

FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS



Biotek Allé 1, 3400 Hillerød

CVR no. 31 58 65 69

Annual report 2020/21

Approved at the Company's annual general meeting on 30 August 2021

Chair of the meeting:

DocuSigned by:

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 Martin Edward Meeson
Signing Reason: I approve this document
Signing Time: 30-Aug-2021 | 06:36:17 EDT
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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS for the financial year 1 April 2020 - 31 March 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Hillerød, 30 August 2021
Executive Board:

DocuSigned by:

DocuSigned by:
Lars Petersen
Signature Name: lars petersen
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Signing Time: 30-Aug-2021 | 08:11:06 EDT
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Board of Directors:

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DocuSigned by:
Martin Meeson
Signature Name: Martin Meeson
Chair
Signing Reason: I approve this document
Signing Time: 30-Aug-2021 | 06:36:30 EDT
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Toshihisa Iida
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F318A71B0C944C499E826DFD25F7837

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Signature Name: Takatoshi Ishikawa
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DocuSigned by:
Lars Petersen
Signature Name: lars petersen
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Independent auditor's report

To the shareholders of FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS

Opinion

We have audited the financial statements of FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS for the financial year 1 April 2020 - 31 March 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2021, and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 30 August 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Niels Vendelbo
state authorised public accountant
mne34532



Martin Vde Schmidt
state authorised public accountant
mne42821

Management's review

Company details

Name	FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS
Address, Postal code, City	Biotech Allé 1, 3400 Hillerød
CVR no.	31 58 65 69
Established	1 July 2008
Registered office	Hillerød
Financial year	1 April 2020 - 31 March 2021
Board of Directors	Martin Edward Meeson, Chair Toshihisa Iida Takatoshi Ishikawa Lars Petersen
Executive Board	Lars Petersen, Executive director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 København Ø

Management's review

Business review

The objective of the company is to perform trading activities and to possess ownership control in other companies in accordance with the board of director's approval.

Recognition and measurement uncertainties

The company has no uncertainty relating to recognition and measurement.

Unusual matters having affected the financial statements

No unusual circumstances have affected the company's activities during the year.

Financial review

The income statement for 2020/21 shows a loss of DKK 155 thousand against a loss of DKK 355 thousand last year, and the balance sheet at 31 March 2021 shows equity of DKK 3,255,427 thousand. Management considers the result to be satisfactory and as expected.

Events after the balance sheet date

No events have occurred after the end of the financial year with significant impact on FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS's financial position at 31 March 2021.

Outlook

It is expected that the result in 2021/22 will end at the same level as 2020/21.

Financial statements 1 April 2020 - 31 March 2021

Income statement

Note	DKK	2020/21 12 months	2019/20 15 months
	Other external expenses	-183,298	-446,991
	Gross profit	-183,298	-446,991
	Other operating expenses	-35,047,627	0
	Profit/loss before net financials	-35,230,925	-446,991
3	Financial income	44,932,855	0
	Financial expenses	-15,469	-8,667
	Profit/loss before tax	9,686,461	-455,658
4	Tax for the year	-9,841,499	100,373
	Profit/loss for the year	-155,038	-355,285
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-155,038	-355,285
		-155,038	-355,285

Financial statements 1 April 2020 - 31 March 2021

Balance sheet

Note	DKK	<u>2020/21</u>	<u>2019/20</u>
	ASSETS		
	Fixed assets		
5	Investments		
	Investments in group entities, net asset value	3,255,359,050	3,255,359,050
		<u>3,255,359,050</u>	<u>3,255,359,050</u>
	Total fixed assets	<u>3,255,359,050</u>	<u>3,255,359,050</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	0	412,704
	Deferred tax assets	16,927	44,096
	Joint taxation contribution receivable	8,182,339	56,273
		<u>8,199,266</u>	<u>513,073</u>
	Cash	<u>229,332</u>	<u>0</u>
	Total non-fixed assets	<u>8,428,598</u>	<u>513,073</u>
	TOTAL ASSETS	<u><u>3,263,787,648</u></u>	<u><u>3,255,872,123</u></u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	150,000	150,000
	Retained earnings	3,255,277,252	3,255,432,290
	Total equity	<u>3,255,427,252</u>	<u>3,255,582,290</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Income taxes payable	8,140,396	0
	Other payables	220,000	289,833
		<u>8,360,396</u>	<u>289,833</u>
		<u>8,360,396</u>	<u>289,833</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>3,263,787,648</u></u>	<u><u>3,255,872,123</u></u>

- 1 Accounting policies
- 2 Staff costs
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral
- 8 Related parties

Financial statements 1 April 2020 - 31 March 2021

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	150,000	3,167,792,211	3,167,942,211
Grant received from parent company	0	87,995,364	87,995,364
Transfer through appropriation of loss	0	-355,285	-355,285
Equity at 1 April 2020	150,000	3,255,432,290	3,255,582,290
Transfer through appropriation of loss	0	-155,038	-155,038
Equity at 31 March 2021	150,000	3,255,277,252	3,255,427,252

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies

The annual report of FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS and its group entities are part of the consolidated financial statements for the ultimate parent FUJIFILM Corp. The consolidated financial statements for FUJIFILM Corporation. can be obtained by application to FUJIFILM Corporation Midtown West, 7-3 Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan

Changes in accounting policies

The financial reporting currency has been changed from EUR to DKK, effective for the Company's current financial year of 1 Apr 2020 to 31 Mar 2021 and onwards. The decision has been made, as the books are kept in DKK, and the currency adjustments can then be avoid in the Annual Report. The comparison figures have been converted from EUR to DKK as well, by using the booked values in DKK. This has impacted the value of the loss for prior year and equity prior year with a negative amount of DKK 299,828.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures.

Basis of recognition and measurement

Value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, write downs and provisions.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Certain financial assets and liabilities are measured at cost, thus recognising a constant effective interest over the term. Amortised cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortisation of the difference between cost and nominal value.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Other external expenses

Other external expenses include the year's expenses relating to administration etc.

Financial income and expenses

Financial income are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax method, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2020/21 12 months	2019/20 15 months
3 Financial income		
Tax compounding interests	44,932,855	0
	<u>44,932,855</u>	<u>0</u>

In 2020/21 the tax authorities has returned interests of DKK 142 million (and compounding interests of DKK 44.9 million) that is related to dividend payments in 2009-2012. Interests have in accordance with the sales agreement been transferred to the former owner Biogen and has no impact on the results for the year. The element of compounding interests is recognised as financial income which results in a tax effect of DKK 9.9 million. The residual amount of DKK 35.0 million, has been transferred to Biogen and is recognised as other operating expenses.

DKK	2020/21 12 months	2019/20 15 months
4 Tax for the year		
Estimated tax charge for the year	9,814,330	0
Deferred tax adjustments in the year	27,169	-44,096
Refund in joint taxation	0	-56,277
	<u>9,841,499</u>	<u>-100,373</u>

5 Investments

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries				
FUJIFILM Diosynth Biotechnologies Denmark ApS	Denmark	100.00%	3,865,417,932	103,549,915

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

Joint taxation

As management company, the company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for the income year 2019 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 31 July 2019.

7 Collateral

The Company has not provided any security or other collateral in assets at 31 March 2021.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

8 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
FUJIFILM Corporation	Midtown West, 7-3 Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan	The consolidated accounts can be obtained by written application to FUJIFILM Corporation Midtown West, 7-3 Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan