

# FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS

Biogen Allé 1, 3400 Hillerød

CVR no. 31 58 65 69

## Annual report

for the period 1 January 2019 - 31 March 2020

Approved at the Company's annual general meeting on 30 October 2020

Chairman:

DocuSigned by:



 Martin Edward Meeson

Signing Reason: I approve this document  
Signing Time: 30-Oct-2020 | 08:43:02 PDT

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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 January 2019 - 31 March 2020.


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 2020 and of the results of the Company's operations for the financial year 1 January 2019 - 31 March 2020.

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 October 2020  
Executive Board:

DocuSigned by:  
  
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Signer Name: lars petersen  
Signing Reason: I approve this document  
Signing Time: 29-Oct-2020 | 09:42:37 PDT  
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Board of Directors:

DocuSigned by:  ----- Signer Name: Martin Meeson Signing Reason: I approve this document Signing Time: 30-Oct-2020   08:43:10 PDT ----- 715D84FA4C7C4B458923D3E6E5ED0629	DocuSigned by:  ----- Signer Name: Masato Yamamoto 署名理由: この文書を承認する 署名時刻: 29-10-2020   16:11:11 PDT ----- 67DDA581D0854206BA4EFC9A812C55BA	DocuSigned by: Takatoshi Ishikawa ----- Signer Name: Takatoshi Ishikawa 署名理由: この文書を承認する 署名時刻: 29-10-2020   15:58:21 PDT ----- BA-2352FC1A89664DEE80CE01F1E267FEAC
DocuSigned by:  ----- Signer Name: lars petersen Signing Reason: I approve this document Signing Time: 29-Oct-2020   09:43:04 PDT ----- 7CD7D0252D534EF9BB5EDBD484AE25BF		

## 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 January 2019 - 31 March 2020 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 2020, and of the results of the Company's operations for the financial year 1 January 2019 - 31 March 2020 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 responsibilities 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 October 2020

KPMG

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81



Niels Vendelbo  
state authorised public accountant  
mne34532



Martin Yde Schmidt  
state authorised public accountant  
mne42821

## Management's review

### Company details

Name	FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS
Address, Postal code, City	Biogen Allé 1, 3400 Hillerød
CVR no.	31 58 65 69
Established	1 July 2008
Registered office	Hillerød
Financial year	1 January 2019 - 31 March 2020
Board of Directors	Martin Edward Meeson, Chairman Masato Yamamoto 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

On 31 July 2019 Biogen sold Biogen (Denmark) New Manufacturing ApS and its subsidiary Biogen (Denmark) Manufacturing ApS, the large-scale biologics manufacturing site in Hillerød to FUJIFILM Corporation. FUJIFILM Corporation now owns and operate both entities and the Company has become a part of FUJIFILM Diosynth Biotechnologies, a Contract Development and Manufacturing Organization ("CDMO").

### Financial review

The income statement for 2019/20 shows a loss of EUR 7 thousand against a loss of EUR 23,374 thousand last year, and the balance sheet at 31 March 2020 shows equity of EUR 436,956 thousand. Management considers the result to be satisfactory and as expected.

### Retained earnings adjustment

Retained earnings is influenced by an adjustment in liabilities for payables between Denmark and Biogen group related companies of EUR 11,784 thousand as a capital contribution. The adjustment has no effect on the profit/loss for 2019/20.

### Events after the balance sheet date

On the 11th of March 2020 the World Health Organisation declared the Coronavirus (Covid-19) to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the Company's 31 March financial statements, the Coronavirus outbreak and the related impacts are not significant. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operation or cash flows in the future.

### Outlook

It is expected that the result in 2020/21 will end at the same level as 2019/20.

## Financial statements 1 January 2019 - 31 March 2020

### Income statement

Note	EUR	2019/20 15 months	2018 12 months
	Other external expenses	-59,860	-28,542
	<b>Gross profit</b>	-59,860	-28,542
2	Financial income	40,230	263
3	Financial expenses	-1,238	-23,352,248
	<b>Profit/loss before tax</b>	-20,868	-23,380,527
4	Tax for the year	13,441	6,825
	<b>Profit/loss for the year</b>	-7,427	-23,373,702
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-7,427	-23,373,702
		-7,427	-23,373,702



## Financial statements 1 January 2019 - 31 March 2020

### Balance sheet

Note	EUR	<u>2019/20</u>	<u>2018</u>
	<b>ASSETS</b>		
	Fixed assets		
5	Investments		
	Investments in group entities, net asset value	436,925,757	436,925,757
		<u>436,925,757</u>	<u>436,925,757</u>
	<b>Total fixed assets</b>	<u>436,925,757</u>	<u>436,925,757</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Receivables from group entities	55,267	0
	Deferred tax assets	5,905	0
	Income taxes receivable	0	680,121
	Joint taxation contribution receivable	7,536	6,825
		<u>68,708</u>	<u>686,946</u>
	<b>Cash</b>	<u>0</u>	<u>91,345</u>
	<b>Total non-fixed assets</b>	<u>68,708</u>	<u>778,291</u>
	<b>TOTAL ASSETS</b>	<u><u>436,994,465</u></u>	<u><u>437,704,048</u></u>

## Financial statements 1 January 2019 - 31 March 2020

### Balance sheet

Note	EUR	<u>2019/20</u>	<u>2018</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	20,141	20,141
	Retained earnings	436,935,510	425,159,001
	<b>Total equity</b>	<u>436,955,651</u>	<u>425,179,142</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Payables to group entities	0	11,824,153
	Joint taxation contribution payable	0	680,121
	Other payables	38,814	20,632
		<u>38,814</u>	<u>12,524,906</u>
	<b>Total liabilities other than provisions</b>	<u>38,814</u>	<u>12,524,906</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>436,994,465</u>	<u>437,704,048</u>

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

## Financial statements 1 January 2019 - 31 March 2020

### Statement of changes in equity

EUR	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2018	20,141	448,532,703	448,552,844
Transfer through appropriation of loss	0	-23,373,702	-23,373,702
<b>Equity at 1 January 2019</b>	<b>20,141</b>	<b>425,159,001</b>	<b>425,179,142</b>
Grant received from parent company	0	11,783,936	11,783,936
Transfer through appropriation of loss	0	-7,427	-7,427
<b>Equity at 31 March 2020</b>	<b>20,141</b>	<b>436,935,510</b>	<b>436,955,651</b>

## Financial statements 1 January 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies

The annual report of FUJIFILM Diosynth Biotechnologies Holdings Denmark ApS for 2019/20 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(1) 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

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### 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 EUR.

#### 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 January 2019 - 31 March 2020

### 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

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### 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.

##### Receivables

Receivables are measured at amortised cost.

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

## Financial statements 1 January 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### 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.

#### 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 January 2019 - 31 March 2020

### Notes to the financial statements

EUR	2019/20 15 months	2018 12 months
<b>2 Financial income</b>		
Exchange gain	40,230	0
Other financial income	0	263
	<u>40,230</u>	<u>263</u>
<b>3 Financial expenses</b>		
Other interest expenses	1,238	2,480
Exchange losses	0	6,286
Interest surcharges on tax recognised under net financials	0	23,343,482
	<u>1,238</u>	<u>23,352,248</u>
<b>4 Tax for the year</b>		
Deferred tax adjustments in the year	-5,905	0
Refund in joint taxation	-7,536	-6,825
	<u>-13,441</u>	<u>-6,825</u>

### 5 Investments

Name	Domicile	Interest	Equity EUR	Profit/loss EUR
<b>Subsidiaries</b>				
Biogen (Denmark) Manufacturing ApS	Denmark	100.00%	503,772,132	-23,611,451

### 6 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

The Company is jointly taxed with Fujifilm Nordic Denmark filial af Fujifilm Nordic AB, Sverige which acts as management company, and is jointly and severally liable 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 2020.

### 8 Related parties

#### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
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