Biotech SAS for a fee of DKK 45 million and Bristol-Myers Squibb for an exclusive license to antibody panels for a one-time licensing fee of DKK 27 million. Genmab also entered into an agreement with BioNTech AG to jointly research, develop and commercialize bispecific antibody products within the field of immuno-oncology for an upfront fee of DKK 67 million and additional payments totaling DKK 13 million as certain BioNTech assets were selected for further development.

During 2014, Genmab entered into a collaboration to utilize Seattle Genetics' ADC technology with our HuMax-AXL antibody, currently in pre-clinical development, for an upfront fee of DKK 63 million.

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

Depreciation

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

Impairment

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

III Section 3 – Operating Assets and Liabilities

3.1 – Intangible Assets – Continued

MANAGEMENT'S JUDGMENTS AND ESTIMATES

RESEARCH AND DEVELOPMENT

Internally Generated Intangible Assets

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

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

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

A development project involves a single product candidate undergoing a high number of tests to illustrate its safety profile and its effect on human beings prior to obtaining the necessary final approval of the product from the appropriate authorities. The future economic benefits associated with the individual development projects are dependent on obtaining such approval. Considering the significant risk and duration of the development period related to the development of biological products, management has concluded that the future economic benefits associated with the individual projects cannot be estimated with sufficient certainty until the project has been finalized and the necessary final regulatory approval of the product has been obtained. Accordingly, the group has not recognized such assets at this time and therefore all research and development costs are recognized in the income statement when incurred. The total research and development costs related to operations amounted to DKK 488 million in 2015, compared to DKK 506 million in 2014.

Antibody Clinical Trial Material Purchased for Use in Clinical Trials

According to our accounting policies, antibody clinical trial material (antibodies) for use in clinical trials that 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 2015 and 2014, 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. The collaboration agreements are structured such that each party contributes its respective skills in the various phases of the development project and contain contractual terms regarding sharing of control over the relevant activities under the agreement. No joint control exists for the group's collaborations with Janssen and Novartis as they retain final decision making authority over the relevant activities. The group's collaboration agreements with Seattle Genetics, BioNTech, and BioNovion (acquired by Aduro Biotech) may become subject to joint control if product candidates under the agreements are selected for joint clinical development as this would require unanimous consent of both parties on decisions related to the relevant activities. Under these agreements, joint clinical development may be selected on a product by product basis and would result in development cost and product ownership being shared equally going forward. These agreements also include provisions which will allow the parties to opt out of joint development at key points along the development timeline. An opt out by one of the parties would result in loss of joint control by the opt out party and the other party is entitled to continue developing the product on predetermined licensing terms. As of December 31, 2015, there have been no products selected for joint clinical development under these collaborations agreements and no joint control exists over the relevant activities. Accordingly, the collaborations are not considered to be either a joint venture or joint operation as defined in IFRS 11, *"Joint Arrangements."* Expenses in connection with collaboration agreements are treated as described under "Research and Development Costs." ■

III Section 3 – Operating Assets and Liabilities

3.2 – Property, Plant and Equipment

GENMAB GROUP

	Leasehold improvements	Equipment, furniture and fixtures	Assets under construction	Total property, plant and equipment
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
2015				
Cost per January 1	9,604	136,109	-	145,713
Additions for the year	-	11,251	981	12,232
Disposals for the year	-	(839)	-	(839)
Exchange rate adjustment	14	607	-	621
Cost at December 31	**9,618**	**147,128**	**981**	**157,727**
Accumulated depreciation and impairment at January 1	(8,849)	(111,180)	-	(120,029)
Depreciation for the year	(286)	(8,893)	-	(9,179)
Disposals for the year	-	839	-	839
Exchange rate adjustment	(14)	(532)	-	(546)
Accumulated depreciation and impairment at December 31	**(9,149)**	**(119,766)**	**-**	**(128,915)**
B/S **Carrying amount at December 31**	**469**	**27,362**	**981**	**28,812**
Carrying amount of assets under finance leases included above	-	99	-	99
2014				
Cost at January 1	9,617	126,854	-	136,471
Additions for the year	-	12,183	-	12,183
Disposals for the year	-	(2,976)	-	(2,976)
Exchange rate adjustment	(13)	48	-	35
Cost at December 31	**9,604**	**136,109**	**-**	**145,713**
Accumulated depreciation and impairment at January 1	(8,528)	(105,281)	-	(113,809)
Depreciation for the year	(334)	(8,727)	-	(9,061)
Disposals for the year	-	2,906	-	2,906
Exchange rate adjustment	13	(78)	-	(65)
Accumulated depreciation and impairment at December 31	**(8,849)**	**(111,180)**	**-**	**(120,029)**
B/S **Carrying amount at December 31**	**755**	**24,929**	**-**	**25,684**
Carrying amount of assets under finance leases included above	-	336	-	336

	2015	2014
	DKK'000	*DKK'000*
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development expense	8,929	8,673
General and administrative expense	250	388
	9,179	**9,061**

III Section 3 – Operating Assets and Liabilities

3.2 – Property, Plant and Equipment – Continued

PARENT COMPANY

	Leasehold improvements	Equipment, furniture and fixtures	Total property, plant and equipment
	DKK'000	*DKK'000*	*DKK'000*
2015			
Cost at January 1	3,981	15,049	19,030
Additions for the year	-	106	106
Cost at December 31	**3,981**	**15,155**	**19,136**
Accumulated depreciation and impairment at January 1	(3,272)	(14,146)	(17,418)
Depreciation for the year	(241)	(495)	(736)
Accumulated depreciation and impairment at December 31	**(3,513)**	**(14,641)**	**(18,154)**
B/S **Carrying amount at December 31**	**468**	**514**	**982**
2014			
Cost at January 1	3,981	14,727	18,708
Additions for the year	-	322	322
Cost at December 31	**3,981**	**15,049**	**19,030**
Accumulated depreciation and impairment at January 1	(3,031)	(13,163)	(16,194)
Depreciation for the year	(241)	(983)	(1,224)
Accumulated depreciation and impairment at December 31	**(3,272)**	**(14,146)**	**(17,418)**
B/S **Carrying amount at December 31**	**709**	**903**	**1,612**

	2015	2014
	DKK'000	*DKK'000*
Depreciation, amortization and impairments are included in the income statement as follows:		
Research and development expense	586	980
General and administrative expense	150	244
	736	**1,224**

III Section 3 – Operating Assets and Liabilities

3.2 – Property, Plant and Equipment – Continued

§ ACCOUNTING POLICIES

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

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

DEPRECIATION

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

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

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

IMPAIRMENT

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

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

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

III Section 3 – Operating Assets and Liabilities

3.3 – Receivables

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Receivables related to collaboration agreements	130,934	57,374	130,934	57,374
Interest receivables	16,694	22,207	16,694	22,207
Derivatives (note 4.2)	-	2,727	-	2,727
Tax receivable	5,875	6,125	5,875	6,125
Other receivables	14,359	10,821	1,584	1,976
Prepayments	13,661	13,013	1,838	3,327
Total	**181,523**	**112,267**	**156,925**	**93,736**
B/S Non-current receivables	6,863	6,428	1,311	1,142
B/S Current receivables	174,660	105,839	155,614	92,594
Total	**181,523**	**112,267**	**156,925**	**93,736**

GENMAB GROUP

During 2015 and 2014, past due receivables and losses related to receivables were negligible. The credit risk on receivables is considered to be limited. **For further information about the interest receivables and derivatives and related credit risk, please refer to note 4.2.**

The receivables are mainly comprised of royalties and milestones from our collaboration agreements and non-interest bearing receivables which are due less than one year from the balance sheet date.

PARENT COMPANY

Please refer to note 5.2 for additional information regarding receivables from subsidiaries.

§ ACCOUNTING POLICIES

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

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

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

III Section 3 – Operating Assets and Liabilities

3.4 – Provisions

	2015	2014
	DKK'000	*DKK'000*
Provisions per January 1	1,433	2,294
Used during the year	-	(861)
Released during the year	-	-
Total at December 31	**1,433**	**1,433**
B/S Non-current provisions	1,433	1,433
B/S Current provisions	-	-
Total at December 31	**1,433**	**1,433**

Provisions include contractual restoration obligations related to our lease of offices. 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.

The majority of the non-current provisions are expected to be settled in 2017.

§ ACCOUNTING POLICIES

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

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

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

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

III Section 3 – Operating Assets and Liabilities

3.5 – Other Payables

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Liabilities related to collaboration agreements	1,174	216,600	1,174	216,600
Employee cost liabilities	15,775	16,780	7,766	8,752
Other liabilities	82,631	31,069	30,345	14,226
Payable to subsidiaries (note 5.2)	-	-	101,334	101,156
Accounts payable	31,989	17,262	17,944	9,015
Total at December 31	**131,569**	**281,711**	**158,563**	**349,749**
B/S Non-current other payables	-	176,223	-	176,218
B/S Current other payables	131,569	105,488	158,563	173,531
Total at December 31	**131,569**	**281,711**	**158,563**	**349,749**

§ ACCOUNTING POLICIES

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

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

At December 31, 2014, non-current other payables included DKK 176 million, related to the deferred funding obligation for the ofatumumab collaboration with GSK. In March 2015, the agreement to transfer the ofatumumab collaboration for oncology from GSK to Novartis became effective. As a result of the transfer, Genmab was not required to pay the existing deferred funding liability of DKK 176 million, which was reversed during the first quarter of 2015, and the corresponding gain was recognized in the income statement as other income.

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

STAFF COSTS LIABILITIES

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

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

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

ACCOUNTS PAYABLE

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

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

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

4.1 – Capital Management

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

Genmab is primarily financed through equity and partnership collaboration income and had, as of December 31, 2015, a cash position of DKK 3,493 million compared to DKK 2,661 million as of December 31, 2014. The cash position supports the advancement of our overall mission and strategy to maximize our chances for success.

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

- Clinical development of tisotumab vedotin (HuMax-TF-ADC)
- Progressing Genmab's pipeline of pre-clinical projects towards clinical development
- Further development of Genmab's proprietary technologies, the DuoBody platform and HexaBody platform
- Potential complimentary acquisitions of new products, technologies or businesses that would further expand Genmab's capabilities and product portfolio
- General corporate purposes to support the development of Genmab's pipeline and business

The transaction significantly improved our financial position and strength.

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

The Board of Directors monitors the share and capital structure to ensure that Genmab's capital resources support the strategic goals. There was no change in the group's approach to capital management procedures in 2015.

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

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

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

4.2 – Financial Risk

The financial risks of the Genmab group are managed centrally.

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

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

Currently, our marketable securities are administrated by two external Danish investment managers. The guidelines and investment managers are reviewed regularly to reflect changes in market conditions, the group's activities and financial position. No changes have been made to the investment policy in 2015 or 2014.

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

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

All our marketable securities are traded in established markets. Given the current market conditions, all future cash inflows including reinvestments of proceeds from the disposal of marketable securities are invested in highly liquid and conservative investments. Please refer to note 4.4 for additional details on our marketable securities.

CREDIT RISK

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

Marketable Securities

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

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

Our current portfolio is spread over a number of different securities and is conservative with a focus on liquidity and security. As of December 31, 2015, 98% of our marketable securities had a triple A-rating from Moody's, S&P, or Fitch compared to 100% at December 31, 2014. The total value of marketable securities including interest receivables amounted to DKK 2,636 million at the end of 2015 compared to DKK 2,324 million at the end of 2014.

Bank Deposits

To reduce the credit risk on our bank deposits, Genmab only invests its cash deposits with highly rated financial institutions. Currently, these financial institutions have a short-term Fitch and S&P rating of at least F-1 and A-1, respectively. In addition, Genmab maintains bank deposits at a level necessary to support the short-term funding requirements of the Genmab group. The total value of bank deposits amounted to DKK 874 million as of December 31, 2015 compared to DKK 359 million at the end of 2014.

CURRENCY RISK

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

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

Assets and Liabilities in Foreign Currency

The most significant cash flows of the group are DKK, EUR, USD and GBP. 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 were invested in EUR (35%), DKK (58%), USD (5%) and GBP denominated securities (2%) as of December 31, 2015, compared to 35%, 63%, 0%, and 2%, as of December 31, 2014. In addition, Genmab uses hedging instruments such as derivatives and future contracts if it is deemed appropriate.

Based on the amount of assets and liabilities denominated in EUR, USD and GBP as of December 31, 2015, a 1% change in the EUR to DKK exchange rate 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:

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

4.2 – Financial Risk – Continued

MDKK	Cash Position	Receivables	Liabilities	Net Exposure	Percentage change in exchange rate**	Impact of change in exchange rate
2015						
EUR	1,220	11	(27)	**1,204**	1%	**12.0**
USD	703	116	(107)	**712**	10%	**71.2**
GBP	46	-	(12)	**34**	10%	**3.4**
2014						
EUR	843	10	(33)	**820**	1%	**8.2**
USD	256	34	(81)	**209**	10%	**20.9**
GBP*	84	-	(222)	**(138)**	10%	**13.8**

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

Accordingly, significant changes in exchange rates could cause our net result to fluctuate significantly as gains and losses are recognized in the income statement. Our EUR exposure is mainly related to our marketable securities, contracts and other costs denominated in EUR. Since the introduction of EUR in 1999, Denmark has committed to maintaining a central rate of 7.46 DKK to the EUR. This rate may fluctuate within a +/- 2.25% band. Should Denmark's policy towards the EUR change, the DKK values of our EUR denominated assets and costs could be materially different compared to what is calculated and reported under the existing Danish policy towards the DKK/EUR.

The USD currency exposure was mainly related to bank deposits and receivables related to our collaborations with Janssen.

The GBP currency exposure is mainly related to marketable securities denominated in GBP and our collaboration with GSK, which was transferred to Novartis in March 2015. As a result of the transfer of the collaboration, Genmab is not liable for any development costs for ofatumumab beyond December 2014, significantly reducing our GBP currency exposure.

Hedging of Expected Future Cash Flows (Cash Flow Hedges)
Genmab had entered into derivative contracts to hedge the associated currency exposure for the period from 2013 to 2015 to reduce the long term GBP/DKK currency exposure associated with the annual funding obligations under the ofatumumab collaboration with GSK. As a result of the transfer of the ofatumumab collaboration for oncology from GSK to Novartis on March 2, 2015, Genmab has no future funding obligations for development costs. The existing capped risk collar contract was terminated during the first quarter of 2015, resulting in a gain of DKK 5 million which was included in the income statement as part of net financial items. Genmab has had no other hedging activity in 2015 and does not have any outstanding derivative contracts as of December 31, 2015.

INTEREST RATE RISK

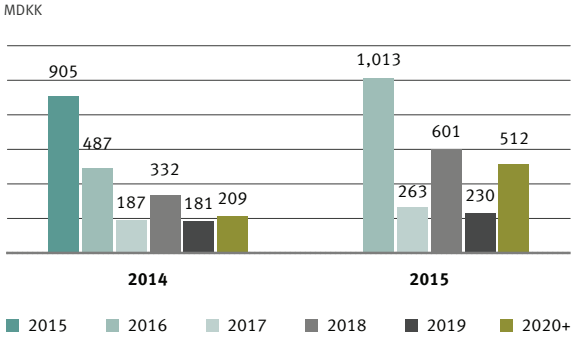
Genmab's exposure to interest rate risk is primarily ascribable to the marketable securities, as we currently do not have significant interest bearing debts.

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

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

As of December 31, 2015, the portfolio has an average effective duration of approximately 1.7 years (2014: 1.4 years) and no securities have an effective duration of more than 8 years (2014: 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 1.7% (2014: 1.4%). Due to the short-term nature of the current investments and to the extent that we are able to hold the investments to maturity, we consider our current exposure to changes in fair value due to interest rate changes to be insignificant compared to the fair value of the portfolio.

MATURITY PROFILE MARKETABLE SECURITIES



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

4.3 – Financial Assets and Liabilities

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Category	Note	2015	2014
		DKK'000	*DKK'000*
Financial assets at fair value through the income statement			
Marketable securities	4.4	2,619,243	2,301,428
Cash and cash equivalents		-	-
Financial assets designated as hedging instruments			
Derivatives designated as cash flow hedges	3.3	-	2,727
Loans and receivables			
Receivables ex. prepayments	3.3	167,862	96,527
Cash and cash equivalents		873,986	359,087
Financial liabilities measured at amortized cost:			
Lease liability	5.4	(118)	(355)
Other payables	3.5	(131,569)	(281,711)

FAIR VALUE MEASUREMENT

Marketable Securities

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

Derivative Financial Instruments

As a result of the transfer of the ofatumumab collaboration for oncology from GSK to Novartis, Genmab has no future funding obligations for development costs and the existing capped risk collar contract was terminated in the first quarter of 2015. The derivative was not traded on an active market based on quoted prices. The fair value was determined using valuation techniques that utilize market based data such as currency rates, yield curves and implied volatility (Level 2).

Finance Lease Commitments and Non-Current Payables (GSK)

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

		2015			2014		
	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
		DKK'000	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*
Assets Measured at Fair Value							
Marketable securities	4.4	2,619,243			2,301,428		
Receivables – derivatives	3.3		-			2,727	
Liabilities for which Fair Value is disclosed							
Finance lease commitments	5.4			(118)			(355)
Non-current other payables (GSK)	3.5			-			(176,218)

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

4.3 – Financial Assets and Liabilities – Continued

§ ACCOUNTING POLICIES

CLASSIFICATION OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Any transfers between the different levels are carried out at the end of the reporting period. There have not been any transfers between the different levels during 2015 and 2014. ■

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

4.4 – Marketable Securities

	2015	2014
	DKK'000	*DKK'000*
Cost at January 1	2,319,174	1,398,655
Additions for the year	2,075,458	2,679,286
Disposals and maturities for the year	(1,757,990)	(1,758,767)
Cost at December 31	**2,636,642**	**2,319,174**
Fair value adjustment at January 1	(17,746)	(9,811)
Fair value adjustment for the year	347	(7,935)
Fair value adjustment at December 31	**(17,399)**	**(17,746)**
B/S **Net book value at December 31**	**2,619,243**	**2,301,428**
Net book value in percentage of cost	**99%**	**99%**

Specification of the securities:

	Market value 2015	Average effective duration	Share %	Market value 2014	Average effective duration	Share %
	DKK'000			*DKK'000*		
Kingdom of Denmark bonds and treasury bills	282,738	1.51	11%	312,164	1.26	14%
Other Danish bonds	1,218,400	1.91	47%	1,138,284	1.30	49%
DKK portfolio	**1,501,138**	**1.84**	**58%**	**1,450,448**	**1.29**	**63%**
EUR portfolio						
European government bonds and treasury bills	941,384	1.69	35%	812,458	1.70	35%
USD portfolio						
US government and treasury bills	135,669	0.44	5%	-	-	-
GBP portfolio						
UK government bonds and treasury bills	41,052	0.74	2%	38,522	0.09	2%
Total portfolio	**2,619,243**	**1.69**	**100%**	**2,301,428**	**1.41**	**100%**
B/S **Marketable securities**	**2,619,243**			**2,301,428**		

YIELD

The portfolio generated a net yield of 0.2% in 2015 compared to 0.7% in 2014. The low yields are mainly driven by low market interest level for highly liquid and conservative short term securities with a low degree of risks and high credit ratings. Please refer to note 4.2 for additional details on the risks related to our marketable securities.

The total interest income amounted to DKK 37 million in 2015 compared to DKK 38 million in 2014. The decrease was the result of a lower market interest rates in 2015.

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

4.4 – Marketable Securities – Continued

§ ACCOUNTING POLICIES

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

Genmab's portfolio of investments has been designated as financial assets at fair value through 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 management.

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

Transactions are recognized at trade date. ■

4.5 – Financial Income and Expenses

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Financial income:				
Interest and other financial income	37,263	38,331	37,187	38,224
Interest from subsidiaries	-	-	236	945
Realized and unrealized gains on fair value hedges, net	5,409	12,199	5,345	12,199
Exchange rate gains, net	14,034	7,391	13,519	7,528
I/S **Total financial income**	**56,706**	**57,921**	**56,287**	**58,896**
Financial expenses:				
Interest and other financial expenses	118	4,054	51	3,976
Realized and unrealized losses on marketable securities (fair value through the income statement), net	29,440	21,698	29,008	21,698
I/S **Total financial expenses**	**29,558**	**25,752**	**29,059**	**25,674**
Net financial items	**27,148**	**32,169**	**27,228**	**33,222**
Interest on financial assets measured at amortized cost	117	183	41	1,490
Interest on financial liabilities measured at amortized cost	118	4,054	51	3,976

Realized losses on our marketable securities for 2015 amounted to DKK 28 million compared to DKK 15 million in 2014. These largely relate to the losses we incur when a security is purchased at a price above par and held to maturity. We are compensated for these realized losses with above market interest rates.

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

4.5 – Financial Income and Expenses – Continued

§ ACCOUNTING POLICIES

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

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

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

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

4.6 – Share-Based Instruments

RESTRICTED STOCK UNIT PROGRAM

In April 2014 at the Annual General Meeting, the incentive guidelines were amended to enable Genmab A/S to establish an RSU program (equity-settled share-based payment transactions) as an incentive for the members of the Board of Directors and members of the Executive Management.

RSUs are granted by the Board of Directors in accordance with authorizations given to it by Genmab A/S' shareholders and are subject to the incentive guidelines adopted by the general meeting.

Under the terms of the RSU program, RSUs are subject to a cliff vesting period and become fully vested on the first banking day of the month following a period of three years from the date of grant. If a member of Executive Management or Board of Directors ceases their employment or board membership prior to the vesting date, all RSUs that are granted, but not yet vested, shall lapse automatically.

However, if a member of the Executive Management or the Board of Directors ceases employment or board membership due to retirement or age limitation in Genmab A/S' articles of association, death, serious sickness or serious injury then all RSUs that are granted, but not yet vested shall remain outstanding and will be settled in accordance with their terms.

Vesting of the RSUs may be subject to further vesting conditions as decided by the Board of Directors.

Within 30 days of the vesting date, the holder of a RSU receives one share in Genmab A/S for each RSU. Genmab A/S may at its sole discretion in extraordinary circumstances choose to make cash settlement instead of delivering shares.

In case of a change of control event as defined in the RSU program, the Board of Directors shall decide to either accelerate the vesting or accelerate the vesting and make a cash settlement.

The RSU program contains anti-dilution provisions if changes occur in Genmab's share capital prior to the vesting date.

Genmab A/S intends to purchase its own shares in order to cover its obligations in relation to the RSUs. Authorization to purchase Genmab A/S' own shares up to a nominal value of DKK 250,000 was given at the Annual General Meeting in April 2014.

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

4.6 – Share-Based Instruments – Continued

RSU ACTIVITY IN 2015 AND 2014

	Number of RSUs held by the Board of Directors	Number of RSUs held by the Executive Management	Number of RSUs held by former members of the Board of Directors	Total outstanding RSUs
Outstanding at January 1, 2014	**-**	**-**	**-**	**-**
Granted	8,625	35,725	-	44,350
Settled	-	-	-	-
Cancelled	-	-	-	-
Outstanding at December 31, 2014	**8,625**	**35,725**	**-**	**44,350**
Outstanding at January 1, 2015	**8,625**	**35,725**	**-**	**44,350**
Granted	9,465	19,080	-	28,545
Settled	-	-	-	-
Transferred	(1,150)	-	1,150	-
Cancelled	-	-	-	-
Outstanding at December 31, 2015	**16,940**	**54,805**	**1,150**	**72,895**

The weighted average fair value of RSUs granted was DKK 849.96 and DKK 337.40 in 2015 and 2014, respectively.

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 Executive Management, and members of the Board of Directors.

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 for incentive-based remuneration adopted by the general meeting. These guidelines were most recently amended by the general meeting in April 2014, so that members of the Board of Directors may only be granted RSUs whereas members of the Executive Management may be granted RSUs and/or warrants.

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 dates during a year.

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

WARRANTS GRANTED FROM AUGUST 2004 UNTIL APRIL 2012

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

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

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

WARRANTS GRANTED FROM APRIL 2012

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

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

4.6 – Share-Based Instruments – Continued

WARRANT ACTIVITY IN 2015 AND 2014

	Number of warrants held by the Board of Directors	Number of warrants held by the Executive Management	Number of warrants held by employees	Number of warrants held by former members of the Executive Management, Board of Directors and employees	Total outstanding warrants	Weighted average exercise price
						DKK
Outstanding at January 1, 2014	**445,675**	**1,307,000**	**999,420**	**2,907,753**	**5,659,848**	**218.16**
Granted	-	23,775	231,250	-	255,025	292.24
Exercised	(48,575)	(95,000)	(121,942)	(346,180)	(611,697)	107.61
Expired	(50)	-	(62)	(11,225)	(11,337)	86.05
Cancelled	-	-	(1,500)	(11,750)	(13,250)	164.68
Transfers	-	-	(52,370)	52,370	-	-
Outstanding at December 31, 2014	**397,050**	**1,235,775**	**1,054,796**	**2,590,968**	**5,278,589**	**234.97**
Exercisable at year end	281,800	918,000	618,228	2,570,598	4,388,626	243.34
Exercisable warrants in the money at year end	231,800	918,000	577,453	2,331,660	4,058,913	215.99
Outstanding at January 1, 2015	**397,050**	**1,235,775**	**1,054,796**	**2,590,968**	**5,278,589**	**234.97**
Granted	-	-	175,900	-	175,900	789.60
Exercised	(67,250)	(225,000)	(414,451)	(1,857,143)	(2,563,844)	250.93
Expired	-	-	(1,375)	(2,503)	(3,878)	109.39
Cancelled	-	-	-	(10,250)	(10,250)	262.37
Transfers	(98,500)	-	(22,200)	120,700	-	-
Outstanding at December 31, 2015	**231,300**	**1,010,775**	**792,670**	**841,772**	**2,876,517**	**254.73**
Exercisable at year end	175,050	844,444	341,078	828,277	2,188,849	219.05
Exercisable warrants in the money at year end	175,050	844,444	341,078	828,277	2,188,849	219.05

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

As of December 31, 2015, the Board of Directors has been authorized to grant a total of 13,571,263 (2014: 13,571,263) warrants since Genmab's inception. As of December 31, 2015, the 2,876,517 outstanding warrants amounted to 5% of the share capital (2014: 9%).

For exercised warrants in 2015 the weighted average share price at the exercise date amounted to DKK 588.28 (2014: DKK 244.52).

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

4.6 – Share-Based Instruments – Continued

Weighted Average Outstanding Warrants at December 31, 2015

Exercise price	Grant Date	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Number of warrants exercisable
DKK				
26.75	December 8, 2011	1,312	5.94	1,312
31.75	October 14, 2011	17,375	5.79	17,375
40.41	June 22, 2011	155,865	5.48	155,865
45.24	April 25, 2012	6,870	3.32	875
46.74	June 2, 2010	103,750	4.42	103,750
55.85	April 6, 2011	14,000	5.27	14,000
66.60	December 9, 2010	42,750	4.95	42,750
67.50	October 14, 2010	11,725	4.79	11,725
68.65	April 21, 2010	17,750	4.31	17,750
79.25	October 9, 2012	13,375	3.78	7,750
80.55	December 5, 2012	217,850	3.93	146,100
98.00	January 31, 2013	2,563	4.09	937
129.75	October 8, 2009	39,575	3.77	39,575
147.50	April 17, 2013	20,250	4.30	6,250
173.00	June 21, 2006	27,688	0.47	27,688
174.00	June 17, 2009	199,000	3.46	199,000
184.00	March 2, 2006	4,189	0.17	4,189
199.00	June 12, 2013	3,000	4.45	1,500
210.00	February 10, 2014	13,063	5.12	2,000
210.50	April 25, 2006	1,689	0.32	1,689
215.60	April 9, 2014	7,000	5.28	1,000
220.40	October 15, 2014	49,750	5.79	7,187
224.00	September 19, 2006	15,333	0.72	15,333
225.30	June 12, 2014	15,000	5.45	2,250
225.90	December 6, 2013	400,878	4.94	191,120
231.50	October 10, 2013	21,975	4.78	7,975
234.00	April 15, 2009	37,630	3.29	37,630
234.75	December 17, 2008	11,750	2.96	11,750
246.00	June 4, 2008	128,500	2.43	128,500
254.00	April 24, 2008	202,200	2.32	202,200
272.00	October 8, 2008	216,188	2.77	216,188
326.50	October 4, 2007	39,100	1.76	39,100
329.00	December 13, 2007	17,200	1.95	17,200
330.00	December 13, 2006	9,499	0.95	9,499
337.40	December 15, 2014	153,525	5.96	38,387
352.50	June 27, 2007	374,852	1.49	374,852
364.00	April 19, 2007	86,598	1.30	86,598
466.20	March 26, 2015	22,050	6.24	-
623.50	June 11, 2015	11,100	6.45	-
636.50	October 7, 2015	41,000	6.77	-
939.50	December 10, 2015	101,750	6.95	-
254.73		**2,876,517**	**3.73**	**2,188,849**

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

4.6 – Share-Based Instruments – Continued

Weighted Average Outstanding Warrants at December 31, 2014

Exercise price	Grant Date	Number of warrants outstanding	Weighted average remaining contractual life (in years)	Number of warrants exercisable
DKK				
26.75	December 8, 2011	2,537	6.94	1,600
31.75	October 14, 2011	32,000	6.79	20,061
40.41	June 22, 2011	258,350	6.47	177,350
45.24	April 25, 2012	17,500	4.32	5,500
46.74	June 2, 2010	129,750	5.42	129,750
55.85	April 6, 2011	22,875	6.30	14,500
66.60	December 9, 2010	65,250	5.94	65,250
67.50	October 14, 2010	21,570	5.79	21,570
68.65	April 21, 2010	35,500	5.30	35,500
77.00	December 9, 2009	7,500	4.94	7,500
79.25	October 9, 2012	21,375	4.77	9,625
80.55	December 5, 2012	253,150	4.93	109,650
98.00	January 31, 2013	2,813	5.08	375
101.00	August 10, 2005	20,088	0.61	20,088
114.00	June 7, 2005	17,825	0.43	17,825
116.00	April 20, 2005	1,815	0.30	1,815
129.75	October 8, 2009	66,500	4.77	66,500
130.00	December 1, 2005	3,550	0.92	3,550
147.50	April 17, 2013	21,750	5.29	750
173.00	June 21, 2006	322,188	1.47	322,188
174.00	June 17, 2009	199,000	4.46	199,000
184.00	March 2, 2006	77,696	1.16	77,696
199.00	June 12, 2013	3,000	5.45	750
210.00	February 10, 2014	14,750	6.11	-
210.50	April 25, 2006	25,252	1.31	25,252
215.60	April 9, 2014	8,000	6.27	-
220.40	October 15, 2014	57,750	6.79	-
224.00	September 19, 2006	104,833	1.72	104,833
225.30	June 12, 2014	17,000	6.45	-
225.90	December 6, 2013	423,500	5.93	105,871
231.50	October 10, 2013	29,500	5.78	7,375
234.00	April 15, 2009	67,600	4.29	67,600
234.75	December 17, 2008	36,250	3.96	36,250
246.00	June 4, 2008	187,750	3.50	187,750
254.00	April 24, 2008	640,025	3.34	640,025
272.00	October 8, 2008	487,313	3.77	487,313
326.50	October 4, 2007	151,100	2.76	151,100
329.00	December 13, 2007	90,705	2.95	90,705
330.00	December 13, 2006	61,500	1.95	61,500
337.40	December 15, 2014	157,525	6.96	-
352.50	June 27, 2007	784,946	2.49	784,946
364.00	April 19, 2007	329,708	2.30	329,713
234.97		**5,278,589**	**3.80**	**4,388,626**

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

4.7 – Share Capital

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, 2015, the share capital of Genmab A/S comprised 59,531,263 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 17, 2018, the Board of Directors is authorized to increase the nominal registered share capital on one or more occasions without pre-emption rights for the existing shareholders by up to nominally DKK 10,400,000 by subscription of new shares 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. Within the authorization to increase the share capital by nominally DKK 10,400,000 shares, the Board of Directors may on one or more occasions and without pre-emption rights for the existing shareholders of Genmab issue up to nominally DKK 2,000,000 shares to employees of Genmab, and Genmab's subsidiaries, by cash payment at market price or at a discount price as well as by the issue of bonus shares. No transferability restrictions or redemption obligations shall apply to the new shares which shall be negotiable instruments issued to the bearer. The new shares shall give the right to dividends and other rights as determined by the Board in its resolution to increase capital.

By decision of the general meeting on April 25, 2012, the Board of Directors was authorized to issue on one or more occasions warrants to subscribe Genmab A/S' shares up to a nominal value of DKK 250,000. This authorization shall remain in force for a period ending on April 25, 2017. Further, by decision of the general meeting on April 17, 2013, the Board of Directors was authorized to issue on one or more occasions warrants to subscribe Genmab A/S' shares up to a nominal value of DKK 600,000. This authorization shall remain in force for a period ending on April 17, 2018. Moreover, by decision of the general meeting on April 9, 2014, 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 500,000. In addition, the Board of Directors was authorized to repurchase Genmab A/S' shares up to a nominal value of DKK 250,000. These authorizations shall remain in force for a period ending on April 9, 2019.

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

As of December 31, 2015, a total of 250,000 warrants have been issued under the April 25, 2012 authorization, a total of 41,625 warrants have been reissued under the April 25, 2012 authorization, a total of 600,000 warrants have been issued under the April 17, 2013 authorization, a total of 10,250 warrants have been reissued under the April 17, 2013 authorization, a total of 261,900 warrants have been issued under the April 9, 2014 authorization and a total of 2,750 warrants have been reissued under the April 9, 2014 authorization. A total of 238,100 warrants remain available for issue as of December 31, 2015.

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 note 2.1 and external expenses directly attributable to the offerings. The share premium reserve can be distributed.

CHANGES IN SHARE CAPITAL DURING 2010 TO 2015

	Number of shares	Share capital
		DKK'000
December 31, 2010	**44,907,142**	**44,907**
Exercise of warrants	-	-
December 31, 2011	**44,907,142**	**44,907**
Shares issued for cash	5,400,000	5,400
Exercise of warrants	750	1
December 31, 2012	**50,307,892**	**50,308**
Exercise of warrants	1,447,830	1,448
December 31, 2013	**51,755,722**	**51,756**
Shares issued for cash	4,600,000	4,600
Exercise of warrants	611,697	611
B/S **December 31, 2014**	**56,967,419**	**56,967**
Exercise of warrants	2,563,844	2,564
B/S **December 31, 2015**	**59,531,263**	**59,531**

During 2015, 2,563,844 new shares were subscribed at a price of DKK 26.75 to DKK 364.00 in connection with the exercise of warrants under Genmab's warrant program.

During 2014, 611,697 new shares were subscribed at a price of DKK 26.75 to DKK 234.00 in connection with the exercise of warrants under Genmab's warrant program.

On January 24, 2014 Genmab completed a private placement with the issuance of 4,600,000 new shares.

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

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

V Section 5 – Other Disclosures

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

5.1 – Remuneration of the Board of Directors and Executive Management

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

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Wages and salaries	21,820	19,483	5,670	4,038
Share-based compensation expenses	16,510	15,823	5,769	5,490
Defined contribution plans	938	1,039	-	-
Total	**39,268**	**36,345**	**11,439**	**9,528**

The remuneration packages for the Board of Directors and Executive Management are described below in further detail. The remuneration packages are denominated in DKK, EUR, or USD. The Compensation Committee performs an annual review of the remuneration packages. All incentive and variable remuneration shall be considered and adopted at the company's annual general meeting.

In accordance with Genmab's accounting policies, described in note 2.3, share-based compensation is included in the income statement and reported in the remuneration tables in this note. Such share-based compensation expense represents a calculated fair value of instruments granted and does not represent actual cash compensation received by the board members or executives. Please refer to note 4.6 for information about Genmab's share-based compensation programs.

V Section 5 – Other Disclosures

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

REMUNERATION TO THE BOARD OF DIRECTORS

	Purpose and link to strategy	Performance Metrics	Opportunity	Changes compared to 2014
Annual board base fee and fees for committee work	Ensure Genmab can attract qualified individuals to the Board of Directors	Any increase based on benchmarks for other similar international biotech companies	Basic board fee of DKK 300,000 – Deputy Chairman receives double and Chairman receives triple Committee membership basic fee of up to DKK 75,000 with Chairman receiving up to DKK 150,000 plus a fee per meeting of DKK 9,000	Basic board fee increased by DKK 40,000 Committee membership basic fee increased up to DKK 25,000 and per meeting fee increased by DKK 1,500
Share-Based Compensation	Incentivize members of the Board of Directors over the longer term aligned to strategy and creation of shareholder value	Linked to Genmab's financial and strategic priorities as an incentive to increase the future value of the company but also in recognition of past contributions and accomplishments	A new member of the Board of Directors may be granted RSUs upon election corresponding to a value (at the time of grant) of up to four (4) times the fixed annual base fee, but in special circumstances (as determined by the Board of Directors) the value may be higher. In addition the members of the Board of Directors may be granted RSUs corresponding to a value (at the time of grant) of up to one point five (1.5) times the fixed annual base fee (for the Chairman the value shall be of up to three (3) times the fixed annual base fee, and for the Deputy Chairman the value shall be of up to two point twenty-five (2.25) times the fixed annual base fee) on an annual basis. Grants of RSUs may depend on the financial results of the year in question, the progress of the company's product pipeline as well as specific major important events. The share-based compensation expense for 2015 of DKK 5 million shown below includes the amortization of the non-cash share-based compensation expense relating to warrants and RSUs granted over several periods. **Please refer to the "Number of RSUs held" and "Number of warrants held" overviews in note 4.6 for further details.**	None

	Base board fee	Fee committees	Shared-based compensation expenses	2015	Base board fee	Fee committees	Shared-based compensation expenses	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*
Mats Pettersson	900	291	1,093	2,284	780	220	1,436	2,436
Anders Gersel Pedersen	600	178	563	1,341	520	135	651	1,306
Pernille Erenbjerg**	250	155	325	730	-	-	-	-
Paolo Paoletti**	250	73	325	648	-	-	-	-
Burton G. Malkiel	300	197	448	945	260	187	564	1,011
Hans Henrik Munch-Jensen***	75	37	926	1,038	260	148	564	972
Tom Vink*	300	-	448	748	260	-	564	824
Nedjad Losic*	300	-	448	748	260	-	564	824
Total	**2,975**	**931**	**4,576**	**8,482**	**2,340**	**690**	**4,343**	**7,373**

* Employee elected board member.
** Elected by the Annual General Meeting in March 2015.
*** Stepped down from the Board of Directors on the Annual General Meeting in March 2015.

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

V Section 5 – Other Disclosures

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

REMUNERATION TO THE EXECUTIVE MANAGEMENT

	Purpose and link to strategy	Performance Metrics	Opportunity	Changes compared to 2014
Base Salary	Reflect the individual's skills and experience, role and responsibilities	Any increase based both on individual and company performance as well as benchmark analysis	Fixed	Base salary increased by 1.5% in local currency (2014: 2.5%)
Pension and other benefits	Provide a framework to save for retirement Provide customary benefits including car and telephone allowance	None	Fixed amount or percentage of base salary	None
Annual Cash Bonus	Incentivize executives to achieve key objectives on an annual basis	Achievement of predetermined and well-defined annual milestones	Maximum 60% to 100% of annual gross salaries dependent on their position. Extraordinary bonus of a maximum up to 15% of their annual gross salaries, based on the occurrence of certain special events or achievements. The bonus programs may enable the Executive Management members to earn a bonus per calendar year of up to an aggregate amount of approximately DKK 8 million (annual) and DKK 1 million (extraordinary). In 2015, the current Executive Management team received a total cash bonus of DKK 9 million (2014: DKK 8 million).	None
Share-Based Compensation	Incentivize executives over the longer term aligned to strategy and creation of shareholder value	Linked to Genmab's financial and strategic priorities as an incentive to increase the future value of the company but also in recognition of past contributions and accomplishments	On an annual basis Executive Management may be granted RSUs and/or warrants corresponding to a value (at the time of grant) of up to two (2) times the executive's annual base salary, calculated before any pension contribution and bonus payment, in the year of grant, primarily as an incentive to increase the future value of the company but also in recognition of past contributions and accomplishments. Furthermore, a new member of Executive Management may be granted RSUs and/or warrants upon engagement or promotion. The share-based compensation expense for 2015 of DKK 12 million shown below includes the amortization of the non-cash share-based compensation expense relating to warrants & RSUs granted over several periods. In 2015, 19,080 RSUs were granted to the Executive Management, with a total fair value of DKK 18 million (2014: 35,725 RSUs and 23,775 warrants, with a fair value of DKK 15 million). **Please refer to the "Number of RSUs held" and "Number of warrants held" overviews in note 4.6 for further details.**	None

V Section 5 – Other Disclosures

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

	Base salary	Defined contribution plans	Other Benefits	Cash bonus	Share-based compensation expenses	Total Genmab Group	Parent Company*
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*	*DKK'000*
2015							
Jan van de Winkel	5,308	761	243	6,150	7,391	19,853	2,155
David A. Eatwell	3,539	177	-	2,674	4,543	10,933	803
Total	**8,847**	**938**	**243**	**8,824**	**11,934**	**30,786**	**2,958**
2014							
Jan van de Winkel	5,202	887	243	5,793	7,018	19,143	1,401
David A. Eatwell	3,064	152	-	2,151	4,462	9,829	755
Total	**8,266**	**1,039**	**243**	**7,944**	**11,480**	**28,972**	**2,156**

* Included base salary and other remuneration of DKK 1.8 million (2014: DKK 1.0 million) and share-based compensation expenses of DKK 1.2 million (2014: DKK 1.1 million).

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

Severance Payments:
In the event Genmab terminates the service agreements with each member of the Executive Management team without cause, Genmab is obliged to pay the Executive Officer his existing salary for one or two years after the end of the one year notice period. In case of the termination of the service agreements of the Executive Management without cause, the total impact on our financial position is estimated to approximately DKK 32 million as of December 31, 2015 (2014: DKK 30 million).

The severance payments follow the Recommendations which provide that termination payments should not amount to more than two years' annual remuneration.

Please refer to note 5.5 regarding the potential impact in the event of change of control of Genmab.

NUMBER OF ORDINARY SHARES OWNED AND SHARE-BASED INSTRUMENTS HELD

Number of ordinary shares owned	December 31, 2014	Acquired	Sold	Transfers	December 31, 2015	Market value DKK'000*
Board of Directors						
Mats Pettersson	10,000	-	-	-	10,000	9,175
Anders Gersel Pedersen	-	-	-	-	-	-
Burton G. Malkiel	11,625	4,750	-	-	16,375	15,024
Pernille Erenbjerg	-	-	-	-	-	-
Paolo Paoletti	-	-	-	-	-	-
Hans Henrik Munch-Jensen	300	-	-	(300)	-	-
Tom Vink	-	-	-	-	-	-
Nedjad Losic	1,000	-	-	-	1,000	918
	22,925	**4,750**	**-**	**(300)**	**27,375**	**25,117**
Executive Management						
Jan van de Winkel	590,000	210,000	(200,000)	-	600,000	550,500
David A. Eatwell	-	-	-	-	-	-
	590,000	**210,000**	**(200,000)**	**-**	**600,000**	**550,500**
Total	**612,925**	**214,750**	**(200,000)**	**(300)**	**627,375**	**575,617**

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

V Section 5 – Other Disclosures

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

Number of warrants held	December 31, 2014	Granted	Exercised	Expired	Transfers	December 31, 2015	Black-Scholes value warrants granted in 2015	Weighted average exercise price outstanding warrants
							DKK	*DKK*
Board of Directors								
Mats Pettersson	38,750	-	-	-	-	38,750	-	187.96
Anders Gersel Pedersen	107,500	-	(17,500)	-	-	90,000	-	178.36
Burton G. Malkiel	71,250	-	(44,750)	-	-	26,500	-	222.09
Pernille Erenbjerg	-	-	-	-	-	-	-	-
Paolo Paoletti	-	-	-	-	-	-	-	-
Hans Henrik Munch-Jensen	98,500	-	-	-	(98,500)	-	-	-
Tom Vink	34,550	-	-	-	-	34,550	-	114.45
Nedjad Losic	46,500	-	(5,000)	-	-	41,500	-	122.89
	397,050	**-**	**(67,250)**	**-**	**(98,500)**	**231,300**	**-**	**165.48**
Executive Management								
Jan van de Winkel	704,900	-	(210,000)	-	-	494,900	-	240.17
David A. Eatwell	530,875	-	(15,000)	-	-	515,875	-	140.32
	1,235,775	**-**	**(225,000)**	**-**	**-**	**1,010,775**	**-**	**189.21**
Total	**1,632,825**	**-**	**(292,250)**	**-**	**(98,500)**	**1,242,075**	**-**	**184.79**

Number of RSUs held	December 31, 2014	Granted	Settled	Transfers	December 31, 2015	Fair value RSUs granted in 2015
						DKK
Board of Directors						
Mats Pettersson	2,300	957	-	-	3,257	899,102
Anders Gersel Pedersen	1,725	718	-	-	2,443	674,561
Burton G. Malkiel	1,150	478	-	-	1,628	449,081
Pernille Erenbjerg	-	3,178	-	-	3,178	1,707,821
Paolo Paoletti	-	3,178	-	-	3,178	1,707,821
Hans Henrik Munch-Jensen	1,150	-	-	(1,150)	-	-
Tom Vink	1,150	478	-	-	1,628	449,081
Nedjad Losic	1,150	478	-	-	1,628	449,081
	8,625	**9,465**	**-**	**(1,150)**	**16,940**	**6,336,548**
Executive Management						
Jan van de Winkel	22,400	11,387	-	-	33,787	10,698,087
David A. Eatwell	13,325	7,693	-	-	21,018	7,227,574
	35,725	**19,080**	**-**	**-**	**54,805**	**17,925,661**
Total	**44,350**	**28,545**	**-**	**(1,150)**	**71,745**	**24,262,209**

Following Genmab A/S' Annual General Meeting on March 26, 2015, the Board of Directors is comprised of five independent directors and two employee-elected directors. Mats Pettersson, Dr. Anders Gersel Pedersen and Dr. Burton G. Malkiel were re-elected to the Board of Directors for a one year period. Dr. Paolo Paoletti and Pernille Erenbjerg were elected to the Board of Directors for a one year period. The employee-elected board members Tom Vink and Nedjad Losic were re-elected to the Board of Directors for a three year period in 2013. Hans Henrik Munch-Jensen stepped down from the Board of Directors and the reclassification of his shares and share-based instruments is shown in the transfer column of the tables above. The Board of Directors convened and constituted itself with Mr. Pettersson as Chairman and Dr. Anders Gersel Pedersen as Deputy Chairman.

V Section 5 – Other Disclosures

5.2 – Related Party Disclosures

Genmab's related parties are:

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

	PARENT COMPANY	
	2015	2014
	DKK'000	*DKK'000*
Transactions with subsidiaries:		
Income statement:		
Service fee income	3,329	2,681
Service fee costs	(216,714)	(177,257)
Financial income	236	945
Balances with subsidiaries:		
Current payables	(101,334)	(101,156)

Genmab A/S has 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.

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

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

Other than the remuneration and other transactions relating to the Board of Directors and Executive Management described in note 5.1, no other significant transactions have taken place with the Board of Directors or the Executive Management during 2015 and 2014.

V Section 5 – Other Disclosures

5.3 – Equity Interests in Subsidiaries

Genmab A/S (parent company) holds investments either directly or indirectly in the following subsidiaries:

Name	Domicile	Ownership and votes 2015	Ownership and votes 2014
Genmab B.V.*	Utrecht, the Netherlands	100%	100%
Genmab Holding B.V.*	Utrecht, the Netherlands	100%	-
Genmab US, Inc.	New Jersey, USA	100%	100%

* On March 10, 2015, Genmab created a new Dutch subsidiary, Genmab Holding B.V., and contributed all shares owned in Genmab B.V. in exchange for shares in Genmab Holding B.V. As a result, Genmab indirectly owns 100% of Genmab B.V. beginning on the effective date of March 10, 2015.

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 2015 and 2014 there were no impairments indications noted.

	PARENT COMPANY	
	2015	2014
	DKK'000	*DKK'000*
Cost per January 1	2,156,663	2,068,564
Additions for the year	75,235	88,099
Cost per December 31	**2,231,898**	**2,156,663**
Impairment per January 1	(1,928,768)	(1,928,768)
Impairment for the year	-	-
Impairment per December 31	**(1,928,768)**	**(1,928,768)**
B/S **Carrying amount per December 31**	**303,130**	**227,895**

§ ACCOUNTING POLICIES

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

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

V Section 5 – Other Disclosures

5.4 – Commitments

GUARANTEES AND COLLATERALS

The group has, through a bank deposit, established a bank guarantee of DKK 3 million (2014: 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 2025.

Future minimum payments under our operating leases as of December 31, 2015, are as follows:

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Payment due				
Within 1 year	13,462	11,891	3,575	2,339
From 1 to 5 years	72,439	36,735	2,673	4,252
After 5 years	70,016	-	-	-
Total	**155,917**	**48,626**	**6,248**	**6,591**
Expenses recognized in the income statement	15,500	14,643	3,118	2,510

FINANCE LEASES

The group has entered into finance lease contracts primarily with respect to laboratory equipment.

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

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Minimum lease payments				
Within 1 year	118	237	-	-
From 1 to 5 years	-	118	-	-
	118	**355**	**-**	**-**
Future finance charges	-	-	-	-
Total	**118**	**355**	**-**	**-**
Net present value of future payments				
B/S Within 1 year	118	237	-	-
B/S From 1 to 5 years	-	118	-	-
Total	**118**	**355**	**-**	**-**

V Section 5 – Other Disclosures

5.4 – Commitments – Continued

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 133 million (2014: DKK 78 million). In the parent company, the contractual obligations amounted to DKK 133 million (2014: DKK 78 million).

During 2015 the group entered into an operating lease agreement for a new research and office facility, which we expect to occupy in late 2017. Prior to occupying the new facility, we expect capital expenditure obligations for the purchase of leasehold improvements and equipment, furniture, and fixtures to total approximately DKK 58 million.

§ ACCOUNTING POLICIES

LEASING

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

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

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

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

5.5 – 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. It is impossible to measure the value of such future payments, but Genmab expects to generate future income from such products which will exceed any milestone and royalty payments due, and accordingly no such liabilities have been recognized.

Change of Control

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

COLLABORATION, DEVELOPMENT AND LICENSE AGREEMENTS

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

SERVICE AGREEMENTS WITH EXECUTIVE MANAGEMENT AND EMPLOYEES

The service agreements with each member of the Executive Management may be terminated by Genmab with no less than 12 months' notice and by the member of the Executive Management with no less than six months' notice. In the event of a change of control of Genmab, the termination notice due to the member of the Executive Management is extended to 24 months. In the event of termination by Genmab (unless for cause) or by a member of Executive Management as a result of a change of control of Genmab, Genmab is obliged to pay a member of Executive Management a compensation equal to his existing total salary (including benefits) for up to two years in addition to the notice period. In case of a change of control event and the termination of service agreements of the Executive Management, the total impact on our financial position is estimated to approximately DKK 76 million as of December 31, 2015 (2014: DKK 71 million).

In addition, Genmab has entered into service agreements with 23 (2014: 25) 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 23 service agreements the total impact on our financial position is

V Section 5 – Other Disclosures

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

estimated to approximately DKK 67 million as of December 31, 2015 (2014: DKK 67 million).

With respect to change of control clauses related to share-based instruments granted to the Executive Management and employees, please refer to note 4.6. As of December 31, 2015, a change of control event and the termination of all impacted service agreements are, in relation to share-based instruments, not expected to have a significant impact on our financial position.

SUBSEQUENT EVENTS

Subsequent to the balance sheet date, on January 19, 2016, the U.S. FDA approved a sBLA for the use of Arzerra for extended treatment of patients who are in complete or partial response after at least two lines of therapy for recurrent or progressive CLL.

On February 4, 2016 Johnson & Johnson Innovation – JJDC, Inc.'s ownership in Genmab A/S fell below the 5% threshold with regard to both voting rights and share capital.

No other events that could significantly affect the financial statements as of December 31, 2015 have occurred.

§ ACCOUNTING POLICIES

CONTINGENT ASSETS AND LIABILITIES

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

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

5.6 – Fees to Auditors Appointed at the Annual General Meeting

	GENMAB GROUP		PARENT COMPANY	
	2015	2014	2015	2014
	DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
PricewaterhouseCoopers				
Audit services	1,122	1,095	773	778
Audit-related services	135	157	135	157
Tax and VAT services	472	1,054	377	962
Other services	-	9	-	9
Total	**1,729**	**2,315**	**1,285**	**1,906**

V Section 5 – Other Disclosures

5.7 – Adjustments to Cash Flow Statement

		GENMAB GROUP		PARENT COMPANY	
	Note	2015	2014	2015	2014
		DKK'000	*DKK'000*	*DKK'000*	*DKK'000*
Adjustments for non-cash transactions:					
Depreciation and amortization	3.1, 3.2	31,822	12,331	18,275	4,495
Net loss (gain) on sale of equipment		-	(11)	-	-
Share-based compensation expenses	2.3, 4.6	36,564	27,719	13,571	10,334
Total adjustments for non-cash transactions		**68,386**	**40,039**	**31,846**	**14,829**
Changes in working capital:					
Receivables		(89,954)	41,802	(86,342)	42,113
Provisions paid		-	(861)	-	(861)
Deferred income		(267,535)	(267,249)	(267,535)	(267,249)
Reversal of GSK Liability		(176,217)	-	(176,217)	-
Other payables		(4,736)	4,551	(13,543)	8,476
Total changes in working capital		**(538,442)**	**(221,757)**	**(543,637)**	**(217,521)**

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 2015.

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 2015 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 2015.

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, February 17, 2016

EXECUTIVE MANAGEMENT

Jan van de Winkel
(President & CEO)

David A. Eatwell
(Executive Vice President & CFO)

BOARD OF DIRECTORS

Mats Pettersson
(Chairman)

Anders Gersel Pedersen
(Deputy Chairman)

Burton G. Malkiel

Pernille Erenbjerg

Paolo Paoletti

Tom Vink
(Employee elected)

Nedjad Losic
(Employee elected)

Independent Auditor's Report

TO THE SHAREHOLDERS OF GENMAB A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the parent company financial statements of Genmab A/S for the financial year 1 January to 31 December 2015 pages 52-101, which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and Notes, including summary of significant accounting policies, for the group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

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

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

Auditor's Responsibility

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

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

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

The audit has not resulted in any qualification.

Opinion

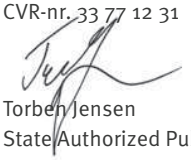
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2015 and of the results of the group's and parent company's operations and cash flows for the financial year 1 January to 31 December 2015 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 1-51 in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit performed of the consolidated financial statements and the parent company financial statements. On this basis, in our opinion, the information provided in the Directors' Report is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, February 17, 2016

PRICEWATERHOUSECOOPERS
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31



Torben Jensen
State Authorized Public Accountant

Allan Knudsen
State Authorized Public Accountant

Glossary

Accelerated assessment
A type of assessment granted by the CHMP of the EMA when a medicinal product is expected to be of major public health interest particularly from the point of view of therapeutic innovation.

ADC
Antibody-drug conjugate. Monoclonal antibodies with potent cytoxic agents (toxins) coupled to them.

Antigen
Immunogen. Any substance that is specifically bound by an antibody.

B-cell
White blood cell type also known as a B-Lymphocyte.

Bispecific antibody
An antibody in which the two binding regions are not identical, with each region directed against a different molecule or different site on the same molecule.

BLA
Biologics License Application. A submission to apply for marketing approval from the FDA, which contains specific information on the manufacturing processes, chemistry, pharmacology, clinical pharmacology and the medical effects of a biologic product.

Clinical
Term used to refer to drugs that are at the stage of being investigated in humans to determine the safety and efficacy of the drug before it can be approved by regulatory authorities.

Cytotoxicity
The ability to kill cells.

Epitope
The surface portion of an antigen capable of eliciting an immune response and of combining with an antibody produced to counter that response.

Immunomodulatory agent
A type of drug used to treat certain types of cancers, such as multiple myeloma. Examples include lenalidomide and pomalidomide.

Lymphoma
Cancer of the white blood cells.

MAA
Marketing Authorization Application. A submission to apply for marketing approval for a drug from the EMA.

Monoclonal
Derived from a single cell.

Monotherapy
Treatment of a medical condition by use of a single drug.

PFS
Progression free survival. The length of time a patient lives without their disease worsening.

Refractory
Resistant to treatment.

Relapsed
Recurrence of disease symptoms after a period of improvement.

Pre-clinical
Term used to refer to drugs that are at the stage of being investigated in the laboratory or in animals to determine the safety and efficacy of the drug before it is tested in humans.

Priority Review
FDA designation used for drugs that, if approved, would be significant improvements in the safety or effectiveness of the treatment, diagnosis, or prevention of serious conditions when compared to standard applications.

Proteasome inhibitor
A type of drug used to treat certain types of cancer, such as multiple myeloma. Examples include bortezomib and carfilzomib.

Target
A substance identified as potentially of interest for use in the creation of an antibody.

Transgenic mouse
A mouse carrying a transgene, a gene introduced into replicating cells, so that it is transmitted across future generations of replicating cells.

Forward Looking Statement

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

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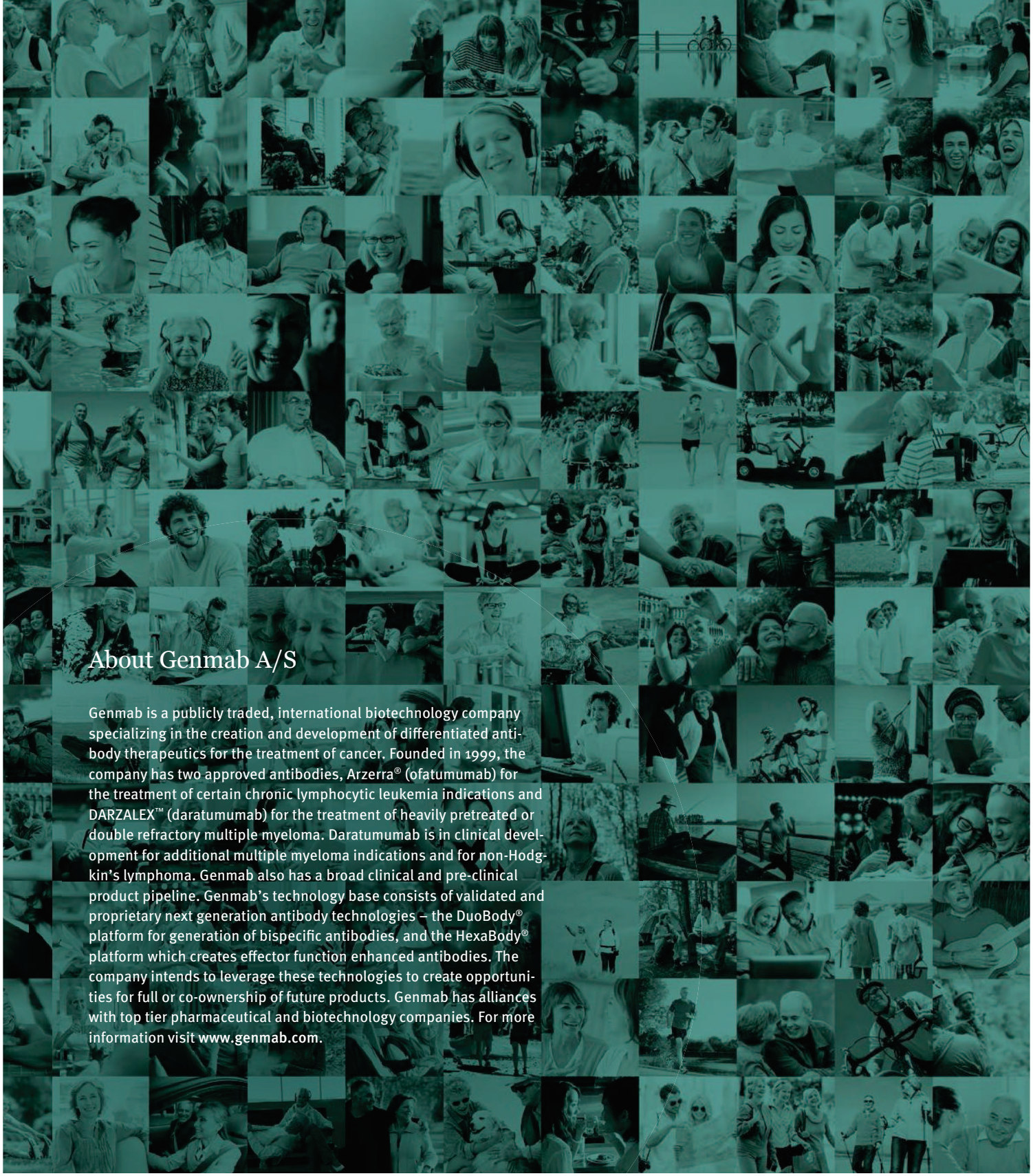
Laboratory and CEO photos: **Marieke de Lorijn**
Board of Directors and Senior Leadership photos: **Jeroen Bouman**
Product photos: **Lars Møller**

DESIGN AND GRAPHIC PRODUCTION
MeyerBukdahl



About Genmab A/S

Genmab is a publicly traded, international biotechnology company specializing in the creation and development of differentiated antibody therapeutics for the treatment of cancer. Founded in 1999, the company has two approved antibodies, Arzerra® (ofatumumab) for the treatment of certain chronic lymphocytic leukemia indications and DARZALEX™ (daratumumab) for the treatment of heavily pretreated or double refractory multiple myeloma. Daratumumab is in clinical development for additional multiple myeloma indications and for non-Hodgkin's lymphoma. Genmab also has a broad clinical and pre-clinical product pipeline. Genmab's technology base consists of validated and proprietary next generation antibody technologies – the DuoBody® platform for generation of bispecific antibodies, and the HexaBody® platform which creates effector function enhanced antibodies. The company intends to leverage these technologies to create opportunities for full or co-ownership of future products. Genmab has alliances with top tier pharmaceutical and biotechnology companies. For more information visit **www.genmab.com**.

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