

Q&A GENMAB

8. marts 2012

Med CEO Jan Van de Winkel

Q&A
Retail

Mød dine private
investorer online

Transcript Live Q and A Genmab CEO Jan Van de Winkel, 8. marts 2012

| | |
|-------------------|--|
| IR Moderator | First of all, I would like to say welcome to Jan Van de Winkel, its an honour to have you here. Are you online Jan? |
| Jan Van de Winkel | Yes I am here - nice to speak to you all. |
| Akademikeren | We are joined today by Jan Van de Winkel, who will discuss Genmabs FY results with us in this Live session. We are very glad that you could take you time today. I will start the session with a couple of questions. |
| Akademikeren | As far as the Full Year cashburn Genmab came in a little better then the latest updated guidance. I guess that primarily due to cost cutting? Is there anything left to do on the expenditure side in Genmab? Or is the level of cost going forward? |
| Jan Van de Winkel | We would anticipate the costs being fairly level going forward. A large portion of our spending is on ofatumumab Phase 3 trials and less on staffing and infrastructure costs. Cost control remains a key focus for us. |
| Akademikeren | At Yesterdays Conference Call you seemed especially excited about the progress in the partnership discussions of Daratumumab. What is it with this particular compound/antibody that excites you? How would you compare the potential to Ofatumumab. Is it as big as that? |
| Jan Van de Winkel | Daratumumab ticks all the boxes as a potential first in class product with broad spectrum killing activity, excellent synergies with other anti cancer agents and its target expressed on a large number of tumours. |
| Jan Van de Winkel | Compared to ofatumumab (and all other antibodies) we have generated daratumumab is unusually potent in killing cancer cells..... |
| Jan Van de Winkel | ...the multiple myeloma market in 2011 was larger than 3.9bn US and if you add the potential other indications would be a substantial market. |
| Akademikeren | How is the market for early stage projects right now? Is the interest for Daratumumab as big as the interest for Ofatumumab was? Can you shed any light on similar recent deals. Is it possible to get a big upfront payment in the double digit million dollar range? |
| Jan Van de Winkel | The market for early stage projects is substantial. Pharma really needs innovative novel products and technologies for their pipelines.... |
| Jan Van de Winkel | ...we are seeing a substantial interest for daratumumab and have many active contacts at the moment ... |
| Jan Van de Winkel | ...to give a flavour for the level of interest by pharma for biotech products, last week the Belgian/Dutch company Galapagos closed a over 1.3 bn US deal with Abbott... |
| Jan Van de Winkel | this was on a JAK inhibitor only evaluated in 36 patients... |
| Jan Van de Winkel | All deals are of course different, it will always be a balance between upfront and what the company can retain. Our focus is to make sure that the product is development to maximise its potential. |
| Akademikeren | You said yesterday that you expected Arzerra to enter into a new territory. Will there any milestone payment connected with that ? |
| Jan Van de Winkel | Yes, we would anticipate a small milestone payment which is included in our 2012 guidance. |

| | |
|-------------------|---|
| Troldmanden | Please gives us an update on the factory sales. Is there still an antibody overcapacity production in US? What have been the main reasons that all your talks with potential buyers have not been successful. Too expensive, not the right location, not the right equipment? |
| Jan Van de Winkel | It is an active process - it would not be appropriate to make any comments that would potentially be useful to prospective buyers... |
| Jan Van de Winkel | ...which might give away a negotiation advantage. |
| Jan Van de Winkel | It is an excellent facility...high quality and we have a number of CDAs signed. |
| Troldmanden | Do you see any price pressure on Arzerra? |
| Jan Van de Winkel | GSK is in charge of the commercial operation. Per gram Arzerra is already priced at a discount to a competitor product and it is a differentiated product. |
| Troldmanden | Last year Arzerra revenue rose 40%. This year you guide for 20-33% increase. Should we calculate with a 20-35% increase per year until new labels start kicking in in 2015? (possible new label second half 2014 and then some time to start marketing) |
| Jan Van de Winkel | We have only given for 2012 and expect a number of clinical data sets to become available during the coming year. We believe familiarity with the drug will impact further use. |
| Troldmanden | I can understand that you have really really many potential partners interested in DARA. Do you think it will be possible to get more than \$100 mill upfront payment for a DARA deal? |
| Jan Van de Winkel | Every deal is different and it is always a balance between upfront and milestones and royalties. |
| Troldmanden | What do you think the cost of the total clinical program for DARA in Myelomatose will be? |
| Jan Van de Winkel | In future years we anticipate that a partner will take on much of the development costs in MM. Developing a product can end up costing North of 200 Mn US dollars... |
| Troldmanden | Will you start the next clinical trials with DARA without a partner? |
| Jan Van de Winkel | We have already planned two combination studies this year and the costs have been included in our guidance for 2012. |
| Troldmanden | Considering your cash level and the Arezerra development deal which cost you 17 million pound each year, will you then consider to make the same sort of deal on DARA? It will give you a better royalties but will also put more pressure on the cashburn between clinical milestones. |
| Jan Van de Winkel | The deal is yet to be done. But we have focus on preserving our cash and therefore would be in favour of moving development costs over to an eventual partner. |
| Troldmanden | Will you prefer to keep some rights on DARA. For instants co promotions rights in specifics geographic? |
| Jan Van de Winkel | The preference is to close a worldwide deal. Our focus is to maximise the potential of daratumumab. |
| Sukkeralf | What's the status of the pre-clinical HuMax-cMet program. When can we asume it progressed to fase I ? |
| Jan Van de Winkel | We dont have an updated on this particular programme at this time. We would expect to give an update on all preclinical programmes during the year. |
| Fundamental | Thanks Jan for Coming. I have a tough one. If you dont sell the factory and is not able to make a deal for daratumumab then you will end the year with 600+ mill. Is that enough cash runway or will you then consider an Emission? |

| | |
|-------------------|---|
| Jan Van de Winkel | I am confident that we will strike a deal for daratumumab, and we are working hard on the sale of the manufacturing facility. Currently we have no plans to go back to the market. |
| Troldmanden | Can you update us on the DuoBody platform. What kind of interest are you seeing in this new platform and when do you anticipate the first clinical candidate? |
| Jan Van de Winkel | We have a number of active discussions on the DuoBody platform, and are excited with the progress made. In December last year we closed our first partnership...and others will follow in 2012. |
| Johny | what is the reason that you have an undisclosed partner on the Duobody platform? Can we expect that you will unveil the identity during 2012? |
| Jan Van de Winkel | It is always difficult to estimate when candidates will enter the clinic...at present we feel this will not be before 2014. |
| Jan Van de Winkel | And which technologies from xx companies do you see DuoBody compete with? |
| Jan Van de Winkel | With this specific partnership the big pharma partner developed a novel drug conjugate technology and didn't want to reveal this publicly. this may change at a later date. |
| Jan Van de Winkel | There are over 15 bispecific technologies developed in pharma and biotech... |
| Jan Van de Winkel | we believe our DuoBody platform has unique advantages over other bispecific technologies and can become a leading platform for bispecifics. |
| Collersteen | re: financials. Is 600 mio dkk going to be the approximate cost level going forward in the coming years? (I wonder if revenue or further cost reduction is going to bring Genmab into profitable territory). Thanks for doing this Q&A. |
| Jan Van de Winkel | We only give guidance for one year ahead. However, 600 mio dkk is a reasonable marker for future spending.... |
| Jan Van de Winkel | ...We look forward to increasing royalties from Arzerra as the label expands, and we are excited about the opportunities for Daratumumab and DuoBody Platform. |
| Fundamental | And a last "nerdy" question. When did Arzerra get the J-code in the US? |
| Jan Van de Winkel | January 1st 2011. Good question! |
| Troldmanden | Thank you very much for taking our questions Jan Van de Winkel. This is indeed a great opportunity to get direct answers from you |
| IR Moderator | Ok. I would like to thank Genmab and our users for this Q&A session. Thank you for coming to ProInvestor, Jan. And thanks for all the good answers and questions |
| Jan Van de Winkel | You are very welcome. I also enjoy this interaction. I look forward to the next time. |
| Jan Van de Winkel | And thank you for your time and interest in Genmab. |

Q&A Retail

Booking: kan ske fra dag til dag på telefon: 70277024 eller mail: ir@proinvestor.com

Pris: DKK 8.000 for nye abonnenter og DKK 5.000 for abonnenter af IR Synergi

Varighed: op til 60 min., svarende til ca. 30 spørgsmål

Markedsføring: synliggørelse i ProInvestors nyhedsbrev (7.500 abonnenter) og online markedsføring i perioden op til

Kort om ProInvestor

ProInvestor er et uafhængigt forum for aktieanalyse og debat i Danmark. På vores debatforum mødes tusindvis af dedikerede investorer dagligt for at diskutere aktiekøb og investeringsstrategier. ProInvestor har 50.000 unikke besøgende om måneden og over 7.500 abonnenter af det ugentlige nyhedsbrev. Derved er ProInvestor det førende netværk af private investorer.

ProInvestors IR Portal servicerer brugerne med aktiekurser og finansnyheder fra henholdsvis danske, svenske og amerikanske selskaber. De danske selskaber i "IR synergi universet" bliver dækket i dybden med investorpræsentationer, årsrapporter og stamoplysninger. Desuden arrangerer ProInvestor branchespecifikke Kapitalmarkedsdage, online chatkommunikation med private investorer i Q&A Retail, "IR Sync", synkronisering af selskabers beskrivelse på diverse online medier samt webcast af selskabernes rapportering m.m.

ProInvestor blev skabt som et online mødested for private investorer i 2009 og er i dag Danmarks hurtigst voksende finansmedie. ProInvestor blev lanceret i Sverige i marts 2011.

For mere information se www.proinvestor.com/virksomheder eller kontakt os på +45 7027 7024.

Peter Hildebrandt, CEO, er ansvarlig for dialogen med de børsnoterede selskaber.

"Som privat investor sætter jeg pris på en personlig kontakt til det selskab, jeg investerer i. Det betyder, at man kan få en reel fornemmelse af ledelsen og få afklaret de tvivlsspørgsmål, man ofte har, inden man investerer. Heldigvis er der mange selskaber, som inviterer til investormøder, men ProInvestors online dialog passer mig praktisk perfekt – også selvom de holdes midt på dagen. Flere af dem!"

Kasper Schademan,
privat investor og bruger af proinvestor.com