UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported)
November 21, 2019

Amgen Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-37702**	**95-3540776**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Amgen Center Drive	
Thousand Oaks	
California	**91320-1799**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code
(805) 447-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.0001 par value	**AMGN**	**The NASDAQ Global Select Market**
1.250% Senior Notes Due 2022	**AMGN22**	**New York Stock Exchange**
2.000% Senior Notes Due 2026	**AMGN26**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Explanatory Note

On November 21, 2019, Amgen Inc. (Amgen) filed a Current Report on Form 8-K (the "Original Form 8-K") to report the completion of the acquisition (the "Acquisition") of certain assets and liabilities associated with the worldwide rights to Otezla® (apremilast) from Celgene Corporation (Celgene) pursuant to an Asset Purchase Agreement (as amended, the "APA"), dated August 25, 2019, between Amgen and Celgene, a copy of which was attached to the Current Report on Form 8-K filed by Amgen on August 26, 2019. The parties entered into Amendment No. 1 to the APA on October 17, 2019, a copy of which was attached to the Current Report on Form 8-K filed by Amgen on October 18, 2019. Amgen and Celgene entered into the APA in connection with the merger between Celgene and Bristol-Myers Squibb Company, which was completed on November 20, 2019.

As permitted under Item 9.01 of Form 8-K, Amgen indicated in the Original Form 8-K that it would file the financial statements and the pro forma financial information required under Item 9.01 of Form 8-K within 71 calendar days after the date on which the Original Form 8-K was required to be filed. This Amendment No. 1 on Form 8-K/A amends the Original Form 8-K to include the required financial statements and pro forma financial information.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

Amgen has concluded that, according to the guidance in Article 11 of Regulation S-X, the Otezla® product line meets the definition of a "business" and exceeds the conditions of significance set forth in Rule 1-02(w) of Regulation S-X at the 20% level, but less than the 40% level, and that Amgen's acquisition of the Otezla® product line requires the filing of audited financial statements of Otezla® as of and for the year ended December 31, 2018 and interim financial statements as of and for the nine months ended September 30, 2019 pursuant to the requirements of Rule 3-05 of Regulation S-X. Amgen has been advised by Celgene that it is impracticable to prepare complete financial statements in accordance with Rules 3-01 and 3-02 of Regulation S-X relating to the Otezla® product line. In this regard, Amgen has been advised by Celgene that, among other things, the Otezla® product line did not represent a separate reporting or operating segment, was not a stand-alone entity, and was fully integrated into Celgene. Celgene also advised Amgen that it had never previously prepared stand-alone financial statements relating to the Otezla® product line and that it never maintained the distinct and separate accounts necessary to prepare stand-alone financial statements. As a result, in satisfaction of the requirements of Rule 3-05 of Regulation S-X, Amgen is filing abbreviated financial statements of the Otezla® product line as Exhibits 99.1 and 99.2, respectively, as follows:

- Otezla® Product Line of Celgene Corporation and Subsidiaries' audited special-purpose statements as of December 31, 2018 and the year ended December 31, 2018; and
- Otezla® Product Line of Celgene Corporation and Subsidiaries' unaudited special-purpose statements as of September 30, 2019 and December 31, 2018 (audited) and for the nine months ended September 30, 2019 and 2018.

(b) Pro Forma Financial Information

In addition, the following unaudited pro forma condensed combined financial information of Amgen is attached hereto as Exhibit 99.3:

- Unaudited pro forma condensed combined income statement for the year ended December 31, 2018 and the unaudited pro forma condensed combined balance sheet and income statement as of and for the nine months ended September 30, 2019.

(d) Exhibits.

99.1	Otezla® Product Line of Celgene Corporation and Subsidiaries' audited special-purpose statements as of December 31, 2018 and the year ended December 31, 2018
99.2	Otezla® Product Line of Celgene Corporation and Subsidiaries' unaudited special-purpose statements as of September 30, 2019 and December 31, 2018 (audited) and for the nine months ended September 30, 2019 and 2018
99.3	Unaudited pro forma condensed combined income statement for the year ended December 31, 2018 and the unaudited pro forma condensed combined balance sheet and income statement as of and for the nine months ended September 30, 2019
99.4	Consent of the Independent Registered Public Accounting Firm
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMGEN INC.

Date: January 24, 2020

By:	/s/ Peter H. Griffith
Name:	Peter H. Griffith
Title:	Executive Vice President and Chief Financial Officer

Exhibit 99.1

OTEZLA® Product Line of Celgene Corporation and Subsidiaries

Special Purpose Statement of Assets Acquired and Liabilities Assumed as of December 31, 2018
and Special Purpose Statement of Revenues and Direct Expenses for
the Year Ended December 31, 2018

Independent Auditors' Report

The Board of Directors
Celgene Corporation:

We have audited the accompanying special-purpose financial statements of Celgene Corporation's OTEZLA product line, which comprise the special-purpose statement of assets acquired and liabilities assumed as of December 31, 2018, and the special-purpose statement of revenues and direct expenses for the year then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the basis of presentation as described in Note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets acquired and liabilities assumed as of December 31, 2018, and revenues and direct expenses for the year then ended, of Celgene Corporation's OTEZLA product line in accordance with the basis of presentation described in Note 1.

Basis of Presentation

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of presentation. The special-purpose financial statements are prepared by Celgene Corporation on the basis of presentation as described in Note 1, which is a basis of presentation other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

/s/ KPMG LLP

Short Hills, New Jersey
November 20, 2019

OTEZLA® PRODUCT LINE OF CELGENE CORPORATION AND SUBSIDIARIES
Special Purpose Statement of Assets Acquired and Liabilities Assumed
(Dollars in thousands)

	December 31, 2018
Assets acquired	
Current assets:	
Inventory	$ 70,420
Total current assets	70,420
Total assets acquired	$ 70,420
Liabilities assumed	
Current liabilities:	
Accrued expenses and other current liabilities	$ 18,465
Total current liabilities	18,465
Other non-current liabilities	2,877
Total liabilities assumed	$ 21,342
Commitments and Contingencies (Note 5)	

See accompanying Notes to Special Purpose Financial Statements

OTEZLA® PRODUCT LINE OF CELGENE CORPORATION AND SUBSIDIARIES
Special Purpose Statement of Revenues and Direct Expenses
(Dollars in thousands)

	Year Ended December 31, 2018
Revenues:	
Net product sales	$ 1,611,770
Total revenues	1,611,770
Direct expenses:	
Cost of goods sold	53,044
Research and development	212,547
Selling	621,695
General and administrative	17,723
Total direct expenses	905,009
Revenues less direct expenses	$ 706,761

See accompanying Notes to Special Purpose Financial Statements

OTEZLA® PRODUCT LINE OF CELGENE CORPORATION AND SUBSIDIARIES
Notes to Special Purpose Financial Statements
(Amounts in thousands, unless otherwise indicated)

1. Nature of Business, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Business

Celgene Corporation, together with its subsidiaries (collectively the "Company" or "Celgene"), is an integrated global biopharmaceutical company engaged primarily in the discovery, development and commercialization of innovative therapies for the treatment of cancer and inflammatory diseases through next-generation solutions in protein homeostasis, immuno-oncology, epigenetics, immunology and neuro-inflammation.

OTEZLA® (the "Product Line", the "Business", or "Otezla"), is an internally developed product line of the Company. Otezla is a prescription medicine approved for: the treatment of patients with active psoriatic arthritis, moderate to severe plaque psoriasis for whom phototherapy or systemic therapy is appropriate, and oral ulcers associated with Behçet's Disease. Otezla was approved by the U.S. Food and Drug Administration ("FDA") in March 2014 for the treatment of adult patients with active psoriatic arthritis and in September 2014 for the treatment of patients with moderate to severe plaque psoriasis who are candidates for phototherapy or systemic therapy. In January 2015, Otezla was approved by the European Commission ("EC") for the treatment of both psoriasis and psoriatic arthritis in certain adult patients. In July 2019, Otezla was approved by the FDA for the treatment of adult patients with Behçet's Disease.

The Company and Bristol-Myers Squibb Company are party to a Plan of Merger, dated as of January 2, 2019 pursuant to which, a wholly-owned subsidiary of Bristol-Myers Squibb Company will merge with and into the Company, with the Company as the surviving company in the merger. On August 25, 2019, Amgen, Inc. (the "Buyer"), the Company and Bristol-Myers Squibb Company entered into an Asset Purchase Agreement (the "APA") whereby the Buyer agreed to purchase the Company's certain existing assets and rights related to the development, manufacture, import, export, commercialization, distribution, marketing, use, storage, transport, promotion, disposition or sales of Otezla. On November 20, 2019, Bristol-Myers Squibb Company completed the merger with Celgene.

Basis of Presentation

The accompanying Special Purpose Financial Statements (the "Financial Statements") are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), and have been prepared for inclusion in the 8-K filing of the Buyer as required by Rule 3-05, Significant Acquisition Carveout Financial Statement Reporting Requirements, of the US Securities and Exchange Commission's ("SEC") Regulation S-X. It is impracticable to prepare complete financial statements related to the Business as it was not a separate legal entity of the Company and was never operated as a stand-alone business, division or subsidiary. The Company received a waiver from the SEC to present a Statement of Revenues and Direct Expenses and a Statement of Assets Acquired and Liabilities Assumed for the purpose of complying with Rule 3-05. These Financial Statements are not intended to be a complete presentation of financial position, results of operations, or cash flows of the Business in conformity with GAAP.

The Financial Statements have been derived from the accounting records of the Company using historical results of operations and financial position and only present assets acquired, liabilities assumed and the associated revenues and direct expenses, including certain allocated expenses, of the Business. The assets acquired and liabilities assumed include items specifically identified in the APA. The Financial Statements are not necessarily indicative of the results of operations that would have occurred or may occur in the future if the Business had been an independent company.

Allocations

These Financial Statements include revenues generated by the Product Line, less expenses directly attributable to the Product Line, and certain allocations of direct expenses incurred by Celgene relating to the Product Line. Direct expenses attributable to the Product Line include employee related costs and third-party vendor costs.

Shared Cost of goods sold expenses, Selling expenses, General and administrative expenses and Research and development expenses were attributed to the Business utilizing specific allocation drivers. Where appropriate, these expenses were allocated based on a percentage of sales, percentage of expenses, percentage of allocated headcount or other drivers. These allocations are based on reasonable and rational methods that management believes reflect the costs incurred by the Business. Allocations of the Company's corporate overhead not directly related to the operations of the Business, as well as allocations of investment income, interest expense, other income/expense and income tax expense have been excluded from these Special Purpose Financial Statements.

The assets and liabilities related to the Product Line that are excluded from these Special Purpose Financial Statements given these items are not conveyed in the APA include: cash, accounts receivable, property, plant and equipment, income taxes payable and deferred income taxes and disclosures related to these accounts.

Use of Management's Estimates

The preparation of the Financial Statements requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Significant Accounting Policies

Consolidation and foreign currency translation: Non-U.S. operations of the Business are translated into U.S. dollar for financial reporting purposes. Assets and liabilities are translated at year-end exchange rates, while revenues and expenses are translated at applicable average rates in effect for the respective periods. All intercompany transactions within the Business have been eliminated.

Inventory: Inventories are recorded at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. The Business periodically reviews the composition of inventory in order to identify excess, obsolete, slow-moving or otherwise non-saleable items. If non-saleable items are observed and there are no alternate uses for the inventory, the Business will record a write-down to net realizable value in the period that the decline in value is first recognized. Included in inventory are raw materials used in the production of Otezla for clinical use, which is charged to research and development expense when consumed.

Advertising Costs: Advertising costs are expensed when incurred and are recorded in Selling expenses in the Special Purpose Statement of Revenues and Direct Expenses. Advertising costs consist of direct-to-consumer advertising and were $214,795 for the year ended December 31, 2018.

Research and Development Costs: Research and development costs are expensed as incurred. These include all internal and external costs related to services contracted by the Company.

Revenue Recognition: Revenue from product sales is recognized in a manner that depicts the transfer of those promised goods to customers in an amount that reflects the consideration to which the Business expects to be entitled in exchange for these products. To achieve this core principle, the Business follows a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing revenue when the Business satisfies a performance obligation.

The Business records gross-to-net sales accruals for government rebates, chargebacks, distributor services fees, other rebates and administrative fees, sales returns and allowances and sales discounts. See Note 2 for further detail on gross-to-net sales accruals and revenue recognition disclosures.

Share-Based Compensation: The Business utilizes share-based compensation in the form of stock options, restricted stock units ("RSUs"), and performance-based restricted stock units ("PSUs"). Compensation expense is recognized in the Statement of Revenues and Direct Expenses based on the estimated fair value of the awards at grant date. Compensation expense recognized reflects an estimate of the number of awards expected to vest after taking into consideration an estimate of award forfeitures based on actual experience and is recognized on a straight-line basis over the requisite service period, which is generally the vesting period required to obtain full vesting. Management expectations related to the achievement of performance goals associated with PSU grants is assessed regularly and that assessment is used to determine whether PSU grants are expected to vest. If performance-based milestones related to PSU grants are not met or not expected to be met, any compensation expense recognized to date associated with grants that are not expected to vest will be reversed.

New accounting standards which have not yet been adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, "Leases" (ASU 2016-02). ASU 2016-02 provides accounting guidance for both lessee and lessor accounting models. Among other things, lessees will recognize a right-of-use asset and a lease liability for leases with a duration of greater than one year. For income statement purposes, ASU 2016-02 will require leases to be classified as either an operating or finance lease. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. The new standard will be effective for the Business on January 1, 2019. In July 2018, the FASB issued Accounting Standards Update No. 2018-11, "Leases" (ASU 2018-11), which offers a transition option to entities adopting the new lease standard. Under the transition option, entities can elect to apply the new guidance using a modified retrospective approach at the beginning of the year in which the new lease standard is adopted, rather than to the earliest comparative period presented in their financial statements. The Business will adopt the standard using the modified retrospective method and intends to elect the available practical expedients on adoption. The Business anticipates adoption of the new standard will increase total assets by approximately $3,700, with an offsetting increase to total liabilities of approximately $3,700 on the Special Purpose Statement of Assets Acquired and Liabilities Assumed and result in additional lease-related disclosures in the footnotes to the Special Purpose Financial Statements.

2. Revenue

The Business accounts for revenue using a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and recognizing revenue when, or as, an entity satisfies a performance obligation. The Product Line’s revenue is derived from product sales of the primary commercial stage product, Otezla.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in the current revenue standard. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

At contract inception, the Business assesses the goods promised in the Product Line’s contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good that is distinct. When identifying the Business’ performance obligations, the Business considers all goods promised in the contract regardless of whether explicitly stated in the customer contract or implied by customary business practices. Generally, the Business’ contracts with customers require it to transfer an individual distinct product, which would represent a single performance obligation. In limited situations, the Business’ contracts with customers will require the Company to transfer two or more distinct products, which would represent multiple performance obligations for each distinct product. For contracts with multiple performance obligations, the Business allocates the contract’s transaction price to each performance obligation on a relative standalone selling price basis. In determining the Business’ standalone selling prices for Otezla, the Business utilizes observable prices for goods sold separately in similar circumstances and to customers in the same geographical region or market. The Business’ performance obligations with respect to product sales are satisfied at a point in time, which transfer control upon delivery of product to customers. The Business considers control to have transferred upon delivery because the customer has legal title to the asset, the Business has transferred physical possession of the asset, the customer has significant risks and rewards of ownership of the asset, and in most instances the Business has a present right to payment at that time. The aggregate dollar value of unfulfilled orders as of December 31, 2018 was not material.

Distribution

Distribution programs may vary by country, but Otezla is distributed through a traditional pharmaceutical industry supply chain, which means that it is not subject to certain local authorities’ mandatory risk-management distribution programs.

Significant Payment Terms

The contracts with the Business’ customers state the terms of the sale including the description, quantity, and price for each product purchased as well as the payment and shipping terms. The contractual payment terms vary by jurisdiction. In the United States, the contractual payment terms are typically no more than 30 days. Sales made outside the United States typically have payment terms that are greater than 60 days, thereby extending collection periods beyond those in the United States. The period between when the Company transfers control of the promised goods to a customer and when it receives payment from such customer is expected to be one year or less. Any exceptions to this are either not material or the Company collects interest from the customer for the time period between the invoice due date and the payment date. As such, the Company does not adjust the invoice amount for the effects of a significant financing component as the impact is not material to these Special Purpose Financial Statements.

Gross-to-Net Sales Adjustments

The Business records gross-to-net sales accruals for government rebates, chargebacks, distributor service fees, other rebates and administrative fees, sales returns and allowances and sales discounts. Provisions for discounts, early payments, rebates, sales returns, distributor service fees and chargebacks under terms customary in the industry are provided for in the same period the related sales are recorded. The Business records estimated reductions to revenue for volume-based discounts and rebates at the time of the initial sale based upon the sales terms, historical experience and trend analysis. The Business estimates these accruals using an expected value approach based primarily upon historical rebate and discount payments made and the provisions included in current customer contracts and government regulations.

Government Rebates, including Medicaid and Medicare Rebates

Government rebate accruals are based on estimated payments due to governmental agencies for purchases made by third parties under various governmental programs. In the U.S., the Business participates in state government Medicaid programs and other Federal and state government programs, which require rebates to participating government entities. U.S. Medicaid rebate accruals are generally based on historical payment data and estimates of future Medicaid beneficiary utilization applied to the Medicaid unit rebate formula established by the Center for Medicaid and Medicare Services. The accrual of the rebates associated with Medicaid Managed Care Organizations is calculated based on estimated historical patient data related to Medicaid Managed Care Organizations. The Business also analyzes actual billings received from the states to further support the accrual rates. Manufacturers of pharmaceutical products are responsible for 50% of the patient's cost of branded prescription drugs related to the Medicare Part D Coverage Gap (70% beginning in 2019). In order to estimate the cost to the Company of this coverage gap responsibility, the Business analyzes data for eligible Medicare Part D patients against data for eligible Medicare Part D patients treated with Otezla, as well as the historical invoices. This expense is recognized throughout the year as costs are incurred. In certain international markets, government-sponsored programs require rebates to be paid based on program specific rules and, accordingly, the rebate accruals are determined primarily on estimated eligible sales.

Chargebacks, Distributor Service Fees, Other Rebates and Administrative Fees

Chargeback accruals are based on the difference between product acquisition prices paid by wholesalers and lower government contract pricing paid by eligible customers covered under federally qualified programs. Distributor service fee accruals are based on contractual fees to be paid to the wholesale distributor for services provided. TRICARE is a health care program of the U.S. Department of Defense Military Health System that provides civilian health benefits for military personnel, military retirees and their dependents. TRICARE rebate accruals are included in chargeback accruals and are based on estimated Department of Defense eligible sales multiplied by the TRICARE rebate formula.

Rebates or administrative fees are offered to certain wholesale customers, group purchasing organizations and end-user customers, consistent with pharmaceutical industry practices. Settlement of rebates and administrative fees may generally occur from one to 15 months from the date of sale. The Business records a provision for rebates at the time of sale based on contracted rates and historical redemption rates. Assumptions used to establish the provision include level of wholesaler inventories, contract sales volumes and average contract pricing. The Business regularly reviews the information related to these estimates and adjust the provision accordingly.

Returns, Refunds and Warranties

The Business determines the sales returns allowance based on estimated on-hand retail/hospital inventories, measured end-customer demand as reported by third-party sources, actual returns history and other factors, such as the trend experience for lots where product is still being returned or inventory centralization and rationalization initiatives conducted by major pharmacy chains, as applicable. If the historical data the Business uses to calculate these estimates does not properly reflect future returns, then a change in the allowance would be made in the period in which such a determination is made and revenues in that period could be materially affected. Under this methodology, the Business tracks actual returns by individual production lots. Returns on closed lots, that is, lots no longer eligible for return credits, are analyzed to determine historical returns experience. Returns on open lots, that is, lots still eligible for return credits, are monitored and compared with historical return trend rates. Any changes from the historical trend rates are considered in determining the current sales return allowance. The Business does not provide warranties on products to customers unless the product is determined to be defective as manufactured or damaged in transit within a reasonable period of time after receipt of the product by the customer.

Sales Discounts

Sales discounts are based on payment terms extended to customers, which are generally offered as an incentive for prompt payment. The Business records its best estimate of sales discounts to which customers are likely to be entitled based on both historical information and current trends.

The reconciliation of gross product sales to net product sales by each significant category of gross-to-net adjustments was as follows:

	Year Ended December 31, 2018
Gross Product Sales	$ 2,629,436
Gross-to-Net Adjustments:	
Government Rebates	(162,720)
Chargebacks and Distributor Services Fees	(769,264)
Sales Discounts	(46,101)
Sales Returns and Allowances	(39,581)
Total Gross-to-Net Adjustments	(1,017,666)
Net Product Sales	$ 1,611,770

3. Inventory

Inventories as of December 31, 2018 are summarized by major category as follows:

	December 31, 2018
Raw materials	$ 48,838
Work in process	8,064
Finished goods	13,518
Total inventory	$ 70,420

Substantially all of the Inventory balance was comprised of the Business' single product, Otezla, as of December 31, 2018**.**

4. Share-Based Compensation

The Company has stockholder-approved stock incentive plans. The Celgene sponsored Plans provide for the granting of options, restricted stock units (RSUs), performance stock units (PSUs) and other share-based and performance based awards to employees, officers and non-employee directors. The Management Compensation and Development Committee of the Board of Directors (Compensation Committee) may determine the type, amount and terms, including vesting, of any awards made under the Plans.

The Business' product-related share-based compensation expense included in the Financial Statements represents the actual share-based compensation granted to employees involved in the Business on a weighted basis reflecting the proportion of each employee's time dedicated to Otezla. The share-based compensation expenses were as follows:

	Year Ended December 31, 2018
Cost of goods sold	$ 2,841
Research and development	22,058
Selling	42,511
General and administrative	2,233
Total share-based compensation expense	$ 69,643

5. Commitments and Contingencies

Legal Proceedings:

The Company has, from time to time, received inquiries and subpoenas and other types of information requests from government authorities and others and has been subject to claims and other actions related to its business activities, including the Business. While the ultimate outcome of investigations, inquiries, information requests and legal proceedings is difficult to predict, adverse resolutions or settlements of those matters may result in, among other things, modification of business practices, product recalls, costs and significant payments, which may have a material adverse effect on the results of operations, cash flows or financial condition.

Pending patent proceedings include challenges to the scope, validity and/or enforceability of the patents relating to the Product Line, uses of Otezla or manufacturing processes. Further, as Otezla matures or nears the end of its regulatory exclusivity periods, it is more likely that there will be challenges to its patents, and in some jurisdictions the Company has received such challenges. The Company is also subject, from time to time, to claims of third parties that it infringes their patents covering products or manufacturing processes. Although the Company believes it has substantial defenses to these challenges and claims, there can be no assurance as to the outcome of these matters and an adverse decision in these proceedings could result in one or more of the following: (i) a loss of patent protection, which could lead to a significant reduction of sales that could materially affect future results of operations, cash flows or financial condition; (ii) an inability to continue to engage in certain activities; and (iii) significant liabilities, including payment of damages, royalties and/or license fees to any such third party.

The Company records accruals for loss contingencies to the extent that it concludes it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated.

Among the principal matters pending are the following patent-related matters:

The Company received Notice Letters from each of the following company groups (individual or joint) between May 14, 2018 and June 1, 2018: Alkem Laboratories Ltd. (Alkem); Amneal Pharmaceuticals LLC (Amneal); Annora Pharma Private Ltd. (Annora) and Hetero USA Inc. (Hetero); Aurobindo Pharma Ltd. and Aurobindo Pharma U.S.A. Inc. (Aurobindo); Cipla Ltd. (Cipla); DRL; Emcure Pharmaceuticals Ltd. (Emcure) and Heritage Pharmaceuticals Inc. (Heritage); Glenmark Pharmaceuticals Ltd. (Glenmark); Macleods Pharmaceuticals Ltd. (Macleods); Mankind Pharma Ltd. (Mankind); MSN Laboratories Private Ltd. (MSN); Pharmascience Inc. (Pharmascience); Prinston Pharmaceutical Inc. (Prinston); Sandoz Inc. (Sandoz); Shilpa Medicare Ltd. (Shilpa); Teva Pharmaceuticals USA, Inc. (Teva) and Actavis LLC (Actavis); Torrent Pharmaceuticals Ltd. (Torrent); Unichem Laboratories, Ltd. (Unichem); and Zydus Pharmaceuticals (USA) Inc. (Zydus) notifying us of their ANDAs, which contain Paragraph IV certifications against one or more of the following patents: U.S. Patent Nos. 6,962,940; 7,208,516; 7,427,638; 7,659,302; 7,893,101; 8,455,536; 8,802,717; 9,018,243 and 9,872,854, which are listed in the Orange Book for OTEZLA®. Each of the companies is seeking to market a generic version of OTEZLA®. In response to the Notice Letters, the Company timely filed infringement actions in the U.S. District Court for the District of New Jersey. As a result of the filing of the actions, the FDA cannot grant final approval of any of these companies' ANDAs until at least the earlier of (i) a final decision that each of the asserted patents is invalid, unenforceable, and/or not infringed, and (ii) September 21, 2021.

Between August 8, 2018 and August 30, 2018, the Company filed amended complaints against Alkem, Amneal, Aurobindo, Cipla, DRL, Glenmark, Pharmascience, Sandoz, Teva and Actavis, Unichem, and Zydus additionally asserting U.S. Patent No. 9,724,330, which was recently listed in the Orange Book for OTEZLA®.

Between October 15, 2018 and November 27, 2018, the Company filed amended complaints against Alkem, Amneal, Annora and Hetero, Aurobindo, Cipla, DRL, Emcure and Heritage, Glenmark, Macleods, Mankind, MSN, Pharmascience, Prinston, Sandoz, Teva and Actavis, Torrent, Unichem, and Zydus additionally asserting U.S. Patent No. 10,092,541, which was recently listed in the Orange Book for OTEZLA®.

Between March 1, 2019 and April 4, 2019, the Company filed amended complaints against Annora and Hetero, MSN, Emcure and Heritage, in response to Notice Letters containing additional Paragraph IV certifications against one or more of the above-listed patents, which are listed in the Orange Book for OTEZLA®.

Each defendant has filed an Answer to the above-listed complaints and amended complaints disputing infringement and/or validity of the patents asserted against it. Along with their Answers, each of Alkem, Annora and Hetero, Cipla, DRL, Emcure and Heritage, Glenmark, Macleods, Mankind, Pharmascience, Sandoz, Shilpa, Teva and Actavis, Torrent and Unichem filed declaratory judgment counterclaims asserting that some or all of the patents are not infringed and/or are invalid.

The Company received an additional Notice Letter from Mankind dated September 6, 2019 notifying it of additional Paragraph IV certifications against U.S. Patent Nos. 6,962,940; 7,659,302; 8,455,536; 9,018,243 and 9,724,330 that are listed in the Orange Book for OTEZLA®. In response to that Notice Letter, the Company timely filed an amended complaint against Mankind in the U.S. District Court for the District of New Jersey on October 1, 2019. As a result of the filing of the amended complaint, the FDA cannot grant final approval of Mankind's ANDA until at least the earlier of (i) a final decision that each of U.S. Patent Nos. 6,962,940; 7,659,302; 8,455,536; 9,018,243 and 9,724,330 is invalid, unenforceable, and/or not infringed, and (ii) March 9, 2022. Mankind has not yet responded to this amended complaint.

The court has consolidated all the above-listed OTEZLA® litigations for discovery and case management purposes, and entered a schedule for fact discovery. The court has not yet entered a schedule for expert discovery and trial in any of the above-listed OTEZLA® litigations. In August 2019, the Company entered into a confidential settlement agreement with Glenmark.

On October 8, 2019, we filed another infringement action against Zydus in the U.S. District Court for the District of New Jersey. The patents-in-suit are U.S. Patent Nos. 8,093,283 and 8,629,173, which are patents that are not listed in the Orange Book. Zydus has not yet responded to this complaint. The court has yet to enter a schedule for fact discovery, expert discovery or trial.

Leases:

The Business leases automobiles in certain markets. As of December 31, 2018, the non-cancelable lease terms for the operating leases expire at various dates between 2019 and 2022.

Future minimum lease payments for non-cancelable operating leases as of December 31, 2018 are:

	Operating Leases
2019	$ 1,945
2020	1,433
2021	829
2022	14
Thereafter	—
Total minimum lease payments	$ 4,221

Total rental expense for automobiles under operating leases was $4,058 in 2018.

6. Employee Benefit Plans

The Business sponsors defined benefit plans in certain foreign locations. Participation in these plans is subject to the local laws that are in effect for each country and may include statutorily imposed minimum contributions. Total net periodic pension costs attributable to Otezla for these defined benefit plans was $5,310 for the year ended December 31, 2018 based upon an allocation of employees dedicated to Otezla to the total number of Celgene employees for each individual plan. These plans were in a net unfunded position, and as such, $2,877 of the total Celgene liability accrued was attributed to Otezla employees as of December 31, 2018.

7. Concentrations

The Business generates substantially all revenues from sales of a single product, Otezla. The Business' three largest customers are wholesale pharmaceutical distributors and accounted for 98% of net product sales during the year ended December 31, 2018. 79% of net product sales was generated from within the United States during the year ended December 31, 2018.

8. Subsequent Events

Subsequent events have been evaluated through November 20, 2019, the date the Special Purpose Financial Statements were available for issuance. There are no subsequent events which have not been disclosed in these Special Purpose Financial Statements.

Exhibit 99.2

OTEZLA® Product Line of Celgene Corporation and Subsidiaries

Special Purpose Statements of Assets Acquired and Liabilities Assumed as of September 30, 2019 and December 31, 2018 and Special Purpose Statements of Revenues and Direct Expenses for
the Nine-Month Periods Ended September 30, 2019 and 2018

OTEZLA® PRODUCT LINE OF CELGENE CORPORATION AND SUBSIDIARIES
Special Purpose Statements of Assets Acquired and Liabilities Assumed
(Unaudited)
(Dollars in thousands)

	September 30, 2019	December 31, 2018
Assets acquired		
Current assets:		
Inventory	$ 65,346	$ 70,420
Total current assets	65,346	70,420
Other non-current assets	3,766	—
Total assets acquired	$ 69,112	$ 70,420
Liabilities assumed		
Current liabilities:		
Accrued expenses and other current liabilities	$ 20,946	$ 18,465
Total current liabilities	20,946	18,465
Other non-current liabilities	6,425	2,877
Total liabilities assumed	$ 27,371	$ 21,342
Commitments and Contingencies (Note 5)		

See accompanying Notes to Special Purpose Financial Statements

OTEZLA® PRODUCT LINE OF CELGENE CORPORATION AND SUBSIDIARIES
Special Purpose Statements of Revenues and Direct Expenses
(Unaudited)
(Dollars in thousands)

	Nine-Month Periods Ended September 30,	
	2019	2018
Revenues:		
Net product sales	$ 1,433,987	$ 1,159,805
Total revenues	1,433,987	1,159,805
Direct expenses:		
Cost of goods sold	42,785	36,204
Research and development	143,873	154,442
Selling	457,676	454,637
General and administrative	16,628	12,965
Total direct expenses	660,962	658,248
Revenues less direct expenses	$ 773,025	$ 501,557

See accompanying Notes to Special Purpose Financial Statements

OTEZLA® PRODUCT LINE OF CELGENE CORPORATION AND SUBSIDIARIES
Notes to Special Purpose Financial Statements
(Amounts in thousands, unless otherwise indicated)

1. Nature of Business, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Business

Celgene Corporation, together with its subsidiaries (collectively the "Company" or "Celgene"), is an integrated global biopharmaceutical company engaged primarily in the discovery, development and commercialization of innovative therapies for the treatment of cancer and inflammatory diseases through next-generation solutions in protein homeostasis, immuno-oncology, epigenetics, immunology and neuro-inflammation.

OTEZLA® (the "Product Line", the "Business", or "Otezla"), is an internally developed product line of the Company. Otezla is a prescription medicine approved for: the treatment of patients with active psoriatic arthritis, moderate to severe plaque psoriasis for whom phototherapy or systemic therapy is appropriate, and oral ulcers associated with Behçet's Disease. Otezla was approved by the U.S. Food and Drug Administration ("FDA") in March 2014 for the treatment of adult patients with active psoriatic arthritis and in September 2014 for the treatment of patients with moderate to severe plaque psoriasis who are candidates for phototherapy or systemic therapy. In January 2015, Otezla was approved by the European Commission ("EC") for the treatment of both psoriasis and psoriatic arthritis in certain adult patients. In July 2019, Otezla was approved by the FDA for the treatment of adult patients with Behçet's Disease.

The Company and Bristol-Myers Squibb Company are party to a Plan of Merger, dated as of January 2, 2019 pursuant to which, a wholly-owned subsidiary of Bristol-Myers Squibb Company will merge with and into the Company, with the Company as the surviving company in the merger. On August 25, 2019, Amgen, Inc. (the "Buyer"), the Company and Bristol-Myers Squibb Company entered into an Asset Purchase Agreement (the "APA") whereby the Buyer agreed to purchase the Company's certain existing assets and rights related to the development, manufacture, import, export, commercialization, distribution, marketing, use, storage, transport, promotion, disposition or sales of Otezla. On November 20, 2019, Bristol-Myers Squibb Company completed the merger with Celgene.

Basis of Presentation

The accompanying Special Purpose Financial Statements (the "Financial Statements") are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), and have been prepared for inclusion in the 8-K filing of the Buyer as required by Rule 3-05, Significant Acquisition Carveout Financial Statement Reporting Requirements, of the US Securities and Exchange Commission's ("SEC") Regulation S-X. It is impracticable to prepare complete financial statements related to the Business as it was not a separate legal entity of the Company and was never operated as a stand-alone business, division or subsidiary. The Company received a waiver from the SEC to present a Statement of Revenues and Direct Expenses and a Statement of Assets Acquired and Liabilities Assumed for the purpose of complying with Rule 3-05. These Financial Statements are not intended to be a complete presentation of financial position, results of operations, or cash flows of the Business in conformity with GAAP.

The Financial Statements have been derived from the accounting records of the Company using historical results of operations and financial position and only present assets acquired, liabilities assumed and the associated revenues and direct expenses, including certain allocated expenses, of the Business. The assets acquired and liabilities assumed include items specifically identified in the APA. The Financial Statements are not necessarily indicative of the results of operations that would have occurred or may occur in the future if the Business had been an independent company.

Allocations

These Financial Statements include revenues generated by the Product Line, less expenses directly attributable to the Product Line, and certain allocations of direct expenses incurred by Celgene relating to the Product Line. Direct expenses attributable to the Product Line include employee related costs and third-party vendor costs.

Shared Cost of goods sold expenses, Selling expenses, General and administrative expenses and Research and development expenses were attributed to the Business utilizing specific allocation drivers. Where appropriate, these expenses were allocated based on a percentage of sales, percentage of expenses, percentage of allocated headcount or other drivers. These allocations are based on reasonable and rational methods that management believes reflect the costs incurred by the Business. Allocations of the Company's corporate overhead not directly related to the operations of the Business, as well as allocations of investment income, interest expense, other income/expense and income tax expense have been excluded from these Special Purpose Financial Statements.

The assets and liabilities related to the Product Line that are excluded from these Special Purpose Financial Statements given these items are not conveyed in the APA include: cash, accounts receivable, property plant and equipment; income tax payable and deferred income taxes and disclosures related to these accounts.

Use of Management's Estimates

The preparation of the Financial Statements requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Significant Accounting Policies

Consolidation and foreign currency translation: Non-U.S. operations of the Business are translated into U.S. dollar for financial reporting purposes. Assets and liabilities are translated at year-end exchange rates, while revenues and expenses are translated at applicable average rates in effect for the respective periods. All intercompany transactions within the Business have been eliminated.

Inventory: Inventories are recorded at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. The Business periodically reviews the composition of inventory in order to identify excess, obsolete, slow-moving or otherwise non-saleable items. If non-saleable items are observed and there are no alternate uses for the inventory, the Business will record a write-down to net realizable value in the period that the decline in value is first recognized. Included in inventory are raw materials used in the production of Otezla for clinical use, which is charged to research and development expense when consumed.

Advertising Costs: Advertising costs are expensed when incurred and are recorded in Selling expenses in the Special Purpose Statements of Revenues and Direct Expenses. Advertising costs consist of direct-to-consumer advertising and were $153,598 and $155,239 for the nine-month periods ended September 30, 2019 and September 30, 2018, respectively.

Research and Development Costs: Research and development costs are expensed as incurred. These include all internal and external costs related to services contracted by the Company.

Revenue Recognition: Revenue from product sales is recognized in a manner that depicts the transfer of those promised goods to customers in an amount that reflects the consideration to which the Business expects to be entitled in exchange for these products. To achieve this core principle, the Business follows a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing revenue when the Business satisfies a performance obligation.

The Business records gross-to-net sales accruals for government rebates, chargebacks, distributor services fees, other rebates and administrative fees, sales returns and allowances and sales discounts. See Note 2 for further detail on gross-to-net sales accruals and revenue recognition disclosures.

Share-Based Compensation: The Business utilizes share-based compensation in the form of stock options, restricted stock units ("RSUs"), and performance-based restricted stock units ("PSUs"). Compensation expense is recognized in the Statement of Revenues and Direct Expenses based on the estimated fair value of the awards at grant date. Compensation expense recognized reflects an estimate of the number of awards expected to vest after taking into consideration an estimate of award forfeitures based on actual experience and is recognized on a straight-line basis over the requisite service period, which is generally the vesting period required to obtain full vesting. Management expectations related to the achievement of performance goals associated with PSU grants is assessed regularly and that assessment is used to determine whether PSU grants are expected to vest. If performance-based milestones related to PSU grants are not met or not expected to be met, any compensation expense recognized to date associated with grants that are not expected to vest will be reversed.

New accounting standards which have been adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, "Leases" (ASU 2016-02) and has subsequently issued a number of amendments to ASU 2016-02, including Accounting Standards Update No. 2018-11 "Leases: Targeted Improvements" (ASU 2018-11 and, when taken together with ASU 2016-02, the "New

Lease Accounting Standard"), which offers a transition option to entities adopting the New Lease Accounting Standard. Under the transition option, entities can elect to apply the new guidance using a modified retrospective approach at the beginning of the year in which New Lease Accounting Standard is adopted, rather than to the earliest comparative period presented in their financial statements. The New Lease Accounting Standard was effective for the Company as of January 1, 2019. The New Lease Accounting Standard provides accounting guidance for both lessee and lessor accounting models. Among other things, lessees will recognize on their balance sheet a Right of use (ROU) asset and a lease liability, based on the characterization of the lease as either an operating or finance lease. For income statement purposes, operating leases will result in the recognition of straight-line rent expense, while finance leases will result in a front-loaded expense pattern made up of both interest expense and amortization of the ROU asset.

The Company elected to adopt the New Lease Accounting Standard using the modified retrospective method and, therefore, have not recast comparative periods presented in the Company's unaudited consolidated financial statements. The Company elected the package of transition practical expedients for the Company's existing leases and therefore the Company has not reassessed the following: lease classification for existing leases, whether any existing contracts contained leases and if any initial direct costs were incurred. As permitted under the New Lease Accounting Standard, the Company elected the accounting policy elections to not recognize ROU assets and related lease liabilities for leases with terms of twelve months or less and to not separate lease and non-lease components, and instead account for the non-lease components together with the lease components as a single lease component.

In accordance with the New Lease Accounting Standard, the Special Purpose Statement of Assets Acquired and Liabilities Assumed include ROU assets acquired and operating lease liabilities assumed as of September 30, 2019 of $3,766 and $3,715, respectively. However, the New Lease Accounting Standard did not have any significant impact on the Company's Special Purpose Statements of Revenues and Direct Expenses for any period.

2. Revenue

The Business accounts for revenue using a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and recognizing revenue when, or as, an entity satisfies a performance obligation. The Product Line's revenue is derived from product sales of the primary commercial stage product, Otezla.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in the current revenue standard. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when the performance obligation is satisfied.

At contract inception, the Business assesses the goods promised in the Product Line's contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good that is distinct. When identifying the Business' performance obligations, the Business considers all goods promised in the contract regardless of whether explicitly stated in the customer contract or implied by customary business practices. Generally, the Business' contracts with customers require it to transfer an individual distinct product, which would represent a single performance obligation. In limited situations, the Business' contracts with customers will require the Company to transfer two or more distinct products, which would represent multiple performance obligations for each distinct product. For contracts with multiple performance obligations, the Business allocates the contract's transaction price to each performance obligation on a relative standalone selling price basis. In determining the Business' standalone selling prices for Otezla, the Business utilizes observable prices for goods sold separately in similar circumstances and to customers in the same geographical region or market. The Business' performance obligations with respect to product sales are satisfied at a point in time, which transfer control upon delivery of product to customers. The Business considers control to have transferred upon delivery because the customer has legal title to the asset, the Business has transferred physical possession of the asset, the customer has significant risks and rewards of ownership of the asset, and in most instances the Business has a present right to payment at that time. The aggregate dollar value of unfulfilled orders as of September 30, 2019 and December 31, 2018 was not material.

Distribution

Distribution programs may vary by country, but Otezla is distributed through a traditional pharmaceutical industry supply chain, which means that it is not subject to certain local authorities' mandatory risk-management distribution programs.

Significant Payment Terms

The contracts with the Business' customers state the terms of the sale including the description, quantity, and price for each product purchased as well as the payment and shipping terms. The contractual payment terms vary by jurisdiction. In the United States, the contractual payment terms are typically no more than 30 days. Sales made outside the United States typically have payment terms that are greater than 60 days, thereby extending collection periods beyond those in the United States. The period between when the Company transfers control of the promised goods to a customer and when it receives payment from such customer is expected to be one year or less. Any exceptions to this are either not material or the Company collects interest from the customer for the time period between the invoice due date and the payment date. As such, the Company does not adjust the invoice amount for the effects of a significant financing component as the impact is not material to these Special Purpose Financial Statements.

Gross-to-Net Sales Adjustments

The Business records gross-to-net sales accruals for government rebates, chargebacks, distributor service fees, other rebates and administrative fees, sales returns and allowances and sales discounts. Provisions for discounts, early payments, rebates, sales returns, distributor service fees and chargebacks under terms customary in the industry are provided for in the same period the related sales are recorded. The Business records estimated reductions to revenue for volume-based discounts and rebates at the time of the initial sale based upon the sales terms, historical experience and trend analysis. The Business estimates these accruals using an expected value approach based primarily upon historical rebate and discount payments made and the provisions included in current customer contracts and government regulations.

Government Rebates, including Medicaid and Medicare Rebates

Government rebate accruals are based on estimated payments due to governmental agencies for purchases made by third parties under various governmental programs. In the U.S., the Business participates in state government Medicaid programs and other Federal and state government programs, which require rebates to participating government entities. U.S. Medicaid rebate accruals are generally based on historical payment data and estimates of future Medicaid beneficiary utilization applied to the Medicaid unit rebate formula established by the Center for Medicaid and Medicare Services. The accrual of the rebates associated with Medicaid Managed Care Organizations is calculated based on estimated historical patient data related to Medicaid Managed Care Organizations. The Business also analyzes actual billings received from the states to further support the accrual rates. Manufacturers of pharmaceutical products are responsible for 50% of the patient's cost of branded prescription drugs related to the Medicare Part D Coverage Gap (70% beginning in 2019). In order to estimate the cost to the Company of this coverage gap responsibility, the Business analyzes data for eligible Medicare Part D patients against data for eligible Medicare Part D patients treated with Otezla, as well as the historical invoices. This expense is recognized throughout the year as costs are incurred. In certain international markets, government-sponsored programs require rebates to be paid based on program specific rules and, accordingly, the rebate accruals are determined primarily on estimated eligible sales.

Chargebacks, Distributor Service Fees, Other Rebates and Administrative Fees

Chargeback accruals are based on the difference between product acquisition prices paid by wholesalers and lower government contract pricing paid by eligible customers covered under federally qualified programs. Distributor service fee accruals are based on contractual fees to be paid to the wholesale distributor for services provided. TRICARE is a health care program of the U.S. Department of Defense Military Health System that provides civilian health benefits for military personnel, military retirees and their dependents. TRICARE rebate accruals are included in chargeback accruals and are based on estimated Department of Defense eligible sales multiplied by the TRICARE rebate formula.

Rebates or administrative fees are offered to certain wholesale customers, group purchasing organizations and end-user customers, consistent with pharmaceutical industry practices. Settlement of rebates and administrative fees may generally occur from one to 15 months from the date of sale. The Business records a provision for rebates at the time of sale based on contracted rates and historical redemption rates. Assumptions used to establish the provision include level of wholesaler inventories, contract sales volumes and average contract pricing. The Business regularly reviews the information related to these estimates and adjust the provision accordingly.

Returns, Refunds and Warranties

The Business determines the sales returns allowance based on estimated on-hand retail/hospital inventories, measured end-customer demand as reported by third-party sources, actual returns history and other factors, such as the trend experience for lots where product is still being returned or inventory centralization and rationalization initiatives conducted by major pharmacy chains, as applicable. If the historical data the Business uses to calculate these estimates does not properly reflect future returns, then a change in the allowance would be made in the period in which such a determination is made and revenues in that period

could be materially affected. Under this methodology, the Business tracks actual returns by individual production lots. Returns on closed lots, that is, lots no longer eligible for return credits, are analyzed to determine historical returns experience. Returns on open lots, that is, lots still eligible for return credits, are monitored and compared with historical return trend rates. Any changes from the historical trend rates are considered in determining the current sales return allowance. The Business does not provide warranties on products to customers unless the product is determined to be defective as manufactured or damaged in transit within a reasonable period of time after receipt of the product by the customer.

Sales Discounts

Sales discounts are based on payment terms extended to customers, which are generally offered as an incentive for prompt payment. The Business records its best estimate of sales discounts to which customers are likely to be entitled based on both historical information and current trends.

The reconciliation of gross product sales to net product sales by each significant category of gross-to-net adjustments was as follows:

	Nine-Month Periods Ended September 30,	
	2019	2018
Gross Product Sales	$ 2,419,662	$ 1,881,221
Gross-to-Net Adjustments:		
Government Rebates	(159,286)	(118,855)
Chargebacks and Distributor Services Fees	(783,127)	(564,052)
Sales Discounts	(42,609)	(32,934)
Sales Returns and Allowances	(653)	(5,575)
Total Gross-to-Net Adjustments	(985,675)	(721,416)
Net Product Sales	$ 1,433,987	$ 1,159,805

3. Inventory

Inventories as of September 30, 2019 and December 31, 2018 are summarized by major category as follows:

	September 30, 2019	December 31, 2018
Raw materials	$ 41,070	$ 48,838
Work in process	7,240	8,064
Finished goods	17,036	13,518
Total inventory	$ 65,346	$ 70,420

Substantially all of the Inventory balances were comprised of the Business' single product, Otezla, as of September 30, 2019 and December 31, 2018, respectively.

4. Share-Based Compensation

The Company has stockholder-approved stock incentive plans. The Celgene sponsored Plans provide for the granting of options, restricted stock units (RSUs), performance stock units (PSUs) and other share-based and performance based awards to employees, officers and non-employee directors. The Management Compensation and Development Committee of the Board of Directors (Compensation Committee) may determine the type, amount and terms, including vesting, of any awards made under the Plans.

The Business' product-related share-based compensation expense included in the Financial Statements represents the actual share-based compensation granted to employees involved in the Business on a weighted basis reflecting the proportion of each employee's time dedicated to Otezla. The share-based compensation expenses were as follows:

	Nine-Month Periods Ended September 30,	
	2019	2018
Cost of goods sold	$ 2,469	$ 2,084
Research and development	18,132	16,451
Selling	37,842	31,586
General and administrative	1,666	1,647
Total share-based compensation expense	$ 60,109	$ 51,768

5. Commitments and Contingencies

Legal Proceedings:

The Company has, from time to time, received inquiries and subpoenas and other types of information requests from government authorities and others and has been subject to claims and other actions related to its business activities, including the Business. While the ultimate outcome of investigations, inquiries, information requests and legal proceedings is difficult to predict, adverse resolutions or settlements of those matters may result in, among other things, modification of business practices, product recalls, costs and significant payments, which may have a material adverse effect on the results of operations, cash flows or financial condition.

Pending patent proceedings include challenges to the scope, validity and/or enforceability of the patents relating to the Product Line, uses of Otezla or manufacturing processes. Further, as Otezla matures or nears the end of its regulatory exclusivity periods, it is more likely that there will be challenges to its patents, and in some jurisdictions the Company has received such challenges. The Company is also subject, from time to time, to claims of third parties that it infringes their patents covering products or manufacturing processes. Although the Company believes it has substantial defenses to these challenges and claims, there can be no assurance as to the outcome of these matters and an adverse decision in these proceedings could result in one or more of the following: (i) a loss of patent protection, which could lead to a significant reduction of sales that could materially affect future results of operations, cash flows or financial condition; (ii) an inability to continue to engage in certain activities; and (iii) significant liabilities, including payment of damages, royalties and/or license fees to any such third party.

The Company records accruals for loss contingencies to the extent that it concludes it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated.

Among the principal matters pending are the following patent-related matters:

The Company received Notice Letters from each of the following company groups (individual or joint) between May 14, 2018 and June 1, 2018: Alkem Laboratories Ltd. (Alkem); Amneal Pharmaceuticals LLC (Amneal); Annora Pharma Private Ltd. (Annora) and Hetero USA Inc. (Hetero); Aurobindo Pharma Ltd. and Aurobindo Pharma U.S.A. Inc. (Aurobindo); Cipla Ltd. (Cipla); DRL; Emcure Pharmaceuticals Ltd. (Emcure) and Heritage Pharmaceuticals Inc. (Heritage); Glenmark Pharmaceuticals Ltd. (Glenmark); Macleods Pharmaceuticals Ltd. (Macleods); Mankind Pharma Ltd. (Mankind); MSN Laboratories Private Ltd. (MSN); Pharmascience Inc. (Pharmascience); Prinston Pharmaceutical Inc. (Prinston); Sandoz Inc. (Sandoz); Shilpa Medicare Ltd. (Shilpa); Teva Pharmaceuticals USA, Inc. (Teva) and Actavis LLC (Actavis); Torrent Pharmaceuticals Ltd. (Torrent); Unichem Laboratories, Ltd. (Unichem); and Zydus Pharmaceuticals (USA) Inc. (Zydus) notifying us of their ANDAs, which contain Paragraph IV certifications against one or more of the following patents: U.S. Patent Nos. 6,962,940; 7,208,516; 7,427,638; 7,659,302; 7,893,101; 8,455,536; 8,802,717; 9,018,243 and 9,872,854, which are listed in the Orange Book for OTEZLA® . Each of the companies is seeking to market a generic version of OTEZLA®. In response to the Notice Letters, the Company timely filed infringement actions in the U.S. District Court for the District of New Jersey. As a result of the filing of the actions, the FDA cannot grant final approval of any of these companies' ANDAs until at least the earlier of (i) a final decision that each of the asserted patents is invalid, unenforceable, and/or not infringed, and (ii) September 21, 2021.

Between August 8, 2018 and August 30, 2018, the Company filed amended complaints against Alkem, Amneal, Aurobindo, Cipla, DRL, Glenmark, Pharmascience, Sandoz, Teva and Actavis, Unichem, and Zydus additionally asserting U.S. Patent No. 9,724,330, which was recently listed in the Orange Book for OTEZLA®.

Between October 15, 2018 and November 27, 2018, the Company filed amended complaints against Alkem, Amneal, Annora and Hetero, Aurobindo, Cipla, DRL, Emcure and Heritage, Glenmark, Macleods, Mankind, MSN, Pharmascience, Prinston, Sandoz, Teva and Actavis, Torrent, Unichem, and Zydus additionally asserting U.S. Patent No. 10,092,541, which was recently listed in the Orange Book for OTEZLA®.

Between March 1, 2019 and April 4, 2019, the Company filed amended complaints against Annora and Hetero, MSN, Emcure and Heritage, in response to Notice Letters containing additional Paragraph IV certifications against one or more of the above-listed patents, which are listed in the Orange Book for OTEZLA®.

Each defendant has filed an Answer to the above-listed complaints and amended complaints disputing infringement and/or validity of the patents asserted against it. Along with their Answers, each of Alkem, Annora and Hetero, Cipla, DRL, Emcure and Heritage, Glenmark, Macleods, Mankind, Pharmascience, Sandoz, Shilpa, Teva and Actavis, Torrent and Unichem filed declaratory judgment counterclaims asserting that some or all of the patents are not infringed and/or are invalid.

The Company received an additional Notice Letter from Mankind dated September 6, 2019 notifying it of additional Paragraph IV certifications against U.S. Patent Nos. 6,962,940; 7,659,302; 8,455,536; 9,018,243 and 9,724,330 that are listed in the Orange Book for OTEZLA®. In response to that Notice Letter, the Company timely filed an amended complaint against Mankind in the U.S. District Court for the District of New Jersey on October 1, 2019. As a result of the filing of the amended complaint, the FDA cannot grant final approval of Mankind's ANDA until at least the earlier of (i) a final decision that each of U.S. Patent Nos. 6,962,940; 7,659,302; 8,455,536; 9,018,243 and 9,724,330 is invalid, unenforceable, and/or not infringed, and (ii) March 9, 2022. Mankind has not yet responded to this amended complaint.

The court has consolidated all the above-listed OTEZLA® litigations for discovery and case management purposes, and entered a schedule for fact discovery. The court has not yet entered a schedule for expert discovery and trial in any of the above-listed OTEZLA® litigations. In August 2019, the Company entered into a confidential settlement agreement with Glenmark.

On October 8, 2019, we filed another infringement action against Zydus in the U.S. District Court for the District of New Jersey. The patents-in-suit are U.S. Patent Nos. 8,093,283 and 8,629,173, which are patents that are not listed in the Orange Book. Zydus has not yet responded to this complaint. The court has yet to enter a schedule for fact discovery, expert discovery or trial.

6. Leases

The Company routinely enters into leases for the use of automobiles for certain employees. The leasing portfolio is comprised entirely of operating leases. As of September 30, 2019, the Business has $3,766 of aggregate ROU assets acquired and $3,715 of related lease liabilities assumed relating to the operating leases for the automobiles used by the Business' sales force and other certain employees. The Business may be required to make additional lease payments for exceeding a specified mileage, as well as for other operating costs such as maintenance and repair services. These costs are generally variable in nature and therefore are not included in the measurement of the ROU asset and related lease liability. Instead, such costs are recognized as variable lease expense and attributed to Otezla in the Special Purpose Statement of Revenues and Direct Expenses. Depending upon the country location of the automobile, each leased automobile has a term between 3 years and 4 years and is generally not renewed beyond that term.

The components of lease expense for the automobile leases were as follows:

	Nine-Month Period Ended September 30, 2019
Operating lease cost	$ 1,792
Short-term lease cost	—
Variable lease cost	1,565
Sublease income	—
Total lease cost	$ 3,357

Supplemental balance sheet information related to leases was as follows:

Operating Leases	September 30, 2019
Other non-current assets	$ 3,766
Accrued expenses and other current liabilities	1,917
Other non-current liabilities	1,798
Weighted-average remaining lease term (years) - operating leases	2.08
Weighted-average discount rate - operating leases	3.66%

Maturities of lease liabilities as of September 30, 2019 were as follows:

	Operating Leases
2019 (excluding the nine-month period ended September 30, 2019)	$ 590
2020	1,848
2021	1,244
2022	171
Thereafter	—
Total undiscounted lease payments	$ 3,853
Less: imputed interest	138
Total discounted lease payments	$ 3,715

Future minimum lease payments for non-cancelable operating leases as of December 31, 2018 are:

	Operating Leases
2019	$ 1,137
2020	1,848
2021	1,244
2022	171
Thereafter	—
Total minimum lease payments	$ 4,400

Total rental expense for automobiles under operating leases was $3,357 and $3,203 for the nine-month periods ended 2019 and 2018, respectively.

7. Employee Benefit Plans

The Business sponsors defined benefit plans in certain foreign locations. Participation in these plans is subject to the local laws that are in effect for each country and may include statutorily imposed minimum contributions. Total net periodic pension costs attributable to Otezla for these defined benefit plans were $3,407 and $4,089 for the nine-month periods ended September 30, 2019 and September 30, 2018, respectively, based upon an allocation of employees dedicated to Otezla to the total number of Celgene employees for each individual plan. These plans were in a net unfunded position, and as such, $4,627 and $2,877 of the total Celgene liability accrued were attributed to Otezla employees as of September 30, 2019 and December 31, 2018, respectively.

8. Concentrations

The Business generates substantially all revenues from sales of a single product, Otezla. The Business's three largest customers are wholesale pharmaceutical distributors and accounted for 99% and 99% of net product sales during the nine-month periods ended September 30, 2019 and September 30, 2018, respectively. 80% and 79% of net product sales were generated from within the United States during the nine-month periods ended September 30, 2019 and September 30, 2018, respectively.

9. Subsequent Events

Subsequent events have been evaluated through November 20, 2019, the date the Special Purpose Financial Statements were available for issuance. There are no subsequent events which have not been disclosed in these Special Purpose Financial Statements.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On November 21, 2019, Amgen Inc. (Amgen) completed the acquisition (the "Acquisition") of certain assets and liabilities associated with the worldwide rights to Otezla® (apremilast) from Celgene Corporation (Celgene) for an aggregate purchase price of $13.4 billion in cash pursuant to an Asset Purchase Agreement (as amended, the "APA"), dated August 25, 2019, between Amgen and Celgene. Amgen and Celgene entered into the APA in connection with the merger between Celgene and Bristol-Myers Squibb Company, which was completed on November 20, 2019.

The following tables present Amgen's statements of income and balance sheet on a pro forma condensed combined basis after giving effect to the Acquisition. The information in the tables below under the heading "Unaudited Pro Forma Condensed Combined Statement of Income" for the nine months ended September 30, 2019 and the year ended December 31, 2018 give effect to the Acquisition as if it had taken place on January 1, 2018 (the "Pro Forma Statements of Income"). The information in the table below under the heading "Unaudited Pro Forma Condensed Combined Balance Sheet" as of September 30, 2019 gives effect to the Acquisition as if it had taken place on September 30, 2019 (the "Pro Forma Balance Sheet"). The Pro Forma Statements of Income and the Pro Forma Balance Sheet, and accompanying notes (collectively the "Pro Forma Financial Statements"), were prepared using the cost accumulation and allocation method, as the Acquisition was considered to be an asset acquisition under U.S. generally accepted accounting principles (GAAP).

The historical financial information of Amgen being presented in these Pro Forma Financial Statements is derived from Amgen's unaudited condensed consolidated statement of income for the nine-months ended September 30, 2019, audited consolidated statement of income for the fiscal year ended December 31, 2018 and unaudited condensed consolidated balance sheet as of September 30, 2019, which were prepared in accordance with GAAP.

The historical financial information of Otezla® being presented in these Pro Forma Financial Statements is based on the Special Purpose Statements of Assets Acquired and Liabilities Assumed and Special Purpose Statements of Revenues and Direct Expenses (the "Special Purpose Financial Statements"), which are in an abbreviated format and are presented in lieu of the financial information otherwise required by Rule 3-05 of Regulation S-X. The historical abbreviated financial information of Otezla® is derived ("carved-out") from Celgene's combined financial statements, including the unaudited condensed combined statement of income for the nine months ended September 30, 2019, the audited combined statement of income for the year ended December 31, 2018 and the unaudited condensed combined balance sheet as of September 30, 2019, which were prepared in accordance with GAAP. Note 1 to the Special Purpose Financial Statements included in Exhibit 99.1 of this Form 8-K/A provides further information regarding the basis of preparation and allocations made in the Special Purpose Financial Statements. The Special Purpose Financial Statements only reflect the assets and liabilities conveyed in the APA, and do not purport to reflect the financial position and results of operations of Otezla® had such business operated on a stand-alone basis during the periods presented.

The assumptions and estimates underlying the unaudited adjustments to the Pro Forma Financial Statements are described in the accompanying notes, which should be read together with the Pro Forma Financial Statements. In addition, the Pro Forma Financial Statements should be read in conjunction with the following:

- Amgen's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the U.S. Securities and Exchange Commission (SEC) on February 13, 2019;
- Amgen' Quarterly Report on Form 10-Q for the period ended September 30, 2019 filed with the SEC on October 30, 2019;
- Otezla® Product Line of Celgene Corporation and Subsidiaries' audited special-purpose statements as of December 31, 2018 and the year ended December 31, 2018 included in Exhibit 99.1 of this Form 8-K/A; and
- Otezla® Product Line of Celgene Corporation and Subsidiaries' unaudited special-purpose statements as of September 30, 2019 and December 31, 2018 (audited) and for the nine months ended September 30, 2019 and 2018 included in Exhibit 99.2 of this Form 8-K/A.

The Pro Forma Financial Statements have been prepared for illustrative purposes only and are based on assumptions and estimates considered appropriate by Amgen's management. However, they do not necessarily reflect what the combined company's financial condition or results of income would have been had the Acquisition occurred on the dates set forth above, nor do they purport to be indicative of the future financial condition and results of income of the combined company. The Pro Forma Statements of Income are not indicative of the income of the combined company going forward because the Special Purpose Financial Statements necessarily exclude various operating expenses of Otezla®.

These Pro Forma Financial Statements do not consider any impacts of integration costs, potential revenue enhancements, anticipated cost savings and expense efficiencies, or other synergies that may result from the Acquisition or any strategies that management may consider in order to continue to efficiently manage the income of Otezla®. The adjustments included in these Pro Forma Financial Statements are preliminary and may be revised.

The Pro Forma Financial Statements have been compiled in a manner consistent with the accounting policies adopted by Amgen. Management's review to date has determined that no significant adjustments are necessary to conform the Special Purpose Financial Statements of Otezla® to the accounting policies used by Amgen. As a result of management's ongoing review, differences could be identified between the accounting policies of Amgen and Otezla® that, when conformed, could have a material impact on the Pro Forma Financial Statements presented herein.

AMGEN INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
For the Nine Months Ended September 30, 2019
(In millions, except per-share data)
(Unaudited)

	Amgen (Historical)	Otezla® (Historical)	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenues:					
Product sales	$ 16,323	$ 1,434	$ —		$ 17,757
Other revenues	842	—	—		842
Total revenues	17,165	1,434	—		18,599
Operating expenses:					
Cost of sales	3,103	43	1,228	3(b)	4,374
Research and development	2,804	144	—		2,948
Selling	—	458	(458)	3(a)	—
General and administrative	—	16	(16)	3(a)	—
Selling, general and administrative	3,637	—	490	3(a), 3(b), 3(c)	4,127
Other	(5)	—	—		(5)
Total operating expenses	9,539	661	1,244		11,444
Operating income	7,626	773	(1,244)		7,155
Interest expense, net	988	—	—		988
Interest and other income, net	517	—	—		517
Income before income taxes	7,155	773	(1,244)		6,684
Provision for income taxes	1,016	—	(94)	3(d)	922
Net income	$ 6,139	$ 773	$ (1,150)		$ 5,762
Earnings per share:					
Basic	$ 10.08			3(e)	$ 9.46
Diluted	$ 10.01			3(e)	$ 9.40
Shares used in calculation of earnings per share:					
Basic	609				609
Diluted	613				613

See accompanying notes to the unaudited pro forma condensed combined financial statements.

AMGEN INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
For the Year Ended December 31, 2018
(In millions, except per-share data)
(Unaudited)

	Amgen (Historical)	Otezla® (Historical)	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenues:					
Product sales	$ 22,533	$ 1,612	$ —		$ 24,145
Other revenues	1,214	—	—		1,214
Total revenues	23,747	1,612	—		25,359
Operating expenses:					
Cost of sales	4,101	53	1,636	3(b)	5,790
Research and development	3,737	212	—		3,949
Selling	—	622	(622)	3(a)	—
General and administrative	—	18	(18)	3(a)	—
Selling, general and administrative	5,332	—	662	3(a), 3(b), 3(c)	5,994
Other	314	—	—		314
Total operating expenses	13,484	905	1,658		16,047
Operating income	10,263	707	(1,658)		9,312
Interest expense, net	1,392	—	—		1,392
Interest and other income, net	674	—	—		674
Income before income taxes	9,545	707	(1,658)		8,594
Provision for income taxes	1,151	—	(190)	3(d)	961
Net income	$ 8,394	$ 707	$ (1,468)		$ 7,633
Earnings per share:					
Basic	$ 12.70			3(e)	$ 11.55
Diluted	$ 12.62			3(e)	$ 11.48
Shares used in calculation of earnings per share:					
Basic	661				661
Diluted	665				665

See accompanying notes to the unaudited pro forma condensed combined financial statements.

AMGEN INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
September 30, 2019
(In millions)
(Unaudited)

	Amgen (Historical)	Otezla® (Historical)	Pro Forma Adjustments	Notes	Pro Forma Combined
ASSETS					
Current assets:					
Cash and cash equivalents	$ 11,415	$ —	$ (8,440)	2	$ 2,975
Marketable securities	9,438	—	(5,000)	2	4,438
Trade receivables, net	3,606	—	—		3,606
Inventories	3,243	65	251	2	3,559
Other current assets	3,349	—	4	2	3,353
Total current assets	31,051	65	(13,185)		17,931
Property, plant and equipment, net	4,901	—	—		4,901
Intangible assets, net	6,702	—	13,249	2	19,951
Goodwill	14,705	—	—		14,705
Other assets	2,176	4	—		2,180
Total assets	$ 59,535	$ 69	$ 64		$ 59,668
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 1,005	$ —	$ —		$ 1,005
Accrued liabilities	7,683	21	—		7,704
Current portion of long-term debt	2,049	—	—		2,049
Total current liabilities	10,737	21	—		10,758
Long-term debt	27,742	—	—		27,742
Long-term deferred tax liabilities	665	—	21	3(d)	686
Long-term tax liabilities	7,921	—	85	3(d)	8,006
Other noncurrent liabilities	1,543	6	—		1,549
Stockholders' equity:					
Common stock and additional paid-in capital	31,451	—	—		31,451
Accumulated deficit	(20,136)	—	—		(20,136)
Accumulated other comprehensive loss	(388)	—	—		(388)
Total stockholders' equity	10,927	—	—		10,927
Total liabilities and stockholders' equity	$ 59,535	$ 27	$ 106		$ 59,668

See accompanying notes to the unaudited pro forma condensed combined financial statements.

AMGEN INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Basis of presentation

The Pro Forma Financial Statements were prepared in accordance with Article 11 of Regulation S-X to illustrate the pro forma effects of the Acquisition. See Note 2, Estimated accumulated cost of assets acquired and preliminary allocation. The Pro Forma Statements of Income for the nine months ended September 30, 2019 and the year ended December 31, 2018 combine the historical consolidated statements of income of Amgen and Otezla® for such periods, giving effect to (i) the Acquisition as if it had taken place on January 1, 2018 and (ii) the assumptions and adjustments described in the accompanying notes to these Pro Forma Financial Statements. The Pro Forma Balance Sheet as of September 30, 2019 combines the historical unaudited condensed consolidated balance sheet of Amgen and the unaudited statement of assets acquired and liabilities assumed of Otezla® as of September 30, 2019, giving effect to (i) the Acquisition as if it had taken place on September 30, 2019 and (ii) the assumptions and adjustments described in the accompanying notes to these Pro Forma Financial Statements. The pro forma adjustments described in the accompanying notes are (1) directly attributable to the Acquisition, (2) factually supportable, and (3) with respect to the Pro Forma Statements of Income, expected to have a continuing impact on the combined results of Amgen and Otezla®.

The Pro Forma Financial Statements were prepared using the cost accumulation and allocation method, as the Acquisition was considered to be an asset acquisition under GAAP. Amgen has not completed the detailed valuation procedures and tax analysis necessary to finalize the accounting for the Acquisition. The accumulated cost of the assets acquired, the cost allocation, the useful lives and the associated tax adjustments presented within these Pro Forma Financial Statements are preliminary and reflect management's initial estimates based on available information. Accordingly, the final accounting adjustments for the Acquisition may be materially different from the unaudited pro forma adjustments described in the accompanying notes.

2. Estimated accumulated cost of assets acquired and preliminary allocation

As the Acquisition was accounted for as an asset acquisition under GAAP, Amgen allocated the accumulated cost of the acquisition to the assets acquired based on their relative fair values. The accumulated cost of the acquisition includes direct acquisition related costs and applicable taxes. Goodwill is not recognized in the accounting for an asset acquisition. Rather, the excess of the accumulated cost over the fair value of the net assets acquired is reallocated to certain nonfinancial assets acquired. The recorded carrying value of the assets acquired is also impacted by tax adjustments as described in Note 3(d) below.

Amgen has performed a preliminary valuation analysis of the fair market value of Otezla®'s assets acquired and liabilities assumed.

The following table sets forth a preliminary allocation of the estimated accumulated cost to the identifiable tangible and intangible assets acquired and liabilities assumed as if the Acquisition had taken place on September 30, 2019 (in millions):

	Amounts
Cash purchase price	$ 13,400
Transaction costs and taxes	40
Accumulated cost (consideration transferred)	$ 13,440
Inventory	$ 316
Intangible assets	13,249
Deferred tax liability, net	(21)
Deferred credit	(85)
Other liabilities, net	(19)
Total assets acquired, net	$ 13,440

The pro forma adjustments in the Pro Forma Balance Sheet represent the difference between the allocated cost of the identifiable net assets acquired and the historical cost of the net assets acquired. As the Special Purpose Financial Statements are prepared on an abbreviated basis, the Special Purpose Statement of Assets Acquired and Liabilities Assumed does not contain equity. Therefore, the historical Otezla® information and the pro forma adjustments on the Pro Forma Balance Sheet are necessarily out of balance by offsetting amounts.

The Pro Forma Balance Sheet also reflects the following pro forma adjustments: (1) liquidation of $5 billion in marketable securities, the proceeds of which in conjunction with existing cash and cash equivalents were used to fund the Acquisition and (2) an increase in the carrying value of inventory acquired of $251 million ($316 million per the allocation above, less the historical carrying value of $65 million).

This preliminary allocation has been used to prepare other pro forma adjustments in the Pro Forma Statements of Income and the Pro Forma Balance Sheet, as described below. The final cost allocation will be determined when Amgen has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments.

3. Pro forma adjustments

The pro forma adjustments are based on Amgen's preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the Pro Forma Financial Statements:

(a) To conform the presentation used in the Otezla® Special Purpose Financial Statements to the historical financial statement presentation used by Amgen. General and administrative and Selling expenses in the Otezla® Special Purpose Financial Statements have been combined into Selling, general and administrative expenses in the Pro Forma Statements of Income.

(b) Amortization of identifiable assets acquired consists of the following (dollar amounts in millions):

	Increase in carrying value of identifiable assets acquired	Estimated useful life (in years)	Nine months ended September 30, 2019	Year ended December 31, 2018	Pro Forma Statements of Income locations
Inventory	$ 251	2.5	$ 75	$ 100	Cost of sales
Intangible assets	13,249	8.5	1,169	1,558	Cost of sales and Selling, general and administrative
Total	$ 13,500		$ 1,244	$ 1,658	

The straight-line amortization related to the increase in carrying value of the identifiable assets acquired is reflected as a pro forma adjustment in the Pro Forma Statements of Income based on the estimated useful lives. The intangible assets acquired relate primarily to the global intellectual property rights of Otezla®, with the remainder related to acquired workforce and favorable contracts. These intangible assets were determined to have a weighted-average estimated useful life of approximately 8.5 years. The attribution of the inventory step-up to cost of sales will have a recurring impact over an estimated life of approximately 2.5 years, and is expected to materially reflect the straight-line amortization method.

A 10% change in the fair value of the intangible assets would change amortization expense on a pro forma basis by an immaterial amount given that the fair value is used to allocate the accumulated cost on a relative fair value basis, and any excess is reallocated back to certain nonfinancial assets (which is primarily the intangible assets acquired). The recorded carrying value of assets acquired is also impacted by tax adjustments as described in Note 3(d) below. The identifiable assets acquired and related amortization are preliminary and are based on management's initial estimates based on available information. The amount that will ultimately be allocated to identifiable assets acquired and liabilities assumed, and the related amount of amortization, may differ materially from this preliminary allocation.

(c) The accumulated cost of the net assets acquired includes an estimated $37 million of transaction fees and $3 million in taxes. The estimated direct transaction fees include professional services and transaction advisory fees, and the taxes relate to non-U.S. consumption taxes directly related to the Acquisition.

(d) As the Acquisition was accounted for as an asset acquisition under GAAP, there is a difference between the book basis and tax basis of the assets acquired. GAAP prohibits any immediate income tax expense or benefit from the recognition of those deferred taxes, and, instead, requires the use of simultaneous equations to determine the assigned value of the assets acquired and the related deferred tax assets or liabilities. Use of this methodology resulted in a pro forma increase to the carrying value of the intangible assets and inventory of $103 million and $3 million, respectively, offset by a deferred tax liability of $106 million. Although goodwill was not recognized for accounting purposes, goodwill is created for tax purposes, resulting in pro forma adjustments for a deferred tax asset of $85 million, offset by a deferred credit of $85 million. The deferred tax liability of $106 million was netted with the deferred tax asset of $85 million, for a net deferred tax liability of $21 million. The tax effects of the Acquisition are preliminary and are based on Amgen's estimated blended global statutory tax rate of 20%. The tax amounts that will ultimately be recorded will be based on the applicable statutory rates by jurisdiction, and may differ materially from this preliminary estimate.

The Special Purpose Financial Statements were prepared on an abbreviated basis and do not include a tax provision. As such, the pro forma tax benefit was computed by subtracting the pro forma effects of amortization (as described in Note 3(b) above), from the earnings before tax of the Otezla® product line, multiplied by Amgen's estimated blended global statutory tax rate of 20%. The tax provision that will ultimately be recorded by Amgen will be based on the application of the asset and liability approach prescribed by GAAP, and may differ materially from this preliminary estimate.

The table below presents the estimated pro forma tax benefit of the Acquisition (in millions):

	Nine months ended September 30, 2019	Year ended December 31, 2018
Otezla® earnings before tax	$ 773	$ 707
Amortization	(1,244)	(1,658)
Otezla® pro forma loss before tax	$ (471)	$ (951)
Tax benefit	$ (94)	$ (190)

(e) The computation of pro forma basic and diluted earnings per share is shown in the table below (in millions, except per-share data).

	Nine months ended September 30, 2019	Year ended December 31, 2018
Net income	$ 5,762	$ 7,633
Earnings per share:		
Basic	$ 9.46	$ 11.55
Diluted	$ 9.40	$ 11.48
Shares used in calculation of earnings per share		
Basic	609	661
Diluted	613	665

Exhibit 99.4

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-216060) on Form S-3 and (Nos. 333-159377, 33-39183, 33-39104, 333-144581, 333-216719, 33-47605, 333-144580, 333-216715, 333-81284, 333-177868, 333-216723, 333-176240) on Form S-8 of Amgen Inc. of our report dated November 20, 2019, with respect to Celgene Corporation's Otezla Product Line special-purpose statement of assets acquired and liabilities assumed as of December 31, 2018 and the related special-purpose statement of revenues and direct expenses for the year ended December 31, 2018, which report appears in the Form 8-K/A of Amgen Inc. dated January 24, 2020.

/s/ KPMG LLP

Short Hills, New Jersey
January 24, 2020