IN BRIEF

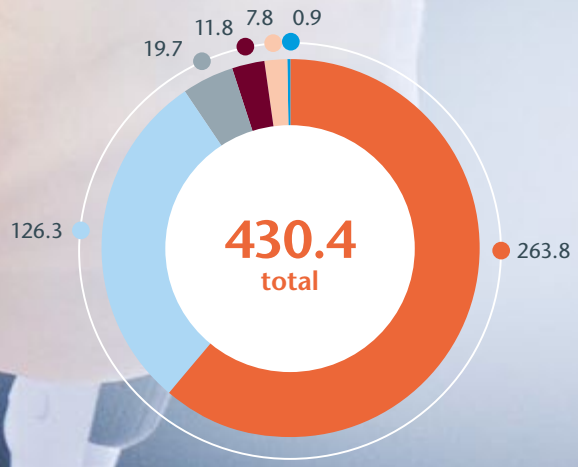
8
theses written by Sanquin researchers

237
articles published in international scientific journals

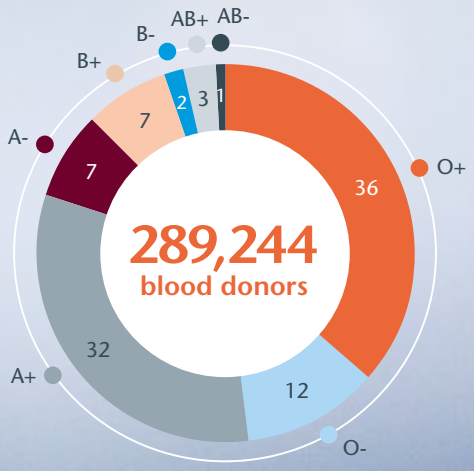
343,158
donors donated

721,727
succesful donations

turnover per division in millions of euros



whole blood donors per blood group in %



Plasma products
Blood Bank
Diagnostic
Reagents
Research
Other

Our stakeholders

Four people from Sanquin's world describe how they experience their relationship with our organisation.

IN THIS REPORT

OUR AMBITIONS

Sanquin has defined ambitions in four areas. These form a common thread throughout this annual report.

BLOOD SUPPLY

FOR PATIENTS

INTERNATIONAL

ORGANISATION

FOREWORD

The social responsibility of helping patients using the gifts provided by our donors is both inspiring and unique.

"TOGETHER FOR PATIENTS AND DONORS"

Since my September 2015 appointment as Chairman of the Sanquin Blood Supply Foundation's Executive Board, I have become extremely familiar with the organisation and its employees. Getting to know all these enthusiastic, helpful and dedicated colleagues has made a lasting impression on me. Sanquin performs interesting and far-reaching work. The social responsibility of helping patients using the gifts provided by donors is both inspiring and unique.

The donor community is vitally important to us, and we are grateful for the dedication and commitment with which countless donors contribute to a safe blood supply for the Netherlands. We will make sure that the services we provide for donors are modernised. For example, we were unable to deliver Wi-Fi access at every collection location in 2015. This must be resolved in 2016, as the lack of Wi-Fi is unacceptable in this day and age and, furthermore, we had in fact promised to provide it much earlier. We also want to improve our service to donors, among other things by allowing them to schedule their own donations through a donor portal.

Sanquin's public tasks are essential, with the Blood Bank and research activities at the organisation's heart. The Blood Bank covers all the activities in the chain from collection to the release of short shelf-life blood components. This includes not only the Blood Bank and research activities, but also the commercial diagnostic testing and manufacture of plasma medication and reagents. This mix of public tasks and private activities demands a transparent organisation, with responsibility and accountability being crystal-clear. The first steps were taken in 2015, with the process to be completed in 2016. The result will be that the Sanquin Blood Supply Foundation includes both the Blood Bank and Research divisions, while also owning a holding company which performs private commercial activities. This is a transparent, proven structure that protects public duties from any risks taken in the private sector.

Sanquin Plasma Products BV (SPP) will continue to require attention in the years to come. The core focus is on the quality systems, designed in 2015, which must be expeditiously implemented in 2016. To this end, the organisation must migrate from being a research-driven structure to a professional manufacturing environment. The scale of manufacturing and associated business interests leave no other option.

The scientific research performed at Sanquin is renowned internationally, encompassing everything related to blood. Collaboration with academic research programmes has grown in recent years, a development we will certainly continue to promote. Our research topics blend seamlessly with activities in other Sanquin divisions. Research, for instance, contributes significantly to the social issues of health and disease.

The donor community is at the heart of our organisation and we are truly grateful for the dedicated and committed way the numerous donors contribute to ensuring the Netherlands has a safe supply of blood.

Sanquin is a unique institute in the world. All the activities, from blood collection to delivering blood components and plasma medicines safely to patients, and every step along the way, occur under one roof. This all-in-one principle is a condition for Sanquin's success. It is our duty to ensure this system can survive in the years to come.

Dirk Jan van den Berg
Chairman of the Executive Board


SELF
L

BLOOD SUPPLY

HAIJO SIKKES
BLOOD DONOR

"After having donated blood 530 times, I had to stop because I'm 70 years old. I regret that I can no longer donate. I loved doing it. The Leeuwarden Blood Bank was my regular destination. I miss the staff and the other donors; it was one big, happy family. I was given a tour of Sanquin in Amsterdam because I had donated more than 500 times. Seeing just what my blood and plasma are used for was very impressive."

ESS

The best blood supply

Sanquin aims to provide the best blood supply. Our blood products meet the highest requirements for efficacy, quality and safety. The 427,685 packed red blood cells Sanquin supplied to hospitals in 2015 will have saved thousands of lives. We can provide our blood products thanks to the selfless donations from 343,158 donors.

Donor Advisory Council (DAC)

Donors are the heart of the Netherlands' blood supply. Sanquin values the thoughts, ideas and recommendations donors can provide on donor-related issues. Until 2015 this was coordinated through the National Donor Council and four regional donor councils. With Sanquin moving increasingly to a single, national structure, the National Donor Council recommended the formation of a single Donor Advisory Council with a national mandate. This Donor Advisory Council (DAC) came into being on 1 January 2015. The DAC consists of eight donors from various collection sites throughout the country. Additionally, the Netherlands Donor Association and the Young Donor Association each hold one seat.

The DAC held four plenary meetings in 2015. The DAC's annual report may be viewed here: **www.sanquin.nl/donor/donorinbreng/donor-advies-raad**

Changes to the selection policy

Previously, men who had sex with men (MSM) were permanently excluded from donating blood in the Netherlands. The selection policy changed as of 1 December 2015, so that blood may be donated 12 months after the last MSM contact. In the meantime, international developments and study results are also being monitored closely to determine whether, and under what conditions, a shorter waiting period may be possible. This policy change was supported by donor compliance research conducted with Maastricht University. Alternatives for donor selection policy, existing legal frameworks and Dutch medical practice were also compared with other countries. This new policy brings the Netherlands into line with existing policies in Finland, Sweden and the United Kingdom. The policy was partly the result of extensive discourse with involved parties, such as the Netherlands Association of Haemophilia Patients, the COC Netherlands, the Medical Advisory Council and Sanquin.

343,158
donors in 2015.

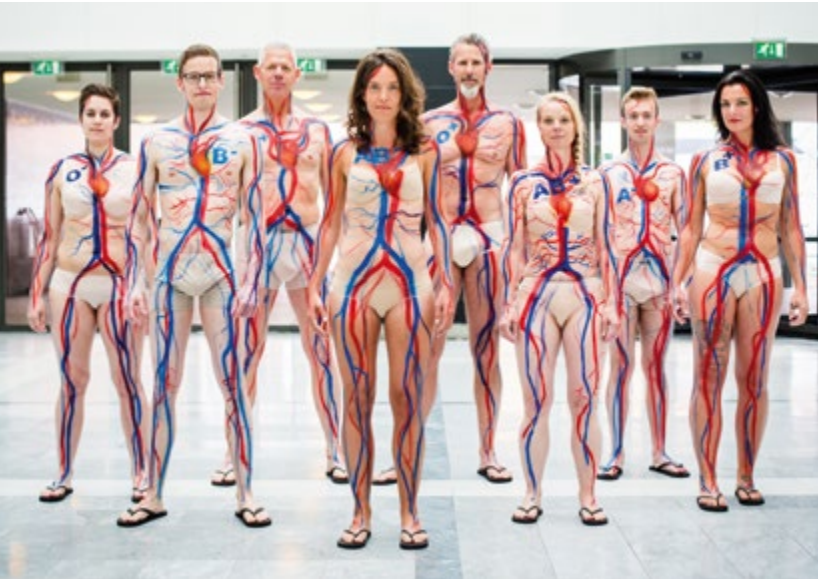
721,727
successful donations in 2015.

8.5
average donor satisfaction score for Sanquin, from a 2015 survey.

10%
annual drop-out among donors, because they reach the age of 70, for medical reasons or they are no longer willing to donate.

7.7
is the rating that indicates how satisfied hospitals are with us in general.

5
trucks with roof-mounted solar panels were ordered by Sanquin. The panels deliver power to keep the products cool. This eliminates the need to run the motor for blood cooling, thus cutting fuel consumption, noise pollution and exhaust fumes.



World Blood Donor Day

On World Blood Donor Day (14 June every year), Sanquin thanks all its donors for their special gift, and raises awareness of the importance of giving blood in the Netherlands. We do this with unique activities. For example, eight blood donors walked through the centre of Rotterdam on World Blood Donor Day 2015 with their cardiovascular systems painted on their bodies. Donors can also take selfies at collection sites and share them on social media with the hashtag #ikgeefbloed (#idonateblood). Sanquin posts the selfies and photographs and videos of the body-painted donors on a special online wall of fame.

'Save someone's life'

67% of donors cite saving a life as their reason for donating. This important motivation was the foundation for the donor recruitment campaign Sanquin launched in 2015. Its central message was that 'You don't know him/her, but thanks to your help, he/she is alive today.' The underlying idea is that living a normal life is not a given for many people. They need blood, and depend on people who give it selflessly.

Sanquin focuses on three specific groups in the recruitment campaign: men, young people and the *missing minorities*. Men, because they are less likely to have antibodies that can cause complications during transfusion. Women are more likely to have antibodies due to pregnancy. Men are also more likely to pass medical screening than women, because they are less susceptible to having Hb levels which are too low to allow donation. We want to recruit young people to keep a good balance of ages in our donor registry. And we need the *missing minorities* – people with a non-western ethnic background – because of their specific blood groups, demand for which is rising in tandem with changing demographics in the Dutch population.

Donors are the heart of the Netherlands' blood supply. Sanquin values the thoughts, ideas and recommendations donors can provide on donor-related issues. **Donor Advisory Council (DAC)**


LIFE
SAV

FOR PATIENTS

BRAM BOON
HAS CIDP

"CIDP is a nerve disease that slowly affects your muscles. I use the medicine Nanogam every two weeks with the help of Sanquin's Home Service. It's great that I can get this treatment at home. I usually watch TV while having the infusion. Or I take a 30-minute nap. The Home Service nurse gives me the IV, but I can disconnect it myself with my wife's help."

Solutions for patients

Everything we do, we do for patients right around the world who need our products and expertise. It's our mission to provide life-saving products and to focus on healthcare needs. Through scientific research, we seek and find new solutions for medical problems related to transfusion medicine, haematology and immunology.

10 years of Sanquin Home Service

The Sanquin Home Service delivers 'personalised care' for patients needing regular intravenous (in the vein) or subcutaneous (under the skin) plasma medicines to treat their disease. These patients previously had to go to hospital for treatment; now thanks to Home Service, a registered nurse visits them at home and is responsible for administering and handling the infusion. Willing patients and/or informal caregivers can also perform some of the tasks themselves, such as disconnecting the infusion line. The nurse can train and support them with this.

Sanquin Home Service celebrated its tenth birthday in 2015, and the Netherlands Institute for Health Service Research (NIVEL) conducted an evaluation among patients, informal caregivers and care providers. The result: patients awarded Sanquin Home Service an average rating of 8.9. Having medication administered in their own environment is particularly appreciated. Healthcare providers are also positive, awarding the Sanquin Home Service an average rating of 8.3.

Omniplasma preferred

Since April 2015 Sanquin has only supplied a single type of plasma to hospitals, Omniplasma – a plasma for transfusions, consisting of combined (pooled) plasma donations from 600 different donors. The plasma is subjected to virus-destroying treatment and a treatment to remove prions (proteins causing Creutzfeldt-Jakob disease). This makes Omniplasma safer than the Quarantine plasma supplied previously to hospitals as a standard product. The supply of Quarantine plasma for large-scale use has, therefore, been significantly reduced. Sanquin still maintains a limited volume of Quarantine plasma for special patient groups, such as new-borns.

8
PhD theses written by Sanquin researchers.

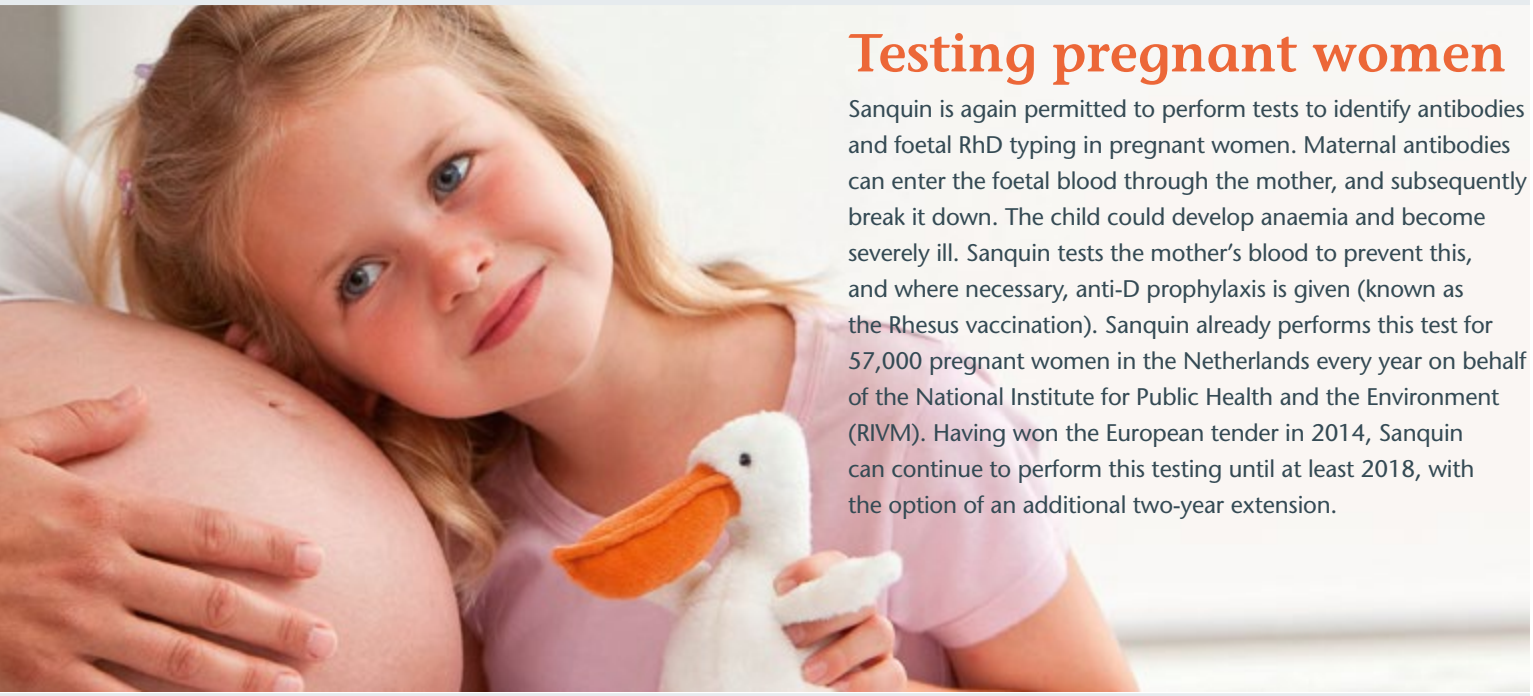
237
international peer-reviewed articles published by Sanquin researchers

1
Sanquin employee, Masja de Haas, was awarded an endowed professorship in Translational Immunohaematology at the University of Leiden

800,000
euros was the value of the Vidi grant awarded by NWO to the Sanquin researcher Stephen Huveneers for his research into leaking blood vessels. Thanks to this grant, he will be able to study the causes of vascular disease and, potentially, contribute to new forms of treatment.

Small Magister

In 2015, as a world first, Sanquin developed a fully automatic blood analysis machine specially for hospital laboratories and blood banks undertaking a small to moderate number of blood group serology tests per day. This Magister C24 provides fully automated serological blood group analyses, including blood group type, antibody screening, cross-matching and a direct antiglobulin test. Previously laboratories processing limited numbers of tests had to perform them manually or semi-automatically with equipment that didn't entirely meet their requirements. The Magister C24 gives these laboratories a suitable solution for optimal safety. Sanquin will market the Magister C24 in mid-2016 once the required certification process has been completed.



Testing pregnant women

Sanquin is again permitted to perform tests to identify antibodies and foetal RhD typing in pregnant women. Maternal antibodies can enter the foetal blood through the mother, and subsequently break it down. The child could develop anaemia and become severely ill. Sanquin tests the mother's blood to prevent this, and where necessary, anti-D prophylaxis is given (known as the Rhesus vaccination). Sanquin already performs this test for 57,000 pregnant women in the Netherlands every year on behalf of the National Institute for Public Health and the Environment (RIVM). Having won the European tender in 2014, Sanquin can continue to perform this testing until at least 2018, with the option of an additional two-year extension.

Patients particularly appreciate having medication administered in their own environment. **10 years of Sanquin Home Service**

Tissues & Cells

Sanquin launched its new Tissues & Cells business unit on 1 January 2015. The unit focuses on Sanquin activities that are subject to the Safety and Quality of Body Materials Act: the Bone Bank in Groningen and Nijmegen, the Cord Blood Bank in Leiden, and the Stem Cell laboratory in Groningen. Tissues & Cells strives to improve efficiency, safety, quality and the development of new tissue products in the Netherlands. The Cord Blood Bank is continuing its 'Growth' programme to expand the bank with more high-quality cord blood units.

Sanquin entered into an administrative joint venture with the Leiden tissue bank Bislife in May to achieve further centralisation of tissue activities. Bislife's activities will be integrated with those of Sanquin T&C's. Tissue & Cells managing director Daphne Thijssen-Timmer will take on the role of seconded manager for Bislife.

Cell and tissue transplantations involve the use of a patient's own material more frequently than blood transfusions do. These autologous products are required because cells and tissues have many more specific characteristics than blood cells do, so that finding a suitable donation is challenging. A suitable donor is thus also sought within the patient's family for some types of cell and tissue donations: the related donor.

The table below displays various Sanquin cell and tissue products, drawing a distinction between the type of product and its origin (autologous, related or unrelated).

Tissue type	Number processed 2015	Number distributed 2015
Autologous blood stem cells	776	563
Blood stem cells from related donors	12	12
Blood stem cells from unrelated donors	31	31
Stem cells from bone marrow, autologous	2	1
Stem cells from bone marrow, from unrelated donors	4	4
Bone marrow stem cells from unrelated donors, processed into medication	3	1
Stem cells from cord blood, from related donors	4	1
Stem cells from cord blood, from unrelated donors	1,634	19
White blood cells (lymphocytes) from unrelated donors	3	3
White blood cells (lymphocytes), autologous, processed into medication (TIL)	4	4
T-lymphocytes, unrelated	3	4
Bone products from unrelated donors, various	1,318	1,478
Skull bone flap, autologous	110	55
Cartilage products from unrelated donors, various	11	32

More transfusion expertise

Sanquin has taken the lead in the creation of a consortium for blood transfusion research, to exchange knowledge and promote scientific research in the field. Various parties have joined forces in the consortium: along with Sanquin, they include the national agency for haemovigilance and biovigilance TRIP, practically all the academic hospitals, a number of tertiary teaching hospitals (STZs) and some smaller private hospitals. The consortium comes under the umbrella of the Netherlands Association for Blood Transfusion (NVB) as a working group.

YouTube success

Sanquin published several video series covering what it does, on its YouTube channel. The video series *Blood saves lives* shows how stem cells from cord blood can save the lives of cancer patients. New mother Emerntia, former leukaemia patient Bram and nurse Annemarie share their special stories.

In the video series *Living with rare sickle-cell disease*, eight year-old Denischa talks about her life with a rare form of severe anaemia caused by sickle-cell disease. Thanks to blood transfusions, she has less pain and can lead a healthier life. Sanquin expert Karin Fijnvandraat explains sickle-cell disease in the series. The videos created a stir on social media, and Dutch TV programme *Hart van Nederland* showcased the series on 4 January 2016.

Thanks to blood transfusions, Denischa has less pain and can lead a healthier life. **YouTube success**


CO-
OPE

INTERNATIONAL

DAVID LOWNDES
SENIOR VICE PRESIDENT SUPPLY CHAIN MANAGEMENT SHIRE

"Sanquin is an important partner for Shire thanks to its experience and expertise in the manufacture of the human C1-esterase inhibitor Cinryze®. This enhances our ability to meet the needs of patients with hereditary angio-oedema. Thanks to our proven expertise in selling this product, Cinryze has the potential to develop into one of the most important products in Shire's portfolio."

Internationally active in pharmaceuticals and diagnostics

A key activity for Sanquin is *contract manufacturing*. This involves using our facilities to manufacture products for third parties who provide the raw material. This enables us to achieve economies of scale, so that we can produce plasma medicines at competitive prices – a requirement in today's international market. The Dutch market also benefits, as plasma products made using Dutch plasma can be made cost-effectively.

RATION

Contract manufacturing

Sanquin has worked with the biopharmaceutical company Shire since late 2013, and produces the plasma medicine Cinryze from American plasma in cooperation with Shire. This partnership provides very effective medicinal products, available for a considerable time in the Netherlands, to patients with hereditary angio-oedema around the world. The demand for Cinryze continues to grow, consequently, Shire and Sanquin are looking for ways to increase production. The existing joint venture between Sanquin and Shire intensified in 2015, with Shire giving Sanquin access to the manufacturing technique used to make Cinryze. This step strengthened the global availability of an important medicine on which patients throughout the world rely. Shire is involved directly in the improvements related to compliance.

In the context of its collaboration with the US pharmaceutical company Baxter, Sanquin increased its manufacturing capacity for processing Baxalta plasma in 2013 and 2014. In 2015, Sanquin started the preparation of albumin and immunoglobulins that Baxalta will, among other things, use to treat burns and diseases when defence against infections or the body's own cells has been disrupted.

Quality at Sanquin Plasma Products

Sanquin's manufacture of semi-finished products and medicines for third parties (CMO production) is undergoing such rapid development that the manufacturing requirements also necessitate the further professionalisation of various manufacturing processes, such as the supply chain, documentation, quality control and product release. In the autumn of 2013, Sanquin received a *warning letter* from the US Food and Drug Administration (FDA). In it, the FDA pointed out bottlenecks in the medicine manufacturing process for the US market. Consequently, a *Compliance Enhancement Programme* was launched immediately to improve compliance with US regulations. During a meeting with the FDA in April 2015, the FDA expressed its confidence in the progress Sanquin is making on improving compliance in manufacturing medicines for the US, and the speed with which quality awareness is developing. An FDA-approved party, Quantic, was appointed to supervise manufacturing at Sanquin and CAF (the Belgian plasma fractioning facility whose sole shareholder has been Sanquin since 2015). Regular meetings on further progress were scheduled with the FDA in 2015. The FDA will return to carry out another check in 2016. The continued improvement of processes (both administrative and technical) throughout the entire organisation will remain a key area for attention in the years ahead.

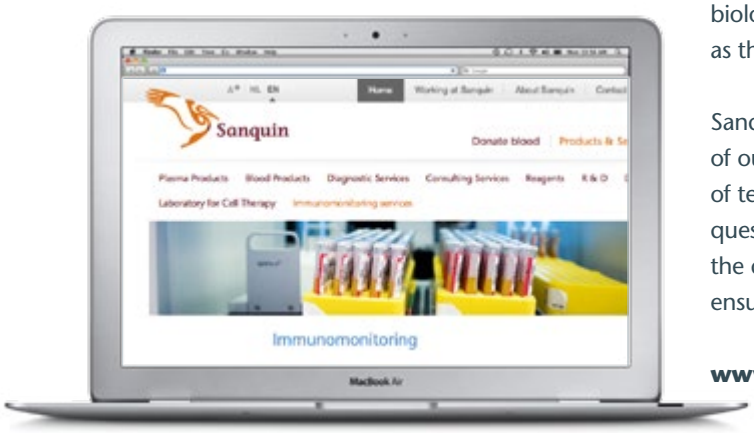
309,208
kilograms of Dutch plasma were processed for various purposes in 2015.

15
countries were supplied with our own plasma products, including Belgium, Brazil, Germany, Finland, France, Iceland, Indonesia and Turkey.

40
the number of countries to which the Reagents division has exported products.

Immunomonitoring services

Immunomonitoring is the analysis of a patient´s immune status in its broadest sense. It includes serological determination of specific antibodies and inflammatory mediators, determining antigen-specific immune cells, HLA typing, and the amount of medicine present in the blood (such as biologicals). Immunomonitoring tests are becoming increasingly important as the number of therapies targeting the immune system grows.



Sanquin professionalised its services in this field in 2015. Focussing a section of our website on these services has increased the visibility of a broad range of tests, creating a single point of contact where customers can ask specific questions. A range of Sanquin experts then examine how best to answer the questions, and which types of tests to use. New tests are developed to ensure a full range of possibilities.

www.sanquin.nl/immunomonitoring

Biologicals testing on the rise

Biologicals are therapeutic proteins which help inflammatory diseases such as rheumatoid arthritis, psoriasis and Crohn's disease. However, some patients develop antibodies against these proteins, causing them not to work or to work less effectively. Sanquin has developed tests to measure the amounts of both biologicals and potential antibodies against biologicals in the blood. This allows more tailored treatment using these very expensive medicines. Sanquin performs these tests itself, but also sells them to third parties. Our diagnostic services for patients treated with biologicals increased by 30% in 2015. A significant proportion of this growth is for patients treated abroad (in Europe, North and South America and Asia).

The first more affordable versions of biologicals were marketed in 2015: biosimilars. They are equally effective, and in 2015 Sanquin announced it can measure them accurately as well. Due in part to the introduction of biosimilars, we have been approached by a growing number of pharmaceutical companies to help support their phase IV (post-marketing) studies.

Sanquin has also been cooperating with a number of international research consortia working on biologicals since 2015: the British PSORT, which studies biomarkers for the treatment of psoriasis, and the French MAGE, which studies therapeutic drug monitoring (TDM) for biologicals.

Throughout the world patients with hereditary angio-oedema are being treated with a very effective medicine which has been available in the Netherlands for a considerable time. **Contract manufacturing**


SYN

ORGANISATION

KAREL DE BUIJZER
DIRECTOR OF FNV ZORG & WELZIJN
(the Dutch Trade Union Confederation for the care and welfare sector)

"The collective labour agreement negotiations got off to a difficult start, but the result is something all parties can support. Sanquin has a good reputation for blood supply, which I feel is a strength of the organisation. The Board also has the will to modernise and devotes a great deal of attention to employee development. But it is still a little too administrative at times. It would be good if individual employees were given greater personal responsibility throughout the organisation."

Investing in the organisation

With Sanquin's 'everything under one roof' structure, each division can develop optimally while creating synergy with other divisions. The whole is therefore greater than the sum of its parts. This structure needed a few adjustments in 2015. Consequently, two new board members joined the team, and Sanquin signed a new collective labour agreement.

ERGY

New board members

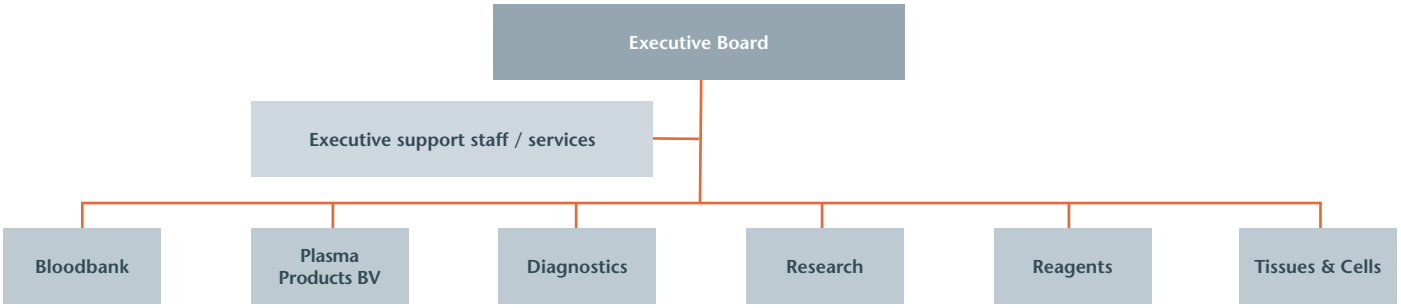
The Sanquin Executive Board reached full strength on 1 September 2015 when Dirk Jan van den Berg and Peter de Geus joined its ranks. Dirk Jan van den Berg (61) replaced the interim Chairman of the Executive Board Maarten le Clercq, and has ample high-level governance experience, including chairing the Executive Board of the TU Delft, and as the Dutch Ambassador to China and Mongolia. Van den Berg's mandate is to develop Sanquin's future strategy, and to elaborate the risk separation between the organisation's public and private divisions.

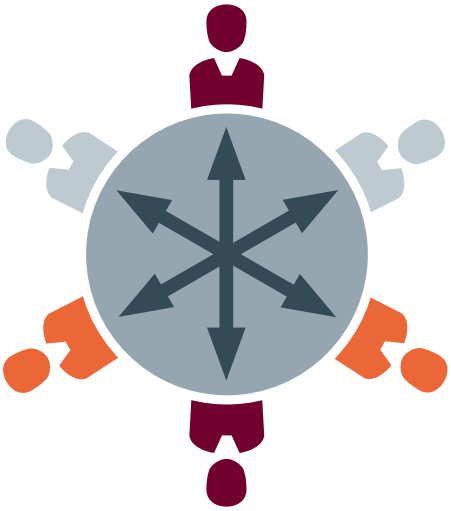
Pieter de Geus (58) joined as a member of the Executive Board, taking over the Sanquin Plasma Products portfolio, where he is also a Statutory Director. He has a great deal of international management and governance experience in the (bio) pharmaceutical industry, including a position as Vice President Corporate Development and Strategy with DSM and Patheon.

Sanquin's legal structure

In 2012, the Dutch Minister of Health, Welfare and Sport informed the Speaker of the House of Representatives that she wanted Sanquin to "implement measures to ensure the blood bank's equity was not risk-bearing for the company's private activities, and vice versa." In response, Sanquin proposed structural changes in mid-2013; these addressed both the Minister's request and its own wishes regarding Sanquin's further development. An important first step in developing the desired legal structure was taken in April 2015 when the entire Plasma Products division was separated and brought under the corporate umbrella of Sanquin Plasma Products BV. Sanquin and the Ministry of Health, Welfare and Sport discussed the structure and, in particular, the integration of Sanquin's legal tasks within the planned new structure in 2015. The 'everything under one roof' principle' remains a condition for Sanquin's success, and a clear structure must safeguard this in the years to come. Nothing is to change for donors, patients and treatment professionals. Sanquin will continue to be a not-for-profit organisation with the mission to help save lives or improve patient health. We are constantly aware of our responsibility to donors to use their donations carefully, responsibly and effectively. Donors continue to donate blood and plasma voluntarily through the Blood Bank. As it did before, Sanquin Plasma Products BV buys plasma from the Blood Bank division at market prices, based on a budget approved by the Minister of Health, Welfare and Sport. The manufactured medicines are then sold at competitive prices in the Netherlands, with any surplus being sold on the international market.

Sanquin consists of five divisions: Blood Bank, Plasma Products, Diagnostic Services, Research and Reagents, and one business unit, Tissues & Cells. The Plasma Products division was incorporated as a private limited company at the start of 2015. The executive support staff provide support to both the divisions and the Executive Board. Sanquin has a Supervisory Board, which supervises the policies of the Executive Board and the general course of affairs within the entire Sanquin group. The Executive Board manages Sanquin and its subsidiaries. Since 2008, Sanquin has also held a 50.01% interest in the Belgian Central Fractionation Unit of the Red Cross CVBA (CAF-DCF). This enterprise (a cooperative company with limited liability) operates a fractionation plant in Belgium. Sanquin increased its interest in CAF-DCF to 100% in 2015. Sanquin Oy is a Finnish subsidiary (100%) that maintains contacts with Finnish customers in Finland.





Collective labour agreement

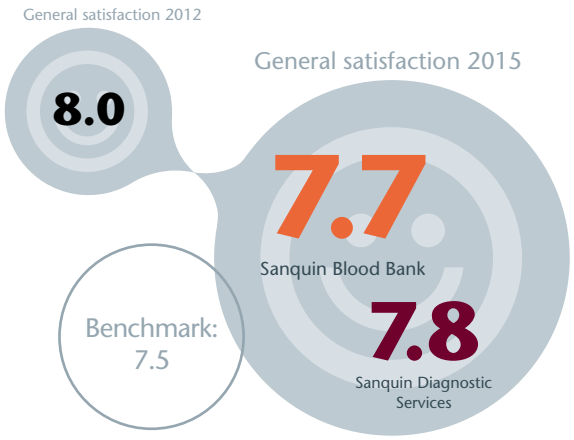
Sanquin largely bases its own collective labour agreement on the hospital labour agreement, and was prepared for a new agreement in 2015. Negotiations with unions on adopting or modifying points from the hospital labour agreement and the addition of any Sanquin-specific regulations took longer than usual in 2015. Sanquin wished to modernise the new collective labour agreement to address certain social trends, such as the ageing population and an increased pension age. Furthermore, we no longer wanted to mirror hospital salary growth due to our own financial situation. This required a great deal of additional negotiation, and led to a signature-collecting initiative among Sanquin staff, among other things.

The CNV and FNV unions reached an agreement in principle with Sanquin in September. The new collective labour agreement includes realistic salary growth, room for modernisation, and abundant possibilities for training and sustainable deployability. The new agreement is valid until 1 January 2017. Employees will receive a total pay increase of 3% during this time.

R&D Plasma Products reorganisation

The Research & Development division in Sanquin Plasma Products has been reduced to a supporting division for the plasma manufacturing operations core short term needs. Examples include supporting the product optimisation process and life-cycle management. At the same time, taking account of the strategic requirements of the Plasma division in the long term, Sanquin is studying (the need for) future product innovations, and how this activity can be performed in a new and effective manner.

Sanquin will continue to be a not-for-profit organisation with the mission to help save lives or improve patient health.



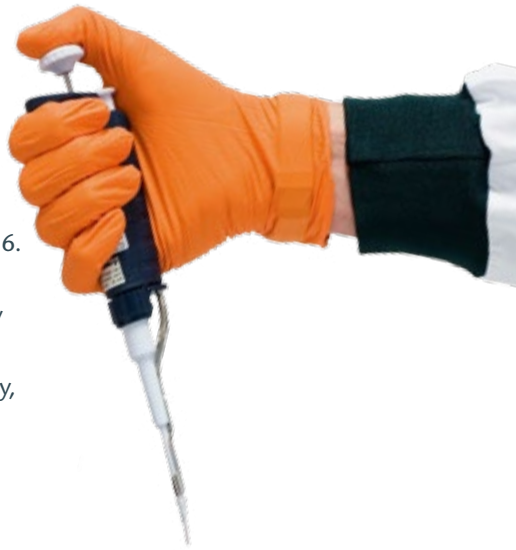
Customer survey

The Blood Bank and Diagnostic Services divisions conducted the three-yearly customer survey in September, focusing on implementing optimal improvements and tailoring services to customer demands wherever possible. The National Satisfaction Index was used as a benchmark. The survey showed that Sanquin's customers deem it a stable organisation; an organisation they regard as reliable and professional. The feedback received will be implemented within the organisation in 2016.

Diagnostic alliance

Sanquin has been working with six hospitals in the Amsterdam and Flevoland regions since 2014, to create a joint laboratory representing four specialities: clinical chemistry, immunohaematology, medical microbiology and pathology. The patient testing performed by Sanquin's Diagnostic Services division will be transferred to the joint laboratory once plans have been implemented. The joint venture initiative is based on the conviction that high-quality diagnostic services can only be offered cost-effectively in the future if knowledge and infrastructure is shared. However this planned collaboration faced delays in 2015.

A decision to scrap the original design for the collaborative venture was taken in the spring of 2016. Despite extensive meetings, the parties involved could not agree on the controlling interests of various alliance partners within the new company. Nevertheless the collaboration that had already developed in the field will continue. Sanquin is also seeking out new forms of cooperation. In the meantime, the Diagnostic Services division has managed to achieve a great deal in terms of quality, efficiency and cooperation. These developments have contributed to an improvement in the financial results of the diagnostic activities.



225
employees took up Sanquin's offer of a free flu vaccination (a 20% increase over 2014).

7.8
for customer satisfaction: the result of the three-yearly survey Sanquin conducted in 2015. Response among customers was no less than 60.2%.

11,200
was the result of the annual Christmas package campaign among employees in 2015. 224 Sanquin employees and volunteers donated the value of their package to refugees through the Care foundation.

124
managers completed the leadership programme in 2015, designed to strengthen their own leadership abilities.

46%
of those surveyed by TNS-NIPO mentioned Sanquin without hesitation when asked who manages the blood supply in the Netherlands. 63% named Sanquin in response to the same question when offered names in a list.

Belgian plasma medicine supply

The Belgian organisation CAF-DCF processes part of the plasma Sanquin requires for manufacturing the medicine Cinryze for example. CAF-DCF also fractions Belgian plasma, which third parties (including Sanquin) then process into medicines for the Belgian market. Sanquin increased its interest in CAF-DCF to 100% in 2015.

Sustainability by extracting winter cold out of drinking water

Amsterdam's drinking water is rather cold in winter, and this temperature can be put to good use. Amsterdam's water utility Waternet and Sanquin therefore decided to build a storage installation to extract and collect the cold out of the water. Subsequently, Sanquin can use this to cool both clean rooms (sterile rooms) and its manufacturing processes. A declaration of intent to this effect was signed on 3 November.

In winter, the water utility runs the water through a heat exchanger, where the cold is extracted from it. Sanquin can use part of this cold immediately, with the rest stored in the ground for summer use. This results in 100% sustainable refrigeration for Sanquin, while Waternet customers receive slightly warmer water. Other than for flushing toilets, a lot of water is used for showering. The slightly higher temperature means less gas is required to heat it to the right temperature.

The supply of cold to Sanquin should result in an annual savings of 1,100 tons of CO_2, comparable to the annual power consumption of 1,800 households. Should the system work well, it can be expanded by the addition of a second heat exchanger. This is the first time a water utility in the Netherlands has supplied something other than just water – in this case cold.

MARCO VAN OOIJEN
CARE DIRECTOR
AT ABN AMRO BANK

"Sanquin keeps a close watch on the sustainability of its business model. This gave us the confidence to look beyond the losses suffered in 2014 and to refinance the organisation. The Executive Board has demonstrated a clear strategic vision and calls on expert advisors where necessary. The board members are already looking to 2020, and are taking us along on their voyage. That's how I know they will continue to make considered choices in the future."

Risks and risk management

Risk profile

Sanquin's activities are based in part on a legally mandated task. Other activities are conducted in an international, free-market context. The nature of the market means that these free-market activities involve risks which differ from those of its public activities.

Sanquin's risk appetite in this domain is low, because the primary driver is that patients must always have access to the often life-saving products it manufactures. The risks Sanquin faces are evaluated per division, and analysed at corporate level.

Lower product turnover

The decreasing demand for some products means fewer different products are distilled from the same amount of raw material. This reduces the number of actors supporting the joint costs of collecting, testing and preparing plasma medicines. Synthetic alternatives are or will be available for some products, and we, therefore, expect sales to fall. A decline in the use of blood products by hospitals also represents a financial risk.

ICT

Sanquin has a variety of ICT systems (hardware, software, computer networks and data communication). The ICT infrastructure is designed to support the organisation effectively, reliably and safely. The continuity of operational processes is highly dependent on the proper functioning of the ICT systems. The first steps to migrate ICT activities were taken in 2014, under a new contract for ICT infrastructure management with Centric. The transition was completed by 1 December 2015.
The performance and effects of security measures in the ICT environment are now monitored permanently, allowing swift adjustments in the event of (potential) disruptions. Alternative procedures have been developed for applications supporting time-critical processes, such as the national donation test laboratory, allowing work to continue in the event of technical problems. An agreement has also been reached with a Belgian laboratory, which will provide services in case of emergency. Periodically, the emergency procedures are tested in practice.

Financial situation

Sanquin's financial situation is healthy in terms of solvency and liquidity. Setbacks in the quality of operational processes may result in a slowing or partial suspension of manufacturing and thus the sale of products. This may impact Sanquin's financial situation negatively.

Compliance

Sanquin received a *warning letter* from the US FDA regulatory authority in 2013. The FDA found that Sanquin did not comply with a few of the quality requirements for processes and systems applicable to organisations supplying medicines to the USA. The warning letter had no direct consequences for the options for supplying products for the US market. Sanquin launched an extensive *Compliance Enhancement Program* in response to the *warning letter*, focused on making structural improvements to the organisation, culture, processes, systems and work performance within Sanquin Plasma Products. The FDA will carry out another check in 2016.

Expansion of manufacturing

A contract manufacturing agreement was signed with Baxter in 2012, making Sanquin responsible for a significant volume of plasma and semi-finished product processing for Baxalta. A great deal of time and effort was put into designing and building the process installations required and making necessary changes to the organisation and work procedures during the reporting year. As a result of additional wishes from Baxalta, the complexity of extending the facilities and the launch of the *Compliance Enhancement Programme*, initiating the activities for Baxter was delayed. Manufacturing began in late 2015, with further growth planned for 2016 and 2017. This may affect manufacturing planning for 2016 and beyond, and may thus potentially slow the forecast turnover growth.

Legislation and regulations in Belgium

Belgium introduced new legislation and regulations in 2014 which, among other things, affects the supply of plasma medicines to healthcare institutions. A potential result of the new legislation is that a tender will be issued every three years for manufacturing and supplying the corresponding plasma to hospitals. If CAF-DCF loses this tender, deliveries within Belgium may be limited severely. This may have a major impact on CAF-DCF's profitability. The law is not expected to come into force before 2017. Talks are currently underway between CAF-DCF and the Belgian government to discuss the consequences.

Taxes

The contract with the Dutch Tax Authorities regarding the corporate tax to be paid on Sanquin profits ended in late 2012. Consequently, since 2013, Sanquin has been fully subject to the corporate tax regime. Agreements have been reached with the Dutch Tax Authorities which will become applicable the moment Sanquin's new legal structure, created for risk separation, is fully implemented. A transitional agreement applies until such time. The basic assumption of the agreements is that the blood supply in the Netherlands will not become more expensive. In concrete terms, this means no corporate tax is levied on public activities, and no VAT charged on internal deliveries within the Sanquin group. In the unlikely event that other agreements become applicable after the implementation of the legal structure or during the transitional period, this may lead to unexpected cost increases.

Risk management

The risk management model employed at Sanquin is the *Committee of Sponsoring Organizations* (COSO) framework for internal risk management. To a significant degree, the elements included in this framework are present within Sanquin. All the divisions have policy rules and procedures to manage identified risks.

For example, there are statutes and documents for decision-making procedures and authorisations, including for projects. The accounting manual describes the financial reporting structure and procedures to be followed. Cash and currency management (treasury policy) is also documented.

The organisation has a number of codes of conduct, such as a power to sign policy, a code of conduct for employees, and a whistle-blower policy. They include provisions on respect for colleagues, ethics, bribery/corruption, and the use of alcohol and drugs. Sanquin adheres to the FEDERA code of conduct for the use of body materials for scientific research. Measures are taken if a code of conduct is violated. No cases of bribery or corruption were reported in 2015. Risk assessments and evaluations within the context of the policy on health, safety and the environment are conducted regularly, and insurance has been arranged for product liability and other operational risks.

The quality policy is documented, while Standard Operating Procedures and facilities for securing the ICT infrastructure, and backup facilities in the event of technical problems, are all in place.

Quality policy

Sanquin's quality policy is recorded in writing and uses GMP and ISO quality systems. Various business units are inspected frequently by the Health Care Inspectorate of the Ministry of Health, Welfare and Sport, including in the context of ISO certification. Periodic internal auditing is one of the tasks of the executive support staff department, QA, and is part of the continuous monitoring within the context of risk management, in addition to an audit programme focused on qualifying critical Sanquin suppliers. External risk assessments and evaluations are performed regularly, and also occasionally for product liability insurance reasons.

Financial instruments

The Executive Board has defined a policy on the basis of which the executive support staff department, Finance & Control, implements the financial risk management. For example, purchasing is centralised wherever possible, and long term pricing agreements are denoted in euros for both sales and purchases wherever possible. The extent of the financial risks Sanquin is subject to during daily operations, such as interest, credit and liquidity risks, are limited, and Sanquin does not use the financial instruments at its disposal.

Financial results

In 2015, Sanquin achieved revenue growth of € 11.7 million. The Plasma Products Division also experienced a significant increase in revenue in 2015, offset partially by the Blood Bank's further decline in turnover. During 2015, the operating result recovered; by the end of 2015 the result was a positive amount of € 11.5 million compared to a negative amount of € 23.0 million in 2014. This was due primarily to a combination of increased turnover and lower costs for raw materials and consumables. Despite the savings on expenditure implemented through the efficiency programme, other operating costs rose in 2015 (€ 138.3 million in 2015, compared to € 133.4 million in 2014). This was due to the significant expenditure required in 2015 to implement the quality measures in the Plasma Products Division in response to the FDA's warning letter. Although, these additional expenses were covered largely by contributions from our CMO partners. In part due to these circumstances, net profits increased to € 6.6 million in 2015 (2014: a negative amount of € 16.6 million).

In summary, the profit and loss account was as follows:

(x € million)	**2015**	2014	Movement	
	€	€	€	%
Revenues	487.7	460.2	27.5	6.0
Costs of raw materials and consumables	-123.5	-138.3	14.8	-10.7
Staff costs	-183.1	-184.2	1.1	-0.6
Gross margin	**181.1**	**137.7**	**43.4**	**31.5**
Other operating expenses	-138.3	-133.4	-4.9	3.7
EBITDA	**42.8**	**4.3**	**38.5**	**894.5**
Depreciation	-31.3	-27.4	-3.9	14.1
Operating result	**11.5**	**-23.0**	**34.5**	**-150.0**
Financial income and expenses	-1.8	-1.7	-0.1	6.3
Taxes	-3.2	7.3	-10.5	-143.9
Share of minority interests	0.1	0.8	-0.7	-90.6
Net profit	**6.6**	**-16.6**	**23.2**	**-139.5**

Key financial developments in 2015

Total revenue rose to € 487.7 million in 2015 (2014: € 460.2 million). In addition to product turnover, which increased by € 11.7 million, (from € 418.7 million in 2014 to € 430.4 million in 2015), this included other revenue (an increase of € 15.4 million, due primarily to contributions from partners for one-off additional quality expenses) and movements in inventory (an increase of € 0.4 million).

Product turnover, with a net increase of 3%, may be specified as follows:

(x € million)	**2015**	2014	Movement	
	€	€	€	%
Turnover per product				
Blood Bank	126.3	136.3	-10.0	-7
Plasma Products	263.8	240.7	23.1	10
Diagnostic services	19.7	19.1	0.6	3
Reagents	11.8	12.2	-0.4	-3
Research	7.8	9.0	-1.2	-13
Other activities	0.9	1.4	-0.5	-38
Total	**430.4**	**418.7**		

(x € million)	**2015**	2014	Movement	
	€	€	€	%
Geographic				
Netherlands	217.1	227.7	-10.6	-5
Abroad	213.3	191.0	22.3	12
Total	**430.4**	**418.7**		

The growth in the turnover of Plasma Products (both in SPP BV and CAF-DCF) was visible across the board. The turnover of Plasma Products sold under our own label increased, due primarily to further marketing of Omniplasma in the Netherlands. Contract manufacturing turnover also increased due to Cinryze scaling-up manufacturing and the initiation of new contract manufacturing activities. The persistent drop in Blood Bank turnover was attributable to a decrease in the sale of short shelf-life blood products to hospitals. The main reason for the fall in revenue from Research was the decline in revenue from contract research and external subsidies. Other activities remained virtually unchanged.

The drop in staff costs (by 0.6% to € 183.1 million) was due to rising costs in Plasma Product activities on the one hand, and a drop in Blood Bank activities on the other. The decrease in raw material costs (by 10.7% to € 123.5 million) was most visible in the Blood Bank, and was related to lower sales of short shelf-life blood products. As a result of these developments, the 2015 gross margin (revenue minus cost of materials and staff) as a percentage of turnover increased to 37.1% (2014: 29.9%).

Despite the savings on expenditure implemented due to the efficiency programme, other operating costs rose in 2015, from € 133.4 million in 2014 to € 138.3 million in 2015 (representing a 3.7% increase). Investments in the Plasma Products quality organisation were mainly responsible for this growth. However, the majority of these additional costs were covered by extra contributions from our CMO partners. On balance, this resulted in a rise in the EBITDA margin from 0.9% in 2014 to 8.8% in 2015.

In 2015, depreciation rose by 14.1% to € 31.3 million resulting from the commissioning of the new Plasma Products manufacturing facilities. On balance, the total operating expenses decreased by 1.5% to € 476.2 million (2014: € 483.3 million) in 2015. However, as the revenue increased by 6.0%, the operating results improved from a negative amount of € 23.0 million in 2014 to a positive amount of € 11.5 million in 2015.

The financial expenses, including the result of participating interests, in the amount of € 1.8 million, were almost the same as the financial expenses for 2014 (€ 1.7 million).

A tax charge of € 3.2 million was accounted for in 2015. This consisted of a tax charge of € 2.9 million for results achieved in 2015, and a € 0.3 million correction over previous fiscal years.

All the revenue mentioned above resulted in a net profit over the 2015 financial year of € 6.6 million (2014: a negative amount of € 16.6 million).

In summary, Sanquin's balance sheet was as follows:

(x € million)	**2015**	2014
	€	€
Fixed assets	198.2	208.7
Inventory	183.1	160.9
Receivables	102.8	90.3
Cash and cash equivalents	32.7	35.8
Total assets	**516.8**	**495.7**
Provisions	8.2	13.8
Long term liabilities	55.5	38.0
Short term liabilities	147.1	126.1
Group equity	306.0	317.8
Total liabilities	**516.8**	**495.7**

The balance sheet total was € 516.8 million, an increase of 4.3% over 2014 (€ 495.7 million). Total working capital amounted to € 171.5 million (2014: € 161.0 million). Within the working capital, inventory (+13.8%), receivables (+13.8%) and short term liabilities (+16.7%) all displayed an increase. The cash and cash equivalents decreased slightly from € 35.8 million to € 32.7 million. The inventory and liabilities increased in 2015 as a result of purchasing residual plasma from one of Sanquin's CMO partners. Receivables were temporarily high as at the balance date due to the high turnover achieved in the final months of the year. As a percentage of revenue, the working capital (excluding cash and cash equivalents) was 28.4% (2014: 27.2%).

At € 375.8 million, the capital employed remained stable compared with the previous year (2014: € 375.4 million). As at the end of the financial year, the return on the capital employed, based on operating results, was 3.1% (2014: 6.1% negative). This ratio therefore displayed good growth.

At the end of the financial year, the group equity was € 306.0 million (2014: € 299.5 million).

The solvency was 59.2% (2014: 60.4%) at the end of the financial year. Thanks to this relatively stable ratio, the solvency requirements of the bank were fulfilled amply.

In summary, Sanquin's cash flow statement was as follows:

(x € million)	**2015**	2014
	€	€
Operating result	11,504	-23,021
Depreciation and change in provisions	25,601	26,150
Movements in working capital (inventory, receivables and short term liabilities)	-13,558	-12,672
Cash flow from business operations	**23,547**	**-9,543**
Other operating movements	-4,938	5,633
Cash flow from operating activities	**18,609**	**-3,910**
Cash flow from investments in intangible fixed assets	-616	0
Cash flow from investments in tangible fixed assets	-20,935	-36,960
Cash flow from investments in financial fixed assets	-17,622	0
Cash flow from financing activities	17,521	2,713
Net cash flow	**-3,043**	**-38,157**

The net cash flow from operating activities was € 18.6 million (2014: a negative amount of € 3.9 million). The operating cash flow for working capital was € 34.0 million higher, amounting to € 37.1 million (2014: € 3.1 million). The cash flow including movements in the working capital (excluding cash and cash equivalents) was € 23.5 million (2014: a negative amount of € 9.5 million). The free cash flow was a negative amount of € 20.6 million (2014: a negative amount of € 40.9 million) as the available cash flow was insufficient to finance all the investments.

Outlook for 2016

As a result of the continued expansion of contract manufacturing activities within Plasma Products, Sanquin expects further turnover growth for 2016. Profitability will remain under pressure due to additional investments in the quality organisation necessary to make manufacturing FDA-compliant. The expectation is that Sanquin will be able to implement the necessary maintenance investments in 2016 without additional external financing.

Significant efforts were made throughout the year to address all the bottlenecks identified by the FDA inspectors. Many of these bottlenecks have been resolved, but new issues for improvement have been identified for both facilities, such that the warning letter is still in effect. The Cinryze manufacturing for American patients can continue, however. This is the conclusion of a visit made by Sanquin to the FDA on 27 April 2015.

The meeting was intended to provide the FDA with insight into the progress being made in improving compliance related to medicine manufacturing for the US market. The FDA invited us because there were questions about the rate at which the improvement of quality awareness was progressing. The FDA expressed confidence in the progress being made during this constructive meeting. We achieved this by presenting a package of measures. It was agreed that Quantic, a party approved by both the FDA and Sanquin, would supervise manufacturing, quality control and release in Amsterdam and Brussels. Sanquin will also maintain monthly contact with the FDA to discuss progress. The FDA has expressed its confidence in the commitment of both Sanquin and Shire. The FDA performed a new inspection in May 2016, based on which the impact on the approach to quality issues and manufacturing schedules for 2016 and beyond are being assessed.

A decision on how to implement the legal restructuring further is expected in mid-2016. The plan is to spin off the Reagents division into a separate company and to make Sanquin Holding BV, which is fully owned by the Foundation, the owner of the commercial entities.

EXECUTIVE BOARD

Membership

In 2015 the Executive Board consisted of:
Mr H.M. le Clercq (Chairman until 1 September 2015)
Mr D.J. van den Berg (Chairman from 1 September 2015)
Mr H.J.C. de Wit (Deputy Chair)
Prof. R.A.W. van Lier (Member)
Dr P. de Geus (Member)

Mr O. Dijkstra (Executive Secretary)

Meetings

The Executive Board met 53 times in 2015. Members of the management team and executive support staff may be invited to the meetings at the request of the Board. All decisions are recorded in lists of resolutions and minutes. The Executive Board adheres to the Sanquin Corporate Governance Code and the Governance Regulations, which outline rules and conduct for good corporate governance, effective oversight and transparent accountability.

Sanquin is transparent in reporting its activities and social responsibilities. The Executive Board complies with standards for good corporate governance and ensures clear accountability of its activities. When determining policy, Sanquin considers the views of donors, hospitals and other stakeholders.

Ancillary positions

The following overview shows the most important ancillary positions held by members of Sanquin's Executive Board. The ancillary positions held by Executive Board members have been approved by the Supervisory Board.

Mr H.M. le Clercq (b. 1945)
Principal position: Chairman of the Executive Board, Sanquin Blood Supply (until 1 September 2015)
Ancillary positions: Member of the Supervisory Board Spaarne Gasthuis, Member of the Supervisory Board Lage Land Hospital, Member of the Board of Commissioners Royal Dutch Tropical Institute, Member of the Supervisory Board Reumafonds, Treasurer Erfocentrum

Mr D.J. van den Berg (b. 1953)
Principal position: Chairman of the Executive Board, Sanquin Blood Supply (as of 1 September 2015)
Ancillary positions: Chairman of the Board of Commissioners NV Netherlands Gas Union, Member of the International Advisory Board PolyU Hong Kong, Member of the International Visitor's Programme Advisory Board Ministry of Foreign Affairs, Chairman of the Atlantic Committee, Member of the Committee on European Integration of the Ministry of Foreign Affairs Advisory Council on International Issues, Member of the International Advisory Board for the Moscow Institute of Physics and Technology, Chairman of the Foundation Board IHE

Mr H.J.C. de Wit (b. 1953)
Principal position: Vice-chairman of the Executive Board, Sanquin Blood Supply
Ancillary positions: Member of the Board CVBA CAF/DCF Brussels (until 16 May 2014), Chairman of the Supervisory Board Bislife (from 15 May 2015), Member, Committee of Experts on Blood Transfusion of the EDQM (European Directorate on the Quality of Medicines) of the Council of Europe, Member TS 093 Plasma Supply Management WG of the EDQM of the Council of Europe, Member of the Executive Board of the European Blood Alliance, Board member IDTM foundation, Board member Tekke Huizinga Fund Foundation, Member of a communication platform for medical advisors at Fresenius, EMEA customer panel member at Caridian BCT, Member of the Advisory Board TRIP

Prof. R.A.W. van Lier (b. 1956)
Principal position: Member of the Executive Board, Sanquin Blood Supply
Ancillary positions: Professor of Experimental Immunology AMC-UvA, Member of the Board CVBA CAF/DCF Brussels (until 28 May 2015), Chairman of the Supervisory Board Bislife (from 15 May 2015), Board member of Immunovalley Foundation, Vice-president EFIS (European Federation of Immunological Societies), Secretary of the Scientific Advisory Council of MS Research, Member of the Scientific Advisory Council Netherlands Lung Foundation, Member of Scientific Advisory Council of the Landsteiner Foundation for Blood Transfusion Research

Dr P. de Geus (b. 1957)
Principal position: Members of the Executive Board Sanquin Blood Supply (as of 1 September 2015), Director of Sanquin Plasma Products BV
Ancillary positions: None

SUPERVISORY BOARD REPORT

Membership

In 2015, the members of the Supervisory Board were:
Prof. F.C. Breedveld (Chairman)
Ms K. Bergstein (Vice-Chairman and Chairman of the Audit Committee)
Mr M.J.W. Bontje
Prof. C.G. Figdor
Mr A.K. Lahr (Audit Committee Member)

Mr O. Dijkstra (Executive Secretary)

The Supervisory Board supervises the Executive Board's policies and the general course of affairs at Sanquin. The Supervisory Board also advises on strategy and Sanquin activities, and is responsible for approving key proposals from the Executive Board. The Sanquin Corporate Governance Code, adopted by the Supervisory Board, contains rules and codes of conduct for good governance, effective supervision and clear accountability.
The Supervisory Board membership is such that the statutory requirements of experience and expertise are complied with in full.

Meetings

The Supervisory Board met fifteen times in 2015, including four plenary sessions. During the extraordinary sessions, the Supervisory Board devoted special attention to the financial situation and transactions related to shares in CAF-DCF. Members of the Supervisory Board also maintain individual contact with members of Sanquin's Executive Board and other employees.
On 22 October, the Chairman of the Supervisory Board met the Sanquin Works Council to discuss the general course of affairs within the organisation.
Financial reports, the 2014 annual report and annual accounts, and the auditor's report were discussed and approved in the presence of the external auditor. The Supervisory Board approved the policy plan, the 2016 budget and the Mid-term Plan.

The Audit Committee, consisting of two members Ms Bergstein and Mr Lahr, met three times in 2015. The Audit Committee is responsible for supervising the provision of financial information, the internal risk assessment and control systems, and for following up recommendations made by the external auditor.

Current events

The Supervisory Board devoted extensive attention to the following subjects during the reporting year:

Chairman of the Executive Board

The Supervisory Board helped search for a new chairman. On 1 September 2015, the Supervisory Board appointed Dirk Jan van den Berg as Chairman of the Executive Board. The Supervisory Board decided to expand the Executive Board by one additional member. Dr Pieter de Geus, therefore, joined the board and will also be responsible for the Plasma Products division portfolio.

Financial situation

The Supervisory Board discussed measures implemented to control costs and maintain cash flow.

Structural changes

The Supervisory Board repeatedly obtained information about the further elaboration of a new legal structure for Sanquin and the discussions on this topic with the Ministry of Health, Welfare and Sport. In April 2015, The Supervisory Board decided to divide the Plasma Products division into Sanquin Plasma Products BV and to incorporate Sanquin Holding BV. The Supervisory Board took note of the covenant concluded between the Minister of Health, Welfare and Sport and Sanquin.

CAF-DCF

In 2015, the Supervisory Board decided to buy-out the minority shareholders (the Belgian Red Cross and French Laboratoire français du fractionnement et des biotechnologies) in the Central Department for Fractioning of the Belgian Red Cross (CAF). This gave Sanquin a 100% interest in the Belgian CAF.

ConQuaestor

With the Executive Board, the Supervisory Board discussed the results of the survey, performed by ConQuaestor on behalf of the Ministry of Health Welfare and Sport, into the plasma market price and the risks of Sanquin's private activities in respect of the national blood supply.

FDA warning letter

The Board was informed extensively about the effects of corrective actions, the progress of the *Compliance Enhancement Programme* and the investments required as a result of the *warning letter* Sanquin received from the American Food and Drug Administration (FDA) in 2013.

Plasma Products development progress

The Supervisory Board discussed the progress of the cooperation and contract negotiations with Sanquin's strategic partners in Amsterdam, and the subsidiary CAF-DCF in Belgium.

Diagnostic alliance

The Supervisory Board was informed of the talks about the establishment of a joint diagnostic laboratory, in which Sanquin will participate as a shareholder together with six hospitals in Amsterdam.

Bislife

The Supervisory Board consented to administrative cooperation between Sanquin and Bislife in order to develop the Sanquin Tissues & Cells business unit's tissue activities further.

Evaluation

Under external supervision, the Supervisory Board evaluated its own functioning and noted that its members are sufficiently independent. The decision-making procedure in the Supervisory Board is designed in such a way as to avoid any conflict of interest. The Supervisory Board also performed an interim evaluation of the Executive Board.

Quality, safety and the availability of blood products in 2015 were once again made possible thanks to the unwavering commitment and efforts of our donors. The Supervisory Board is extremely grateful to these donors and to all Sanquin employees for their efforts in 2015, and for the way they collectively realised Sanquin's goals.

Amsterdam, 17 June 2016
Supervisory Board

Overview of ancillary positions

The overview below includes the most important ancillary positions held by members of the Supervisory Board.

Prof. F.C. Breedveld (b. 1950)
Chairman of the Supervisory Board as of July 2013, appointed in September 2010, stepping down in September 2018, not eligible for reappointment.
Principal position: Until 1 May 2015: Chairman of the Executive Board, Leiden University Medical Centre
Ancillary position 2015: Chairman of the Supervisory Board, Ipse de Bruggen Foundation
Ancillary positions until 1 May 2015: Chairman of the Curium Foundation, Chairman of the Thrombosis Service Leiden and surroundings Foundation, Chairman of Medipark B.V. Stockholders Foundation, Member of the Board Leiden Bio Science Park Foundation, Member of the Governing Board Leiden University Fund, Member of the Board Bontius Foundation, Member of the Supervisory Board VeerStichting
Ancillary position from 1 September 2015: Chairman of the Supervisory Board Nij Smellinghe Hospital

Ms K.T.V. Bergstein, MBA (b. 1967)
Appointed 1 September 2012, stepping down 1 September 2016, eligible for reappointment.
Principal position: Member of the Executive Board, ASR Nederland N.V.
Ancillary positions: Member of the Supervisory Board Utrecht University, Member of the Supervisory Board Human Total Care

Mr M.J.W. Bontje (b. 1954)
Appointed 1 June 2013, stepping down 1 June 2017, eligible for reappointment.
Principal position: Owner, Bontje Consulting and Management
Ancillary positions: Chairman InEen, Chairman of the Supervisory Board Breburg, Chairman of the Supervisory Board Rivas, Chairman of the Supervisory Board Oogheelkundig Medisch Centrum Zaandam, Member of the Supervisory Board Excen, Member of the Executive Board Wie beter eet wordt Sneller Beter Foundation, Chairman Pand Hospice Nieuwegein Foundation

Prof. C.G. Figdor (b. 1953)
Appointed 1 June 2013, stepping down 1 June 2017, eligible for reappointment.
Principal position: Professor of Immunology, Radboud University Medical Centre Nijmegen
Ancillary positions: Member Health Council of the Netherlands, Member KiKa Scientific Council, Member NK Advisory Board, Initiator of 'Wetenschapsknooppunt Radboud Universiteit'

Mr A.K. Lahr (b. 1968)
Appointed 1 July 2013, stepping down 1 July 2017, eligible for reappointment.
Principal position: Owner, ALCO
Ancillary positions: None

ANNUAL ACCOUNTS 2015

Consolidated Annual Accounts 2015

Consolidated Balance Sheet as at 31 December 2015 (before profit appropriation)

		31 December 2015		31 December 2014	
(x € 1,000.-)	Ref.	€	€	€	€
Assets					
Fixed assets					
Intangible fixed assets	6	656		0	
Tangible fixed assets	7	194,572		204,936	
Financial fixed assets	8	3,000		3,750	
			198,228		208,686
Current assets					
Inventory	9	183,070		160,945	
Receivables	10	102,765		90,339	
Cash and cash equivalents	11	32,742		35,785	
			318,577		287,069
			516,805		495,755
Liabilities					
Group equity					
Equity	13	306,033		299,467	
Share of minority interests	14	0		18,372	
			306,033		317,839
Provisions	15		8,154		13,812
Long term liabilities	16		55,529		38,008
Short term liabilities	17		147,089		126,096
			516,805		495,755

Consolidated Profit and Loss Account for 2015

(x € 1,000.-)	Ref.	2015 €	2015 €	2014 €	2014 €
Net turnover	19	430,400		418,705	
Movement in inventory of finished products and work in progress		20,888		20,488	
Other operating income	20	36,407		21,043	
Total operating income			**487,695**		**460,236**
Costs of raw materials and consumables		123,508		138,296	
Wages and salaries	21	152,206		152,812	
Social security charges incl. pension	21	30,916		31,370	
Depreciation expenses	25	31,259		27,363	
Other operating expenses	26	138,302		133,416	
Total operating expenses			**476,191**		**483,257**
Operating result			**11,504**		**-23,021**
Revenue from financial fixed assets	28		-586		-814
Interest income	28		174		341
Interest expenses	28		-1,395		-1,239
Result from ordinary business operations before taxes			**9,697**		**-24,733**
Tax on result from ordinary business operations	30		-3,207		7,345
Share of minority interests	31		75		846
Result after taxes			**6,565**		**-16,542**

Consolidated Cash Flow Statement 2015

(x € 1,000.-)	Ref.		2015 €		2014 €
Cash flow from operating activities					
Operating result			11,504		-23,021
Adjustments for:					
Depreciation	25	31,259		27,363	
Movement in provisions	15	-5,658		-1,213	
			25,601		**26,150**
Movement in operating capital:					
Increase of inventory	9	-22,125		-1,481	
Increase of receivables	10	-12,426		-7,642	
Increase of short term liabilities	17	20,993		-3,549	
			-13,558		**-12,672**
Cash flow from business operations			**23,547**		**-9,543**
Movement in share of minority interests	31	75		0	
Other movements in consolidation	28	-585		-814	
Interest received	28	174		341	
Corporation tax	30	-3,207		7,345	
Interest paid	28	-1,395		-1,239	
			-4,938		5,633
Cash flow from operating activities			**18,609**		**3,910-**
Cash flow from investing activities					
Investments in intangible fixed assets	6	-616		0	
Investments in tangible fixed assets	7	-20,935		-36,960	
Investments in financial fixed assets	8	750		0	
Movement in share of minority interests	14	-18,372		0	
Cash flow from investment activities			**-39,173**		**-36,960**
			-20,564		**-40,870**
Cash flow from financing activities					
Receipts from long term liabilities	16	20,000		4,136	
Repayments of long term liabilities	16	-2,479		-1,423	
Cash flow from financing activities			**17,521**		**2,713**
Net cash flow			**-3,043**		**-38,157**
Increase/(decrease) of cash	11		**-3,043**		**-38,157**

The development of cash is as follows:

(x € 1,000.-)		2015 €		2014 €
Balance as at 1 January		**35,785**		**73,942**
Movement during the financial year		-3,043		-38,157
Balance as at 31 December		**32,742**		**35,785**

Notes to the consolidated balance sheet and profit and loss account

1. General notes

1.1 Activities

Sanquin's activities involve the preparation and supply of long and short shelf-life blood products in the Netherlands, the EU and the United States of America, as well as contract diagnostic services for third parties. Sanquin also performs subsidised and contract research and provides education in cooperation with the University of Amsterdam. In Belgium, long shelf-life blood products are prepared and supplied by its subsidiary CAF-DCF. In Finland, Sanquin Oy markets long shelf-life blood products for the local market.

Sanquin Blood Supply Foundation has its registered office at Plesmanlaan 125, 1066 CX in Amsterdam and is registered with the Chamber of Commerce in Amsterdam under number 41217565.

1.2 Business Location

Sanquin is domiciled at Plesmanlaan 125, 1066 CX in Amsterdam.

1.3 Estimates

In order to be able to apply the principles and rules for the preparation of the annual accounts, the board of Sanquin Blood Supply Foundation must reach a judgement on certain matters and make estimates that could be essential for the amounts included in the annual accounts. If necessary to provide the insight required by Article 2:362 (1) of the Dutch Civil Code, the nature of these judgements and estimates, including the corresponding assumptions, is included in the notes to the particular items of the annual accounts.

1.4 Consolidated accounts

The consolidated accounts include the financial data of Sanquin Blood Supply Foundation, its group companies and other legal entities in which it can exercise dominant control or over which it has central management. Group companies are legal entities in which Sanquin Blood Supply Foundation can directly or indirectly exercise dominant control because it has the majority of voting rights or can control the financial and operational activities in some other way. In this context, account is taken of potential voting rights that can be exercised directly on the balance sheet date.

Sanquin Blood Supply Foundation is the head of the Sanquin group.100% of the group companies and other legal entities over which it can exercise dominant control or has central management are included in the consolidated accounts. The share of minority interests in the group equity and in the group's result is reported separately.

Intercompany transactions, intercompany results and receivables and liabilities between the group companies and other legal entities included in the consolidated accounts are eliminated. Unrealised losses on intercompany transactions are also eliminated unless there is an impairment. The accounting principles of group companies and other legal entities included in the consolidated accounts have been adapted where necessary to achieve consistency with the accounting principles used for the Group.

The following companies are included in the consolidated accounts:

- Sanquin Blood Supply Foundation, Amsterdam, the Netherlands
- Sanquin Holding BV, Amsterdam, the Netherlands (100%)
- Sanquin Plasma Products BV, Amsterdam, the Netherlands (100%)
- Euroclone BV, Amsterdam, the Netherlands (100%)
- CAF-DCF CVBA, Neder-Over-Heembeek, Belgium (100%)
- CAF-DCF M&S BVBA, Neder-Over-Heembeek, Belgium (100%)
- Sanquin Oy, Helsinki, Finland (100%)

On 22 April 2015, the Sanquin Blood Supply Foundation incorporated the company Sanquin Holding BV, in which it has a 100% interest (see also section 34: *Financial fixed assets*). Sanquin Holding BV's financial data for 2015 were, therefore, included in the consolidated accounts.

On 15 May 2015, Sanquin Holding BV purchased 24.99% of the shares in CAF-DCF CVBA for a sum of € 6.9 million. On 24 August 2015, Euroclone BV purchased 24.99% of the shares in CAF-DCF CVBA for a sum of € 12 million. Consequently, as of that time, the Sanquin group held a 100% interest in CAF-DCF CVBA, and all the financial data are, therefore, included in the consolidated accounts.

Sanquin Plasma Products BV was hived off via a deed of incorporation and legal demerger on 24 April 2015 as a 100% subsidiary of Sanquin Blood Supply Foundation (see also section 34: *Financial fixed assets*). Therefore, as of financial year 2015, the financial data for Sanquin Plasma Products BV are included in the consolidated accounts.

CAF-DCF M&S BVBA was founded on 21 October 2015. Sanquin Holding BV and Euroclone BV each hold 50% of the shares in this company. Consequently, as of the financial year 2015, CAF-DCF M&S BVBA's financial data are included in the consolidated accounts.

1.5 Application of Article 2:402 of the Dutch Civil Code

Since Sanquin Blood Supply Foundation's 2015 profit and loss account is included in the consolidated accounts. Limited notes to the balance sheet and profit and loss account are included in the company annual accounts.

1.6 Related parties

All legal entities over which dominant control, joint control or significant influence can be exercised are designated related parties. Legal entities that can exercise dominant control are also deemed related parties. The members of the Executive Board under the articles of association, other key officers in Sanquin's management and those closely related are also deemed related parties.

Significant transactions with related parties are explained to the extent that these have not been entered into as arm's length transactions. The nature and size of the transactions are explained as well as any other information necessary to provide insight.

1.7 Acquisitions and divestments by group companies

As at the acquisition date, the results and identifiable assets and liabilities of the company acquired are included in the consolidated annual accounts. The acquisition date is the moment when controlling interest can be exerted on the company in question.

The acquisition price is the cash sum or equivalent agreed in order to obtain the relevant company, plus any directly attributable costs. If the acquisition price is higher than the net amount of the fair value of the identifiable assets and liabilities, the surplus is activated as goodwill as an intangible fixed asset. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (negative goodwill) is included as an overall liability item (see section 3.1.1 for details). If the net amount of positive and negative goodwill results in assets, this net amount is presented and explained in greater detail in the notes to the intangible fixed assets.

The companies included in the consolidated accounts remain in the consolidated accounts until such time as they are sold; deconsolidation occurs as at the date of transfer of the controlling interest.

1.8 Cash flow statement

The cash flow statement was prepared according to the indirect method. Cash and cash equivalents in the cash flow statement consists of cash, bank balances and call deposits with a term of less than twelve months. Cash flows in foreign currencies are translated at average exchange rates. Exchange rate differences relating to cash and cash equivalents are shown separately in the cash flow statement. Income and expenditure arising from interest, dividends received and tax on profits are included in cash flow from operating activities. The acquisition price for the group companies acquired is included under cash flow from investment activities, insofar as cash payments were made. Transactions that involve no inflow or outflow of cash or cash equivalents are not included in the cash flow statement.

2. General Accounting Principles

2.1 General

The consolidated annual accounts have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the authoritative statements from the Annual Reporting Guidelines published by the Dutch Accounting Standards Board. The annual accounts are compiled in euros. Assets and liabilities are generally stated at acquisition price or manufacturing cost. If no specific basis is reported for the valuation, valuation takes place at acquisition price. References are included in the balance sheet, profit and loss account and cash flow statement. These references refer to the notes.

2.2 Comparison to previous year

The accounting principles used are unchanged with respect to the previous financial year.

2.3 Foreign currency

Functional currency

The items in the annual accounts of the group companies are valued in the currency of the economic environment in which the group company mainly conducts its business activities (the functional currency). The consolidated annual accounts are presented in euros, Sanquin´s functional and presentation currency.

Transactions, receivables and liabilities

Transactions in foreign currencies during the reporting period are included in the annual accounts at the exchange rate in effect on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect on the balance sheet date. The exchange rate differences arising from settlement and conversion are added to or deducted from the profit and loss account.

Non-monetary assets that are valued at acquisition price in a foreign currency are converted at the exchange rate in effect on the transaction date.

2.4 Leasing

Sanquin Blood Supply Foundation may have lease contracts whereby a large part of the advantages and disadvantages associated with ownership do not accrue to the Foundation. These lease contracts are reported as operational leases. Obligations under an operational lease are included on a straight-line basis in the profit and loss account for the term of the contract, taking into account compensation received from the lessor.

3. Accounting principles for the valuation of assets and liabilities

3.1 Intangible fixed assets

Intangible fixed assets are valued against acquisition price minus depreciation. Impairment is taken into account; this is the case if the book value for the asset (or the cash flow generating unit the asset belongs to) is higher than the recoverable amount. To determine whether an intangible fixed asset is subject to an impairment, reference should be made to the paragraph in question.

3.1.1 Goodwill

Positive goodwill resulting from acquisitions and calculated as described in section 1.7 *Acquisitions and divestments by group companies* is activated and subject to straight-line depreciation for the duration of the estimated economic life.

Negative goodwill is released to the profit and loss account insofar as expenses and losses occur, provided these were taken into account when balancing the acquisition and these expenses and losses can be measured reliably. If expected expenses or losses are not taken into account, negative goodwill is released in accordance with the weighted average of the remaining life of the acquired depreciable asset. Insofar as negative goodwill exceeds the fair value of the identified non-monetary assets, the surplus is included directly in the profit and loss account.

3.2 Tangible fixed assets

Land and buildings are valued at acquisition price plus additional costs or manufacturing cost net of straight-line depreciation during their estimated economic lives. No depreciation is charged on land.

Fixed assets in progress are not depreciated until the asset is taken into use.

Impairments expected on the balance sheet date are taken into account. See section 3.4 with regard to determining whether a tangible fixed asset is subject to an impairment.

Other fixed assets are valued at the lower of acquisition price/ manufacturing cost, including directly attributable costs, net of straight-line depreciation during the expected future useful life, or value in use. The manufacturing cost consists of the purchasing costs of raw materials and consumables and costs that can be directly allocated to the manufacture, including installation costs. Software implementation costs are directly deducted from the result.

There is no obligation to restore the asset at the end of its use. No provision has been formed for the future costs of major maintenance to the company buildings. The costs are reported directly in the result.

3.3 Financial fixed assets

3.3.1 Participating interests

Participating interests in group companies and other participating interests where significant influence can be exercised are valued according to the net asset value method. Significant influence is assumed if 20% or more of the voting rights can be exercised.

The net asset value is calculated according to the policies that apply to these annual accounts.

If the valuation of a participating interest is negative according to the net asset value method, it is valued at zero. In this situation, a provision is created if and insofar as Sanquin Blood Supply Foundation wholly or partially guarantees the participating interest's liabilities, or has the firm intention of enabling the participating interest to pay its liabilities.

The first valuation of acquired participating interests is based on the fair value of the identifiable assets and liabilities at the moment of acquisition. For the next valuation, the policies that apply to these annual accounts are used, based on the value produced at the time of first valuation.

Participating interests in which no significant influence can be exercised are valued at acquisition price. If there is a permanent reduction in value, the participating interest is stated at this lower value; downward revaluation takes place at the expense of the profit and loss account.

3.3.2 Receivables

The receivables included under financial fixed assets are initially stated at the fair value of the amount provided less any provisions deemed necessary (if tangible). Receivables are stated at amortised realisable value after first inclusion. Impairments are accounted for directly in the profit and loss account.

3.3.3 Securities

The securities included under financial fixed assets that are intended to serve permanently for the conduct of the company's activities are valued at the lower of the acquisition price or market value. Reductions in the value of these securities are charged to the profit and loss account.

3.4 Impairment of fixed assets

On every balance sheet date, the Foundation determines whether a fixed asset may be subject to impairment. If there are indications that this is the case, the realisable value of the asset is determined. If the realisable value cannot be determined for an individual asset, its realisable value is determined on the basis of the cash flow generating unit to which the asset belongs. An impairment applies if the book value of an asset is higher than the realisable value; the realisable value is usually equal to the higher of either the realisable value in the event of sale or the value in use. An impairment is reported directly as an expense in the profit and loss account, along with a concurrent reduction of the book value for the asset in question.

The Foundation also assesses financial instruments to determine whether there are objective indications for the impairment of financial assets or a group of financial assets. If there are objective indications for impairment, the company determines the extent of the loss due to impairment, and accounts for this directly in the profit and loss account.

3.5 Inventory

3.5.1 Raw materials and consumables and semi-manufactures

The raw materials include plasma and consumables. The inventory is stated at the (average) cost price or lower market value. Changes in average cost price are translated into an adjusted value for the inventory by booking a revaluation result. Obsolete inventory is valued as zero where necessary.

The semi-manufactures, including the production in progress as at the balance sheet date, are stated at the lower of direct cost plus a mark-up for direct manufacturing costs or market value. Obsolete inventory is valued as zero where necessary.

3.5.2 Finished products and goods for resale

The inventory of finished products is stated at the lower of the raw materials costs plus directly attributable manufacturing costs or the market value. Obsolete inventory is valued as zero where necessary.

Goods for resale are stated at the lower of the acquisition price or market value. Changes in recent cost prices are translated into an adjusted value for inventory by booking a revaluation result. Obsolete inventory is valued as zero where necessary.

3.5.3 Contract manufacturing work in progress

The plasma to be fractioned or intermediary products for contract manufacturing work in progress are supplied by the contracting party in question and remain the property of the contracting party for the duration of the manufacturing process. These are not therefore valued by Sanquin. The value added by Sanquin as at the balance sheet date is accounted for as work in progress.

3.6 Receivables

At initial inclusion, receivables are stated at the fair value of the consideration. Trade receivables are stated at amortised cost price after first inclusion. If the receipt of the receivable is deferred on grounds of an agreed extension to a payment term, the fair value is determined with reference to the present value of the expected receipts and interest income based on the effective interest rate is included in the profit and loss account. Provisions for doubtful debts are deducted from the book value of the receivable.

3.7 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and call deposits with a term of less than twelve months. Amounts owed to credit institutions regarding the current account are included under liabilities to credit institutions in short term liabilities. Cash and cash equivalents are stated at face value.

3.8 Share of minority interests

Share of minority interests as part of the group equity is stated at the amount of the net interest in the particular group companies.

3.9 Provisions

3.9.1 General

Provisions are formed for legally enforceable or actual liabilities that exist on the balance sheet date and which will probably require the outflow of funds, the size of which can be reliably estimated.

The provisions are stated at the best estimate of the amounts that will be needed to settle the liabilities as at the balance sheet date. The provisions are stated at the face value of the expenditure expected to be necessary to settle the liabilities, unless stated otherwise.

3.9.2 Employee provisions

The employee provisions consist of obligations relating to reserved long service bonuses and continued payment in the event of long term illness.

3.9.3 Deferred tax assets and liabilities

Deferred tax assets and liabilities are included for temporary differences between the value of the assets and liabilities according to tax regulations on the one hand and the book values recorded in these annual accounts on the other. Deferred tax assets and liabilities are calculated at the tax rates in effect at the end of the reporting year, or at the rates applicable in coming years, to the extent that these have already been set by law.

Deferred tax assets due to offsettable differences and available losses carried forward are included to the extent that it is likely that future taxable profit will be available against which losses can be offset and netting possibilities utilised.

Deferred taxes are reported for temporary differences concerning group companies, participating interests and joint ventures, unless Sanquin is able to determine at what moment the temporary differences will expire and it is unlikely that the temporary differences will expire in the foreseeable future. Deferred taxes are stated at face value.

3.10 Liabilities

Liabilities are stated at fair value at the time of recognition. Transaction costs that can be allocated to the acquisition of the liabilities are directly accounted for in the profit and loss account. Liabilities are stated at amortised cost price after initial recognition. The portion of long term liabilities that is to be repaid in the coming financial year is accounted for under short term liabilities.

4. Accounting principles for the determination of results

4.1 General

The result is determined as the difference between the net realisable value of the performance delivered and the costs and other charges for the year. The results on transactions are accounted for in the year in which they are realised; losses can be realised as soon as they are foreseeable.

4.2 Revenue recognition

4.2.1 Sale of goods

Revenue from the sale of goods is accounted for as soon as all significant rights and risks related to the ownership of the goods pass to the purchaser.

4.2.2 Provision of services

Revenue from the provision of services is accounted for if and insofar as the relevant services have actually been performed.

4.2.3 Exchange differences

Exchange differences that occur in the settlement of monetary items are accounted for in the profit and loss account in the period in which they occur.

4.3 Net turnover

Net turnover includes the revenue from the supply of goods and services less discounts etc. and less taxes levied on the turnover and after the elimination of transactions within the group.

4.4 Costs of raw materials and consumables

The raw materials and consumables consist of the raw materials that are used and are directly attributable to the net turnover, as well as the costs of manufacturing at cost, or, in the case of goods for resale, the direct cost of goods sold. This also includes, if applicable, the devaluation of inventory to a lower market value and any provisions created for obsolescent inventory.

4.5 Other operating income

Other operating income includes revenue from licensing and product development for third parties and costs recharged to third parties.

4.6 Employee benefits

4.6.1 Regular remuneration

Based on the terms of employment, wages, salaries, social security and pension contributions are accounted for in the profit and loss account to the extent that they are due to the employees.

4.6.2 Pensions

Sanquin uses *Pensioenfonds Zorg & Welzijn* (pension fund for the healthcare and social welfare sector) to administer its pension scheme in the Netherlands. At retirement age, eligible employees are entitled to a pension based on the average wages earned over the years that the employees accrued pension with the Zorg & Welzijn pension fund.

The obligations ensuing from the employees' rights are placed with the pension fund Zorg & Welzijn. Sanquin pays contributions to this pension scheme; half of this contribution is paid by the employer and the other half by the employee. The pension rights are indexed annually, if and insofar as the pension fund's funding ratio (the pension fund's capital divided by its financial obligations) permits.

As at 31 December 2015, the pension fund's funding ratio was 97% (source: website www.pfzw.nl dated 18 March 2016). The pension fund must have a funding ratio of at least 127% to avoid affiliated institutions having to make extra contributions or having to impose exceptional increases in the contributions. Sanquin has no obligation to pay additional contributions in the event of a shortfall in the fund, other than the effect of higher future contributions. Sanquin has therefore only accounted for the contributions owed up to the end of the financial year as a charge in the profit and loss account. The pension schemes of subsidiaries domiciled abroad which are organised and function similarly to the Dutch pension system are also accounted for in accordance with the obligation approach. For foreign pension schemes that are not similar, a best estimate is made of the obligation existing as at the balance sheet date, based on an actuarial valuation method generally accepted in the Netherlands.

4.7 Depreciation of intangible fixed assets

Intangible fixed assets are depreciated over their expected future useful life. If the estimate of the economic life changes, the future depreciation is adjusted. Book gains and losses from the incidental sale of intangible fixed assets are accounted for under depreciation.

4.8 Depreciation of tangible fixed assets

Tangible fixed assets are depreciated over their expected future useful life from the moment they are taken into use. No depreciation is charged on land. If the estimate of the economic life changes, the future depreciation is adjusted. Book gains and losses from the incidental sale of tangible fixed assets are accounted for under depreciation.

4.9 Financial income and expenses

Interest income and interest expenses are time-weighted, taking into account the effective interest rate for the relevant assets and liabilities.

4.10. Tax on result from ordinary business operations

The tax on the result is calculated on the result before tax in the profit and loss account, taking into account the exempt profit components and investment and other facilities.

5. Financial Instruments and Risk Management

5.1 Market risk

5.1.1 General

Sanquin Blood Supply Foundation is exposed to various financial risks: price risks (including exchange rate risks, market risks and interest rate and cash flow risks), credit risks and liquidity risks. The size of these risks in the daily operations does not require using financial instruments to hedge the risks. Financial risks are managed centrally by the executive support staff department, Finance & Control, on the basis of the policy adopted by the Executive Board.

5.1.2 Price risk

Sanquin Blood Supply Foundation is exposed to risks related to raw material and energy prices. These risks are managed by reducing the dependency on suppliers as much as possible, centralising procurement where possible and making long term price agreements with suppliers wherever possible.
The starting point when entering into procurement relationships is to agree on price increases that fall within the margins of the government regulation for price compensation for budgets in the healthcare sector.

5.1.3 Exchange rate risk

Sanquin Blood Supply mainly operates in the European Union and the United States of America. If significant long term supply obligations are entered into, such as the supply of Cinryze for the US market, price agreements are, in principle, made in euros, even if the supply is to countries outside the European Union.

The remaining transactions in foreign currencies, both purchases and sales, are relatively limited and, consequently, the ensuing risks are not hedged.

5.1.4 Interest rate and cash flow risk

Sanquin Blood Supply Foundation is exposed to interest rate risks on the interest-bearing receivables (in particular those under financial fixed assets and cash and cash equivalents) and interest-bearing long term and short term liabilities (including liabilities to credit institutions).

In respect of receivables and liabilities with variable interest-rate agreements, Sanquin is exposed to future cash flow risks; while in relation to fixed interest receivables and liabilities, Sanquin is exposed to market value risks.
No financial derivatives have been contracted to hedge the interest rate risks ensuing from these receivables and liabilities.

5.2 Credit risk

Sanquin Blood Supply Foundation has no significant concentrations of credit risk. Short shelf-life blood products are sold to Dutch hospitals. Long shelf-life blood products are only sold to customers that satisfy Sanquin's creditworthiness test. Products are sold on the basis of credit terms of 14 to 60 days. Additional securities, such as prepayments and guarantees, may be requested for large supplies, or credit insurance may be concluded.

Sanquin Plasma Products realises a large part of its contract manufacturing turnover from a limited number of contractors. Creditworthiness tests for these contractors do not indicate a need to hedge this credit risk using financial instruments.

5.3 Liquidity risk

Sanquin Blood Supply Foundation uses several banks in order to gain access to a number of credit facilities. Where necessary, further securities are provided to the banks to ensure the credit facilities are available. As of August 2015, Sanquin is bound to a bank covenant (see section 16: *Long term liabilities for more information)*.

Notes to the balance sheet

6. Intangible fixed assets

On 15 May 2015, Sanquin Holding BV purchased 24.99% of the shares in CAF-DCF CVBA for a sum of € 6.9 million. This acquisition amount was based on the net asset value according to CAF-DCF valuation principles (namely Belgian GAAP). This valuation is lower than the net asset value according to the valuation principles of these annual accounts, namely Dutch GAAP. The difference in valuation is primarily driven by temporary differences, consequently negative goodwill is created. The negative goodwill will be released to the profit and loss accounts over 10 years. In order to determine this 10 year term, the term used for positive goodwill was selected.

On 24 August 2015, Euroclone BV purchased 24.99% of the shares in CAF-DCF CVBA for a sum of € 12 million. The difference between the acquisition amount and the net asset value of CAF-DCF CVBA according to Dutch GAAP, namely € 9.1 million, was accounted for as goodwill in the balance sheet. The goodwill will be depreciated over 10 years. This term is based on the average annual payback sum.

Movements in the intangible fixed assets were as follows:

	Goodwill	Negative goodwill	Total
(x € 1,000.-)	€	€	€
Balance as at 1 January 2015	0	0	0
Acquisition of CAF-DCF CVBA stocks	2,909	-2,293	616
Depreciation of goodwill current financial year	-103	0	-103
Release of negative goodwill current financial year	0	143	143
Balance as at 31 December 2015	**2,806**	**-2,150**	**656**

7. Tangible fixed assets

Movements in the tangible fixed assets can be specified as follows:

	Land and buildings	Machines and installations	Other fixed operating assets	Fixed operating assets in progress	Total
(x € 1,000.-)	€	€	€	€	€
Balance as at 1 January 2015					
Acquisition prices or manufacturing costs	133,947	203,007	24,111	50,078	411,143
Accumulated depreciation	-46,685	-139,996	-19,527	1	-206,207
Book values	**87,262**	**63,011**	**4,584**	**50,079**	**204,936**
Movements					
Investments	4,455	8,009	2,416	6,056	20,936
Movements	4,447	39,332	39	-43,817	1
Divestments	-6,721	-28,095	-6,990	0	-41,806
Movement in depreciation	0	0	0	-1	-1
Depreciation	-8,861	-20,302	-2,137	0	-31,300
Depreciation of divestments	6,721	28,095	6,990	0	41,806
Balance	**41**	**27,039**	**318**	**-37,762**	**-10,364**
Balance as at 31 December 2015					
Acquisition prices or manufacturing costs	136,128	222,253	19,576	12,317	390,274
Accumulated depreciation	-48,825	-132,203	-14,674	0	-195,702
Book values	**87,303**	**90,050**	**4,902**	**12,317**	**194,572**
Depreciation rates	0%-10%	10%-20%	20%-33%	0%	

Investments in projects that were still in progress as at the balance sheet date are shown in the column 'Fixed operating assets in progress'. After completion, these projects are accounted for as 'Land and buildings', 'Machines and installations' or 'Other fixed operating assets'. The corresponding write-down of the 'Fixed operating assets in progress' is shown as a negative item under 'Movements'.

A portion of the tangible fixed assets is financed using loans for which securities have been issued (see also section 16: *Long term liabilities*).

The assets can be freely disposed of by Sanquin, with the exception of the manufacturing facilities which are financed with the loan provided by Baxalta (see section 16: *Long term liabilities* for more information).

The current value of the fixed assets does not deviate significantly from the book value.

In 2015, the investments in tangible fixed assets that exceeded € 1.0 million were:

(x € million)	Investments in tangible fixed assets €
Renovation of Wytemaweg building for Blood Bank	2.9
Renovation of building U for Research	2.1
Installations for Baxalta for CMO production	1.9
Optimisation of CIP distribution lines (Belgium)	1.4
Renewal of QC lab phase II (Belgium)	1.2
Renewal of QC lab Maroastraat	1.0

8. Financial fixed assets

Movements in the financial fixed assets can be specified as follows:

(x € 1,000.-)	Participating interests €	Loans €	Total €
Balance as at 1 January 2015	0	3,750	3,750
Investments	433	150	583
Result of participating interests	0	0	0
Divestments	-433	-150	-583
Repayments current financial year	0	-375	-375
Repayment obligation 2016	0	-375	-375
Balance as at 31 December 2015	**0**	**3,000**	**3,000**

Participating interests

In 2012, Sanquin acquired a financial interest in Xenikos BV in Nijmegen. Xenikos is a biotech company that developed a T-Guard® experimental drug. T-Guard® is a drug for treating patients who have serious rejection problems following a transplant involving donor blood stem cells: Graft-Versus-Host Disease (GVHD).

Sanquin holds 37.44% of the shares. Sanquin made an additional investment of € 0.4 million in Xenikos' share capital in 2015. Due to Xenikos having negative equity of € 2.6 million as at 31 December 2015 (including the negative result of € 1.5 million over 2015), the interest in Xenikos was fully written down. In addition, Sanquin has issued a security deposit for Xenikos' obligation arising from an innovation credit granted to Xenikos in the amount of € 2.3 million.

Sanquin acquired numerous shares in Vitaleech Bioscience NV in Rotterdam in the years 2000 to 2005, primarily as compensation for products and services supplied for Vitaleech's research. Sanquin's share interest was 11%, the value of which was fully written down in previous financial years due to major doubts about the future profitability of the company.

On 19 November 2015, Vitaleech Bioscience NV was wound up due to a lack of income. The winding up had no financial impact on Sanquin in the financial year under review due to having been written down previously.

Loans

A € 3.75 million loan provided to the Slotervaart Medical Centre (MCS) is included under the financial fixed assets. MCS is a joint initiative of Sanquin, NKI-AVL, Slotervaart Hospital and Slotervaart Nursing Home belonging to Cordaan, and it operates the shared access roads and parking facilities. The loan was granted for the construction of a new parking garage completed in 2014 to be used by the staff and visitors of the four institutions. The term of the loan is 10 years and it will be paid off on a straight-line basis over a period of 10 years at an interest rate of 4%. No securities have been provided for this loan. The valuation of the receivables at repayment value approximates the amortised cost price of the receivables.

On 8 December 2015, Sanquin issued a convertible loan of € 0.2 million to Xenikos. The term of the loan is 1 year at an interest rate of 15%. At the request of Xenikos, the loan and any accrued interest can be converted into ordinary shares in Xenikos' capital. As Sanquin expects this request will be made, and because the value of the shares will be fully written down, the value of the loan has already been written down to zero for the sake of prudence. In addition, Sanquin is obliged to issue a second convertible loan of € 0.2 million to Xenikos based on the achievement of future milestones.

Repayment obligations due within 12 months from the end of the financial year are included under other receivables.

9. Inventory

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Raw materials, consumables and semi-manufactures	113,918	103,237
Contract manufacturing work in progress	19,847	12,802
Finished products and goods for resale	49,305	44,906
	183,070	**160,945**

Within the context of obsolete inventory, an inventory write-down of € 18.7 million (2014: € 7.6 million) and a revaluation of the value of finished products and semi-manufactures of € 7.1 million (2014: € 1.9 million) were performed due to increasing prices for raw materials.

The inventory can be freely disposed of by Sanquin. An exception to this is the work in progress involving contract manufacturing for third parties. In this situation, Sanquin's contract party provides the plasma or intermediate products for fractionation itself. This plasma and the intermediate and end products created from it remain the property of the contract party throughout the entire production process. The value added by Sanquin as at the balance sheet date is accounted for as work in progress.

10. Receivables

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Trade receivables	82,342	74,438
Taxes and social security contributions	9,515	6,814
Other receivables, prepayments and accrued income	10,908	9,087
	102,765	**90,339**

The fair value of receivables approximates the book value, given the short term nature of the receivables and the fact that facilities for irrecoverability have been created where necessary. All the receivables have a remaining term of less than one year.

Trade receivables

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Trade receivables	82,920	74,976
Provision for doubtful debts	-578	-538
	82,342	**74,438**

Taxes and social security contributions

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Turnover tax	9,515	6,185
Social security charges	0	629
	9,515	**6,814**

Other receivables, prepayments and accrued income

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Security deposits	148	34
Prepaid expenses	4,290	2,970
Repayment obligation 2016	375	0
Amounts to be received	6,095	6,083
	10,908	**9,087**

No securities have been provided to other parties with regard to the receivables.

11. Cash and cash equivalents

The item 'Cash and cash equivalents' in the cash flow statement can be specified as follows:

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Cash	78	35
Bank balances	26,488	26,465
Deposits	6,176	9,285
	32,742	**35,785**

All cash and cash equivalents can be freely disposed of by the company. The deposits all have a remaining term of less than one year.

12. Notes to the cash flow statement

In 2015, the remaining 49.98% of shares in the group company CAF-DCF CVBA were acquired. Payment for these shares is included in 'Movement in share of minority interests' and 'Investments in intangible fixed assets'.

Only those investments for which cash was sacrificed in 2015 are accounted for under 'Investments in tangible fixed assets'. The amount of the loan to MCS which is repaid annually is accounted for under 'Investments in financial fixed assets'.

The receipt of monies for the loan taken out with ABN AMRO Bank is accounted for under 'Receipts from long term liabilities'.

13. Equity

The equity is further explained in the notes to the balance sheet in the company annual accounts.

14. Share of minority interests

Movements in the share of minority interests were as follows:

(x € 1,000.-)	2015 €	2014 €
Balance as at 1 January	18,372	19,483
Result for the financial year	0	-1,111
Other movements	-18,372	0
Balance as at 31 December	**0**	**18,372**

On 1 January 2015, 50.01% of the shares of the group company CAF-DCF CVBA were owned by the Sanquin Blood Supply Foundation. Subsequently, group companies Sanquin Holding and Euroclone each purchased 24.99% of the remaining shares, in May and August 2015 respectively; consequently, 100% of CAF-DCF CVBA was accounted for in the consolidated accounts as at 31 December 2015.

15. Provisions

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Deferred tax liabilities	6,075	5,759
Employee provisions	2,061	7,276
Other provisions	18	777
	8,154	**13,812**

Movements in the provisions were as follows:

(x € 1,000.-)	Deferred taxes	Employee provisions	Other provisions	Total
	€	€	€	€
Balance as at 1 January 2015	5,759	7,276	777	13,812
Allocation	316	159	63	538
Withdrawals	0	-4,824	-822	-5,646
Release	0	-550	0	-550
Balance as at 31 December 2015	**6,075**	**2,061**	**18**	**8,154**

€ 0.7 million of the provisions can be designated short term (less than 1 year) and € 7.5 million long term (longer than one year).

Deferred taxes

A provision for deferred taxes has been created for the differences between the valuation for tax purposes and the corporate valuation of balance sheet items of CAF-DCF CVBA that result in a future obligation to pay corporation tax. The provision can be regarded as long term (longer than one year).

Employee provisions

The employee provisions as at 1 January 2015 consisted of obligations relating to existing redundancy arrangements, reorganisation costs, reserved and compensatory pension contributions, long service bonuses and continued payment in the event of long term illness. The withdrawal of € 4.8 million from the employee provisions is due to the redundancy payments made to departing employees on the basis of the Social Plan in the context of the 2015 Blood Bank reorganisation. The reorganisation was completed in 2015, resulting in the remaining reserves being released. The release was due to the higher than expected natural attrition of personnel.

The employee provisions as at 31 December 2015 consisted of obligations relating to long service bonuses and continued payments in the event of long term illness.

Other provisions

The other provisions were formed for ongoing claims and legal disputes.

16. Long term liabilities

(x € 1,000.-)	31 December 2015	31 December 2014
	€	€
Baxalta Incorporated	24,843	25,858
ABN AMRO Bank NV	20,000	0
Belfius Bank NV	10,686	12,150
	55,529	**38,008**

The loan from Baxalta Incorporated was obtained to finance the process installations for the contract manufacturing operations performed for Baxalta. This loan runs to the end of 2024 and the outstanding amount is interest-free. Securities have been provided for this loan in relation to the specific process installations that are being installed for the contract manufacturing activities carried out for Baxalta. The loan is being repaid by granting a discount on the agreed rate for contract manufacturing.

In order to finance the repayment of the loan from the Landsteiner Foundation for Blood Transfusions Research (LSBR), Sanquin obtained a loan from ABN AMRO NV in August 2015 for the amount of € 20 million. The term of the loan is 8 years at an interest rate of 3.32%. Quarterly repayments of this loan will commence as at 1 January 2017. Regarding this loan, Sanquin issued securities in the form of mortgage rights and pledge rights. In addition to Sanquin Blood Supply Foundation, the group companies Sanquin Plasma Products BV, Sanquin Holding BV and Euroclone BV are jointly and severally liable for this loan.

CAF-DCF has obtained loans from Belfius Bank NV for investments in the Belgian manufacturing facilities. No repayments were made on these loans in 2015. The remaining term of the loans is 5-10 years with interest rates ranging from 2.02% to 3.723%. CAF-DCF provided the lenders with securities in the form of mortgage rights and pledge rights to CAF-DCF's assets for these loans.

In addition to the existing loans, Sanquin negotiated a credit facility of a maximum of € 20 million with a credit institution while CAF-DCF negotiated a credit facility of a maximum of € 2.75 million with a credit institution. No use was made of these facilities in 2015.

	Balance as at 31 December 2015	Repayment obligation 2016	Remaining term > 1 year	Remaining term > 5 years
(x € 1,000.-)	€	€	€	€
Loans	25.707	864	9.504	15.339
Liabilities to credit institutions	32.150	1.464	17.282	13.404
Balance as at 31 December	**57.857**	**2.328**	**26.786**	**28.743**

Repayment obligations due within 12 months from the end of the financial year as explained above are accounted for in the short term liabilities.

The valuation of the long term liabilities at repayment value approximates the value at amortised cost.

17. Short term liabilities

	31 December 2015	31 December 2014
(x € 1,000.-)	€	€
Repayment obligations	2.328	21.423
Liabilities to suppliers and trade credit	44.967	47.167
Taxes and social security contributions	7.831	1.198
Pension contributions	1.618	1.551
Salaries and holiday allowance	20.907	19.586
Shire Pharmaceutical Holdings Ireland Limited	12.110	0
Research amounts received in advance	8.085	10.745
Other liabilities, accruals and deferred income	49.243	24.426
	147.089	**126.096**

The fair value of short term liabilities approximates the book value due to their short term nature. The short term liabilities all have a remaining term of less than one year.

Belastingen en premies sociale verzekeringen

	31 December 2015	31 December 2014
(x € 1,000.-)	€	€
Social security contributions	40	1.090
Payroll tax	7.434	7.213
Corporation tax	357	-7.105
	7.831	**1.198**

Shire Pharmaceutical Holdings Ireland Limited

In order to finance the purchase of shares in CAF-DCF CVBA, Euroclone BV received an advance payment of € 12 million from Shire Pharmaceutical Holdings Ireland Limited. Interest based on the Bank of England Base Rate plus 2% is owed over the outstanding sum, which is added to the principal sum annually. Repayment of the outstanding sum, including accrued interest, is made through the settlement of future receivables from Shire. These receivables are expected in 2016. The full advance payment was, therefore, accounted for as a short term liability.

Other liabilities, accruals and deferred income

The increase in other liabilities, accruals and deferred income is primarily due to the purchase of raw material inventory for which no invoices have yet been received (€ 27.3 million). In addition, this balance sheet item includes a balance of advanced research funding in the amount of € 8.1 million (2014: € 10.7 million).

18. Off-balance sheet assets and liabilities

As at the balance sheet date, Sanquin had entered into investment commitments totalling € 21.9 million. These investments were made to expand the accommodation for Plasma Products and Research, and the executive support staff, as well as for process equipment for the preparation of plasma products and laboratory equipment. Approximately half of the investment commitments have a term of less than one year and the other half have been entered into for a term of up to 5 years.

Sanquin rents donor centres at many locations. The annual associated rental obligation is € 3.2 million. The various leases have terms of between 1 and 5 years.

Mainly for the benefit of the vehicle fleet, lease contracts have been concluded with an annual financial obligation of € 0.5 million. The lease contracts have a maximum term of 6.5 years.

A number of contracting parties have been provided with bank guarantees totalling € 1.8 million. In addition, Sanquin has issued a security deposit for the obligation of the participating interest Xenikos, this obligation has arisen from an innovation credit of € 2.3 million granted to Xenikos. In addition, Sanquin has undertaken to issue a second convertible loan of € 0.2 million to Xenikos based on the achievement of future milestones.

Notes to the profit and loss account

19. Net turnover

The net turnover can be broken down by geographic area as follows:

(x € 1,000.-)	2015 €	2014 €
Netherlands	217,092	227,740
Abroad	213,308	190,965
	430,400	**418,705**

Net turnover in the Netherlands included a sum of € 1.3 million in WBSO subsidies, received within the context of research and development work as a contribution for various research projects.

The net turnover can also be broken down into the most important categories:

(x € 1,000.-)	2015 €	2014 €
Blood Bank	126,331	136,310
Plasma Products	263,778	240,700
Diagnostic Services	19,693	19,092
Reagents	11,841	12,248
Research	7,821	8,999
Other activities	936	1,356
	430.400	**418.705**

20. Other operating income

(x € 1,000.-)	2015 €	2014 €
Compliance Enhancement Program cross-charging	15,691	9,834
Revenues from licensing and product development	14,488	2,892
Other operating income	6,228	8,317
	36,407	**21,043**

21. Wages and salaries

(x € 1,000.-)	2015 €	2014 €
Wages and salaries	152,206	152,812
Social security contributions	20,747	20,867
Pension contributions	10,169	10,503
	183,122	**184,182**

22. Average number of employees

During the year 2015, the company employed 2,559 people on average, based on full time employment (2014: 2,552). 271 of these employees were working abroad (2014: 244).

	2015	2014
Blood Bank division	771	848
Diagnostic Services division	236	242
Reagents division	61	56
Research division	236	232
Executive support staff	349	356
Tissues & Cells Business Unit	17	14
Total Sanquin Blood Supply Foundation	**1,670**	**1,748**
Sanquin Plasma Products BV	618	560
CAF-DCF CVBA	262	235
Sanquin Oy	9	9
	2,559	**2,552**

23. Remuneration of the Executive Board

The total remuneration of the Executive Board, including pension contributions, was € 734,000 (2014: € 835,000). Of this € 283,000 was related to the Blood Bank's activities (2014: € 346,000) and € 450,000 to Sanquin's private activities (2014: € 489,000).

The breakdown is as follows:

2015 (x € 1,000.-)	Remuneration €	Pension contributions €
D.J. v.d. Berg (from 1-9-2015)	67	4
H.J.C. de Wit	256	11
R.A.W. van Lier	215	11
P. de Geus (from 1-9-2015)	68	4
H.M. le Clercq (until 31-8-2015)	98	0
2014		
H.J.C. de Wit	260	27
R.A.W. van Lier	216	22
H.M. le Clercq (from 1-6-2014)	75	0
A. van Os (until 31-8-2014)	220	15

A statement of the remuneration of the members of the Executive Board pursuant to the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) is included in the Appendix Remuneration of Senior Officials to these Annual Accounts.

24. Remuneration of the Supervisory Board

The payment to the Supervisory Board was € 29,242 (2014: € 29,000) and can be specified as follows:

(x € 1,000.-)	2015 €	2014 €
F.C. Breedveld*	15	15
Mw. K.T.V. Bergstein*	0	0
M.J.W. Bontje	7	7
C.G. Figdor*	0	0
A.K. Lahr	7	7

* The remuneration of some members of the Supervisory Board is paid by Sanquin to charities or their employer.

A statement of the remuneration of the members of the Supervisory Board pursuant to the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) is included in the Appendix Remuneration of Senior Officials to these Annual Accounts.

25. Depreciation expenses

(x € 1,000.-)	2015 €	2014 €
Intangible fixed assets (Section 6)	-40	0
Tangible fixed assets (Section 7)	31,299	27,363
	31,259	**27,363**

26. Other operating expenses

(x € 1,000.-)	2015 €	2014 €
Other staff costs	10,444	12,846
Accommodation costs	20,383	26,950
Donor costs	2,909	3,450
Transport costs	6,424	5,802
General expenses	98,142	84,368
	138,302	**133,416**

General expenses

(x € 1,000.-)	2015 €	2014 €
Maintenance costs	13,659	13,978
Education, publicity and sales costs	7,887	3,505
Travel, accommodation and representation costs	3,223	3,623
Office costs	919	1,318
Communication costs	3,691	3,912
IT costs	18,987	25,015
Consulting/auditing fees	15,065	12,085
Costs of external services	19,304	9,457
Insurance and Taxes	3,192	2,640
Other expenses	12,215	8,835
	98,142	**84,368**

27. Auditor's fees

The following auditor's fees for the services of PriceWaterhouseCoopers Accountants NV were charged to the result:

	2015	2014
(x € 1,000.-)	€	€
Audit of the annual accounts	395	268
Other audit activities	2	15
	397	283

The fees above relate exclusively to the work performed for the company and the companies included in the consolidated accounts by audit organisations and independent external auditors as referred to in Section 1 (1) of the Audit Firms (Supervision) Act (*Wet toezicht accountantsorganisaties*). These fees relate to invoices received in 2015.

28. Financial income and expenses

	2015	2014
(x € 1,000.-)	€	€
Revenue from financial fixed assets	-586	-814
Interest income	174	341
Interest expenses	-1,395	-1,239
	-1,807	-1,712

29. Costs of research and development

The research and development costs charged to the result for 2015 amounted to € 30.9 million (2014: € 32.5 million).

30. Tax on result from ordinary business operations

Sanquin Blood Supply Foundation is a non-profit organisation. With regard to the Foundation's commercial activities, agreements up to and including 2012 were made with the tax authorities in respect of the determination of the taxable amount and the corporation tax due. Since 2013, the standard corporation tax regime has applied to Sanquin. The tax on the result for all companies involved in these consolidated accounts is therefore levied at 25% (2014: 25%) over the result before taxes in the profit and loss account. The effective tax burden for 2014 and 2015 varied between 30% and 35%. This difference was primarily due to corporation tax over previous years and non-deductible pre-tax expenses. As the scope of the corporation tax to be levied on Sanquin Blood Supply Foundation is as yet uncertain, the actual tax expense over 2013, 2014 and 2015 may deviate from the tax expense accounted for in the annual accounts.

	2015	2014
(x € 1,000.-)	€	€
Corporation tax for the current financial year	-2,785	7,345
Corporation tax for previous financial years	-422	0
	-3,207	7,345

31. Share of minority interests

	2015	2014
(x € 1,000.-)	€	€
CAF-DCF CVBA results	75	846
	75	846

On 1 January 2015, 50.01% of shares of the group company CAF-DCF CVBA were held by the Sanquin Blood Supply Foundation. Subsequently, group companies Sanquin Holding and Euroclone each purchased 24.99% of the remaining shares, in May and August 2015 respectively, so that 100% of CAF-DCF CVBA was included in the consolidated accounts as at 31 December 2015. The accounts include a minority interest share for the period in which the Sanquin group did not have full ownership of the CAF-DCF CVBA shares.

Company Annual Accounts 2015

Balance Sheet as at 31 December 2015 (before profit appropriation)

		31 December 2015		31 December 2014	
(x € 1,000.-)	Ref.	€	€	€	€
Assets					
Fixed assets					
Tangible fixed assets	33	89,587		179,613	
Financial fixed assets	34	233,120		22,478	
			322,707		202,091
Current assets					
Inventory	35	5,758		131,396	
Receivables	36	37,856		68,793	
Cash and cash equivalents	37	15,393		30,086	
			59,007		230,275
			381,714		432,366
Liabilities					
Equity	39				
Foundation capital		1,957		1,957	
Designated reserve	40	7,976		7,976	
Other reserves		289,535		306,076	
Result for the financial year		6,565		-16,542	
			306,033		299,467
Provisions	41		1,576		7,582
Long term liabilities	42		20,000		25,858
Short term liabilities	43		54,105		99,459
			381,714		432,366

Profit and loss account for 2015

(x € 1,000.-)	Ref.	2015 €	2015 €	2014 €	2014 €
Net turnover		193,923		363,738	
Movement in inventory of finished products and work in progress		-688		19,633	
Other operating income		5,943		20,034	
Total operating income			**199,178**		**403,405**
Costs of raw materials and consumables		31,136		122,309	
Wages and salaries		93,143		139,193	
Social security charges incl. pension		19,188		26,396	
Depreciation of tangible fixed assets		14,045		23,163	
Other operating expenses		40,308		113,250	
Total operating expenses			**197,820**		**424,311**
Operating result			**1,358**		**-20,906**
Interest income	45		1,874		331
Interest expenses	45		-911		-1,014
Result from ordinary business operations before taxes			2,321		-21,589
Tax on result from ordinary business operations			-683		6,707
Result of participating interests	46		4,927		-1,660
Result after taxes			**6,565**		**-16,542**

Cash flow statement for 2015

(x € 1,000.-)	Ref.	€	2015 €
Cash flow from operating activities			
Operating result			1,358
Adjustments for:			
Depreciation		14,045	
Movement in provisions		-5,601	
			8,444
Movement in operating capital:			
Increase of inventory	35	373	
Increase of receivables	36	-10,270	
Increase of short term liabilities	43	9,466	
			-431
Cash flow from business operations			**9,371**
Interest received	45	1,874	
Corporation tax		-683	
Interest paid	45	-911	
Result of participating interests	46	4,927	
			5,207
Cash flow from operating activities			**14,578**
Cash flow from investing activities			
Investments in tangible fixed assets	33	-9,312	
Investments in financial fixed assets	34	-39,959	
Cash flow from investment activities			**-49,271**
			-34,693
Cash flow from financing activities			
Receipts from long term liabilities	42	20,000	
Repayments of long term liabilities		0	
Cash flow from financing activities			**20,000**
Net cash flow			**-14,693**
Increase/(decrease) of cash			**-14,693**

As the company cash flow statement is not part of the 2014 annual accounts, this cash flow statement does not contain comparison figures.

The movement in the funds was as follows:

(x € 1,000.-)	2015 €	2014 €
Balance as at 1 January	**30,086**	**71,683**
Movement during the financial year	-14,693	-41,597
Balance as at 31 December	**15,393**	**30,086**

Notes to the balance sheet and profit and loss account

32. General

The company annual accounts have been drawn up in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the authoritative statements from the Annual Reporting Guidelines published by the Dutch Accounting Standards Board. The company annual accounts only contain the annual accounts under the Articles of Association of the Sanquin Blood Supply Foundation. In respect of the consolidated annual accounts, the revenue and costs of the majority participations in these annual accounts have not been accounted for in the profit and loss account. Instead the results of the participating interests are recognised as a separate item in the profit and loss account.

The same accounting principles for valuation and result determination apply to the company annual accounts and to the consolidated annual accounts. Participating interests in group companies are valued at their net asset value in line with section 3.3.1 of the consolidated annual accounts.

See the notes to the consolidated balance sheet and profit and loss account for the accounting principles for the valuation of assets and liabilities and for the determination of the result.

33. Tangible fixed assets

The movements in the tangible fixed assets can be specified as follows:

	Land and buildings	Machines and installations	Other fixed operating assets	Fixed operating assets in progress	Total
(x € 1,000.-)	€	€	€	€	€
Balance as at 1 January 2015					
Acquisition prices or manufacturing costs	114,502	162,447	12,753	50,078	339,780
Accumulated depreciation	-37,762	-111,572	-10,833	0	-160,167
Book values	**76,740**	**50,875**	**1,920**	**50,078**	**179,613**
Movements					
Investments	3,197	1,441	759	3,899	9,296
Movements	4,447	3,063	39	-7,549	0
Divestments	-6,721	-25,082	-6,813	0	-38,616
Transfer to SPP	-16,875	-77,838	-464	-41,834	-137,011
Depreciation	-6,510	-6,701	-834	0	-14,045
Depreciation of divestments	6,721	25,082	6,813	0	38,616
Depreciation transfer to SPP	3,309	48,143	282	0	51,734
Balance	**-12,432**	**-31,892**	**-218**	**-45,484**	**-90,026**
Balance as at 31 December 2015					
Acquisition prices or manufacturing costs	98,550	64,031	6,274	4,594	173,449
Accumulated depreciation	-34,242	-45,048	-4,572	0	-83,862
Book values	**64,308**	**18,983**	**1,702**	**4,594**	**89,587**
Depreciation rates	0%-10%	10%-20%	20%-33%	0%	

Investments in projects that are still in progress as at the balance sheet date are reported in the column 'Fixed operating assets in progress'. After completion, these projects are reported as 'Land and buildings', 'Machines and installations' or 'Other fixed operating assets'. The corresponding debit in 'Fixed operating assets in progress' is visible as a negative item under 'Movements'.

A portion of the tangible fixed assets is financed using loans for which securities have been issued (see also section 42: *Long term liabilities for more information*).

The assets can be freely disposed of by Sanquin. The current value of the fixed assets does not deviate significantly from the book value.

The significant drop in tangible fixed assets is primarily due to the deed of association and legal demerger dated 24 April 2015, under which the assets, liabilities and activities of the Plasma Products division were transferred to Sanquin Plasma Products BV (see also section 34: *Financial fixed assets*).

In 2015, the investments in tangible fixed assets that exceeded € 1.0 million were:

	Investments in tangible fixed assets
(x € million)	€
Renovation of Wytemaweg building for Blood Bank	2.9
Renovation of building U for Research	2.1

34.Financial fixed assets

Movements in the financial fixed assets can be specified as follows:

	Participating interests	Loans	Total
(x € 1,000.-)	€	€	€
Balance as at 1 January 2015	18,728	3,750	22,478
Investments - deed of legal demerger	170,753	0	170,753
Investments - other	7,360	28,256	35,616
Result of participating interests	5,933	0	5,933
Write-down via result of participating interests	-856	-150	-1,006
Write-downs - other	96	0	96
Repayments current financial year	0	-375	-375
Repayment obligation 2016	0	-375	-375
Balance as at 31 December 2015	**202,014**	**31,106**	**233,120**

List of participating interests

The participating interests held directly by Sanquin Blood Supply Foundation are:

Fully consolidated (accounted for in the consolidated annual accounts)

	Share in issued capital
in %	
CAF-DCF CVBA, Neder-Over-Heembeek	50.01
Sanquin Holding BV, Amsterdam	100.00
Sanquin Plasma Products BV, Amsterdam	100.00
Euroclone BV, Amsterdam	100.00

Other capital interests that do not qualify as participating interests

	Share in issued capital
in %	
Xenikos BV, Nijmegen	37.44

On 22 April 2015, the Sanquin Blood Supply Foundation incorporated the company Sanquin Holding BV, in which it has a 100% interest. This new company will act primarily as a holding company for the Sanquin group's private activities. On 15 May 2015, the Foundation made a share-premium payment of € 6.9 million to Sanquin Holding BV.

Via a deed of association and legal demerger, Sanquin Plasma Products BV (SPP) was incorporated as a 100% subsidiary of Sanquin Blood Supply Foundation on 24 April 2015. This demerger separated the commercial activities previously performed by the Plasma Products division within the Sanquin Blood Supply Foundation and transferred them to SPP. The legal demerger occurred on 25 April 2015; however the economic transfer of assets, liabilities and activities with a value of € 171.2 million was at the value as at 1 January. The staff were legally transferred to SPP, along with any accumulated rights and obligations and existing agreements with external parties.

The 100% share in the Finnish group company Sanquin Oy was transferred to SPP by Sanquin Blood Supply Foundation via the above-mentioned deed of association and legal demerger as at 25 April 2015. Consequently, Sanquin Blood Supply Foundation no longer has a direct interest in Sanquin Oy. However, by being transferred to SPP, Sanquin Oy remains a group company and forms part of the group's consolidated accounts, as was the case for the previous financial year. The movements in the value of Sanquin Oy (€ 0.4 million) are accounted for as a write-down of a participating interest.

In previous financial years, the participating interest Euroclone BV had negative equity. The participating interest was therefore valued at zero. In 2015, Euroclone BV booked a positive result of € 0.6 million, which the Foundation has included as a participating interest result in its results. Euroclone's equity as at 31 December 2015 was € 0.3 million. Therefore, the Foundation accounted for a write-off of the participating interest of € 0.3 million in its accounts.

Sanquin's equity interest in the Xenikos BV participating interest is 37.44%. Sanquin made an additional investment of € 0.4 million in Xenikos' share capital in 2015. Due to Xenikos' negative equity of negative € 2.6 million as at 31 December 2015 (including the negative result of € 1.5 million over 2015), the interest in Xenikos was fully written down.

Loans

A € 3.75 million loan provided to the Slotervaart Medical Centre (MCS) is accounted for under the financial fixed assets. MCS is a joint initiative of Sanquin, NKI-AVL, Slotervaart Hospital and Slotervaart Nursing Home belonging to Cordaan and it operates the shared access roads and parking facilities. The loan was granted for the construction of a new parking garage completed in 2014, to be used by the staff and visitors of the four institutions. The term of the loan is 10 years and will be paid off on a straight-line basis over a period of 10 years at an interest rate of 4%. No securities have been provided for this loan.

In addition, the company issued a loan of a maximum of € 60.3 million to Sanquin Plasma Products BV as bridge financing for its activities. This loan runs to the end of 2035 and the outstanding amount is subject to 4.5% interest. No securities have been provided for this loan, and it is additionally subordinate to all other existing and future Sanquin Plasma Product loans from banks or other credit institutions.

On 8 December 2015, Sanquin issued a convertible loan of € 0.2 million to Xenikos. The term of the loan is 1 year with an interest rate of 15%. At the request of Xenikos, the loan and any accrued interest can be converted into ordinary shares in Xenikos capital. As Sanquin expects this request will be made, and because the value of the shares will be fully written down, the value of the loan has already been written down to zero for the sake of prudence. In addition, Sanquin is obliged to issue a second convertible loan of € 0.2 million to Xenikos based on the achievement of future milestones.

Repayment obligations due within 12 months from the end of the financial year are included under other receivables. The valuation of the receivables at repayment value approximates the value at amortised cost of the receivables.

35. Inventory

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Raw materials, consumables and semi-manufactures	3,404	82,210
Contract manufacturing work in progress	0	12,802
Finished products and goods for resale	2,354	36,384
	5,758	**131,396**

Within the context of obsolete inventory, an inventory write-down of € 0.1 million (2014: € 0 million) and a write-down of finished products and semi-manufactures of € 0.2 million (2014: € 0 million) was performed due to the increasing price of raw materials.

The inventory can be freely disposed of by Sanquin.

The significant drop in inventory is primarily due to the deed of association and legal demerger dated 24 April 2015, under which the assets, liabilities and activities of the Plasma Products division were transferred to Sanquin Plasma Products BV (see also section 34: *Financial fixed assets*).

36. Receivables

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Trade receivables	26,156	55,877
Taxes and social security contributions	5,817	5,217
Receivables from group companies	214	0
Repayment obligations	375	0
Other receivables, prepayments and accrued income	5,294	7,699
	37,856	**68,793**

The fair value of receivables approximates the book value, given the short term nature of the receivables and the fact that facilities for irrecoverability have been created where necessary. All receivables have a remaining term of less than one year.

The significant drop in receivables is primarily due to the deed of association and legal demerger dated 24 April 2015, under which the assets, liabilities and activities of the Plasma Products division were transferred to Sanquin Plasma Products BV (see also section 34: *Financial fixed assets*).

Receivables from group companies

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Sanquin Holding BV current account	11	0
Euroclone BV current account	203	0
	214	**0**

The outstanding current account balance is subject to an interest rate equal to the average Euribor 1 month interest plus 3%. No securities have been provided for this loan.

37. Cash and cash equivalents

(x € 1,000.-)	31 December 2015 €	31 December 2014 €
Cash	78	36
Bank balances	10,840	25,715
Deposits	4,475	4,335
	15,393	**30,086**

All cash and cash equivalents can be freely disposed of by the company. The deposits all have a remaining term of less than one year.

The significant drop in cash and cash equivalents is primarily due to the deed of association and legal demerger dated 24 April 2015, under which the assets, liabilities and activities of the Plasma Products division were transferred to Sanquin Plasma Products BV (see also section 34: *Financial fixed assets*).

38. Notes to the cash flow statement

Based on the situation as at 1 January 2015, the assets and liabilities of the Plasma Products division have been transferred to Sanquin Plasma Products BV (see also section 34: *Financial fixed assets*). This is not accounted for in the cash flow statement, as this transaction did not involve an outflow of cash. Only the transfer of cash from the company to SPP has been accounted for as an outflow of cash under 'Investments in financial fixed assets'.

Only those investments for which cash assets were sacrificed in 2015 are accounted for under 'Investments in tangible fixed assets'.

The receipt of monies for the loan taken out with ABN AMRO Bank is accounted for under 'Receipts from long term liabilities'.

39. Equity

	Foundation capital	Designated reserve	Other reserves	Result for the financial year	Total
(x € 1,000.-)	€	€	€	€	€
Balance as at 1 January 2015	1,957	7,976	306,076	16,542-	299,467
Movements					
Result for the current financial year	0	0	0	6,565	6,565
Profit appropriation	0	0	-16,542	16,542	0
Other changes in the reserves	0	0	1	0	1
Balance as at 31 December 2015	**1,957**	**7,976**	**289,535**	**6,565**	**306,033**

40. Designated reserve

The designated reserve is a Research Reserve of € 6.6 million and an International Cooperation Reserve of € 1.4 million.

The Research Reserve was originally created from the positive operating balances of the former Dr Karl Landsteiner Research Foundation, which merged with Sanquin.

A new designated reserve for International Cooperation was created in 2013 to ensure that the funds received for this purpose would remain available for development projects.

41. Provisions

	31 December 2015	31 December 2014
(x € 1,000.-)	€	€
Employee provisions	1,576	7,582
	1,576	**7,582**

The provisions consistst of employee benefits and long term ilness.

€ 0.6 million of the provisions are short term (less than 1 year) and € 1.0 million are long term (longer than one year).

42. Long term liabilities

(x € 1,000.-)	Balance as at 31 December 2015	Repayment obligation 2016	Remaining term > 1 year	Remaining term > 5 years
	€	€	€	€
Liabilities to credit institutions	20,000	0	11,427	8,573
Balance as at 31 December	**20,000**	**0**	**11,427**	**8,573**

43. Short term liabilities

(x € 1,000.-)	31 December 2015	31 December 2014
	€	€
Repayment obligations	0	20,000
Liabilities to suppliers and trade credit	18,287	35,334
Taxes and social security contributions	6,478	776
Pension contributions	1,266	1,463
Salaries and holiday allowance	14,585	17,082
Research amounts received in advance	8,085	10,745
Other liabilities, accruals and deferred income	5,404	14,059
	54,105	**99,459**

The fair value of short term liabilities approximates the book value due to their short term nature. The short term liabilities all have a remaining term of less than one year.

The significant drop in short term liabilities is primarily due to the deed of association and legal demerger dated 24 April 2015, under which the assets, liabilities and activities of the Plasma Products division were transferred to Sanquin Plasma Products BV (see also section 34: *Financial fixed assets*). In addition, the loan from the Landsteiner Foundation for Blood Transfusions Research (LSBR), which was classified as a short term liability in December 2014, was fully repaid in 2015.

44. Average number of employees

During the year 2015, the company employed 1,670 people on average, based on full time employment (2014: 2,308). None of these employees were working abroad (2014: 0). The significant drop in the average number of FTEs is primarily due to the deed of association and legal demerger dated 24 April 2015, under which the assets, liabilities and activities of the Plasma Products division were transferred to Sanquin Plasma Products BV (see also section 34: *Financial fixed assets*).

	2015	2014
Blood Bank division	771	848
Plasma Products division	0	560
Diagnostics Division	236	242
Reagents division	61	56
Research division	236	232
Executive support staff	349	356
Tissues & Cells Business Unit	17	14
	1,670	**2,308**

45. Interest income and expenses

(x € 1,000.-)	2015	2014
	€	€
Interest income from group companies	1,704	0
Interest income - other	170	331
Interest expenses	-911	-1,014
	963	**-683**

46. Result of participating interests

	2015	2014
(x € 1,000.-)	€	€
CAF-DCF CVBA	864	-846
Sanquin Holding BV	553	0
Sanquin Plasma Products BV	3,829	0
Euroclone BV	264	0
Sanquin Oy	0	53
Xenikos BV	-583	-867
	4,927	-1,660

47. Related parties

The transactions between Sanquin Blood Supply Foundation and its related parties Sanquin Plasma Products BV, Sanquin Holding BV, Euroclone BV, Sanquin Oy, CAF-DCF CVBA and CAF-DCF M&S BVBA related primarily to the supply of blood products by Sanquin Blood Supply Foundation to SPP and the provision of administrative (holding) services by Sanquin Blood Supply Foundation to related parties. Market prices are charged for these activities.

Amsterdam, 17 June 2016

Sanquin Blood Supply Foundation

Executive Board

Mr D.J. v.d. Berg (Chairman)
Mr H.J.C. de Wit
Professor Mr R.A.W. van Lier
Dr P. de Geus

Supervisory Board

Professor F.C. Breedveld (Chairman)
Ms K.T.V. Bergstein
Mr M.J.W. Bontje
Professor C.G. Figdor
Mr A.K. Lahr

Other information

Statutory regulations regarding profit appropriation

The Sanquin Blood Supply Foundation articles of association do not stipulate the method of profit appropriation.

Proposal for profit appropriation

The Executive Board has decided to add the result after tax of € 6.6 million to the general reserve.

Events after the balance sheet date

On 11 February 2016, the company transferred the 50.01% interest in the group company CAF-DCF CVBA to Sanquin Plasma Products BV. Subsequently, on 13 June 2016, CAF-DCF CVBA's marketing and sales activities were transferred to the group company CAF-DCF M&S BVBA via a legal demerger. CAF-DCF CVBA was renamed Plasma Industries Belgium CVBA, and CAF-DCF M&S BVBA was renamed CAF-DCF BVBA.
The intention is to sell both companies to third parties.

There were no other events to report after the balance sheet.

Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT)

The remuneration of Sanquin's senior officials is accounted for in accordance with the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT). Only members of the Executive Board and the Supervisory Board are considered senior officials of Sanquin within the meaning of the WNT.

This section reports the information related to the remuneration of members and past members of the Executive Board, as well information related to the remuneration of members of the Supervisory Board and those employees for whom remuneration information must be provided within the context of the WNT.

Applicable remuneration standards

The WNT came into effect on 1 January 2013. The maximum remuneration in 2013 was € 228,599 and € 230,474 in 2014. The WNT-2 came into effect on 1 January 2015, with a maximum remuneration of € 178,000.

As of 1 January 2014, the Ministry Regulation for Care (Care Regulation 2014) became effective. Sanquin was classified in the highest category of the Care Regulation 2014, entailing a maximum remuneration of € 229,043. The Care Regulation 2014 was not adjusted in 2015 but remained effective. In 2015, the maximum remuneration under WNT-2 was not (as yet) applicable to Sanquin.

The Chairman of the Supervisory Board has the right to a standard sum of 15% (2014: 7.5%) of the maximum remuneration for an executive officer in the institution, which for Sanquin was € 17,178 in 2014 and € 34,356 in 2015. The other members of the Supervisory Board have the right to a standard sum of 10% (2014: 5%) of the maximum remuneration for an executive officer in the institution, which for Sanquin was € 11,452 in 2014 and € 22,904 in 2015.

Remuneration of the members of the Executive Board

	2015	2014
Name: D.J. v.d. Berg Position: Chairman of the Executive Board		
Term of employment	1 September to 31 December	N/A
Working hours	36 hours	N/A
Remuneration €	65,700	0
Taxable fixed and variable expense allowance	2,000	0
Provisions for remuneration payable over time	3,596	0
Total remuneration as defined in the WNT	71,296	0
Individual remuneration standards	76,557	N/A
Rationale for exceeding the remuneration standard:	N/A	N/A

Mr Van den Berg's remuneration is in accordance with the Care Regulation 2014 (which also applied for the year 2015).

	2015	2014
Name: H.J.C. de Wit Position: Vice-chairman of the Executive Board		
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	36 hours	36 hours
Remuneration €	234,933	240,262
Taxable fixed and variable expense allowance	20,750	19,920
Provisions for remuneration payable over time	10,833	27,163
Total remuneration as defined in the WNT	266,516	287,345
Individual remuneration standards	229,043	229,043

Rationale for exceeding the remuneration standard: the employment contract with Mr De Wit was negotiated before the WNT came into effect (1 January 2013). The remuneration applicable at that time was covered by the WNT transitional rights, which stipulate that remuneration is fully respected for the year 2015.

	2015	2014
Name: R.A.W. van Lier Position: Member of the Executive Board		
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	36 hours	36 hours
Remuneration €	202,660	203,204
Taxable fixed and variable expense allowance	12,500	12,500
Provisions for remuneration payable over time	10,757	22,472
Total remuneration as defined in the WNT	225,917	238,176
Individual remuneration standards	229,043	229,043

Rationale for exceeding the remuneration standard: the employment contract with Mr Van Lier was negotiated before the WNT came into effect (1 January 2013). The remuneration applicable at that time was covered by the WNT transitional rights, rights, which stipulate that remuneration is fully respected for the year 2015.

	2015	2014
Name: P. de Geus Position: Member of the Executive Board		
Term of employment	1 September to 31 December	N/A
Working hours	36 hours	N/A
Remuneration €	62,092	0
Taxable fixed and variable expense allowance	6,078	0
Provisions for remuneration payable over time	3,603	0
Total remuneration as defined in the WNT	71,773	0
Individual remuneration standards	76,557	N/A
Rationale for exceeding the remuneration standard:	N/A	N/A

Mr De Geus's remuneration is in accordance with the Care Regulation 2014 (which also applied for the year 2015).

	2015	2014
Name: H.M. le Clercq Position: Chairman of the Executive Board		
Term of employment	1 January to 31 August	1 June to 31 December
Working hours	21.6 hours	21.6 hours
Remuneration €	97,533	74,962
Taxable fixed and variable expense allowance	0	0
Provisions for remuneration payable over time	0	0
Total remuneration as defined in the WNT	97,533	74,962
Individual remuneration standards	91,492	80,573
Rationale for exceeding the remuneration standard:		N/A

Rationale for exceeding the remuneration standard: € 5,535.81 of the total remuneration is attributable to financial year 2014. Additionally, Mr Le Clercq was paid an excess sum of € 505.69 in remuneration in 2015. This sum was returned to Sanquin by Mr Le Clercq in 2016.

Remuneration of the members of the Supervisory Board

Name: F.C. Breedveld Position: Chairman of the Supervisory Board	2015	2014
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	N/A	N/A
Remuneration € *	14,521	14,521
Taxable fixed and variable expense allowance	0	0
Provisions for remuneration payable over time	0	0
Total remuneration as defined in the WNT	14,521	14,521
Individual remuneration standards	34,356	17,178
Rationale for exceeding the remuneration standard:	N/A	N/A

* Mr Breedveld's remuneration for the period 1 January to 30 April was transferred to his employer at the time.

Name: C.G. Figdor Position: Member of the Supervisory Board	2015	2014
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	N/A	N/A
Remuneration € *	7,260	7,260
Taxable fixed and variable expense allowance	0	0
Provisions for remuneration payable over time	0	0
Total remuneration as defined in the WNT	7,260	7,260
Individual remuneration standards	22,904	11,452
Rationale for exceeding the remuneration standard:	N/A	N/A

* Remuneration was not included in the WNT table in the annual accounts for 2013 and 2014, as the sum was donated to charity, as was also the case in 2015.

Name: K.T.V. Bergstein Position: Member of the Supervisory Board	2015	2014
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	N/A	N/A
Remuneration € *	7,260	7,260
Taxable fixed and variable expense allowance	0	0
Provisions for remuneration payable over time	0	0
Total remuneration as defined in the WNT	7,260	7,260
Individual remuneration standards	22,904	11,452
Rationale for exceeding the remuneration standard:	N/A	N/A

* The remuneration was not included in the WNT table in the annual accounts for 2013 and 2014, as the sum was donated to charity, as was also the case in 2015.

Name: A.K. Lahr Position: Member of the Supervisory Board	2015	2014
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	N/A	N/A
Remuneration €	7,260	7,260
Taxable fixed and variable expense allowance	0	0
Provisions for remuneration payable over time	0	0
Total remuneration as defined in the WNT	7,260	7,260
Individual remuneration standards	22,904	11,452
Rationale for exceeding the remuneration standard:	N/A	N/A

Name: M.J.W. Bontje Position: Member of the Supervisory Board	2015	2014
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	N/A	N/A
Remuneration €	7,260	7,260
Taxable fixed and variable expense allowance	200	0
Provisions for remuneration payable over time	0	0
Total remuneration as defined in the WNT	7,460	7,260
Individual remuneration standards	22,904	11,452
Rationale for exceeding the remuneration standard:	N/A	N/A

Remuneration of other employees

	2015	2014
Position: Unit Director		
Term of employment	1 January to 31 December	1 January to 31 December
Working hours	40 hours	40 hours
Remuneration €	206,526	165,323
Taxable fixed and variable expense allowance	0	0
Provisions for remuneration payable over time	10,661	16,150
Total remuneration as defined in the WNT	217,187	181,473
Individual remuneration standards	178,000	230,474

Rationale for exceeding the remuneration standard: the employee received additional remuneration in 2015 within the framework of secondment for the benefit of a Sanquin participating interest.

	2015
Position: Manager	
Term of employment	1 January to 31 January
Pay-out in 2015 due to contract termination	193,113

Rationale for exceeding the remuneration standard: in 2015, this employee received a severance payment pursuant to the provisions of the Social Plan in relation to the termination of long term employment in the context of the reorganisation of the Blood Bank's activities.

	2015
Position: Manager	
Term of employment	1 January to 31 August
Pay-out in 2015 due to contract termination	363,454

Rationale for exceeding the remuneration standard: in 2015, this employee received a severance payment pursuant to the provisions of the Social Plan in relation to the termination of long term employment in the context of the reorganisation of the Blood Bank's activities.

Independent auditor's report

To: the management board and supervisory board of
Stichting Sanquin Bloedvoorziening

Report on the financial statements 2015

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Sanquin Bloedvoorziening as at 31 December 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code and the 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)'.

What we have audited

We have audited the accompanying financial statements 2015 of Stichting Sanquin Bloedvoorziening, Amsterdam ('the foundation'). The financial statements include the consolidated financial statements of Stichting Sanquin Bloedvoorziening and its subsidiaries (together: 'the Group') and the company financial statements. The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2015;
- the consolidated and company income statement for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code and the 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)'.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and WNT. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of Stichting Sanquin Bloedvoorziening in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

Responsibilities of the management board and the supervisory board

The management board is responsible for:

- the preparation and fair presentation of the financial statements and for the preparation of the Annual report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code and the 'WNT'; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the Annual report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Annual report and the other information):

- we have no deficiencies to report as a result of our examination whether the Annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed;
- we report that the Annual report, to the extent we can assess, is consistent with the financial statements.

Amsterdam, 17 June 2016

PricewaterhouseCoopers Accountants N.V.

drs. Th.A.J.C Snepvangers RA

Appendix to our auditor's report on the financial statements 2015 of Stichting Sanquin Bloedvoorziening

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing and WNT, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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 foundation's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the foundation'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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board 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.

PricewaterhouseCoopers Accountants N.V.