

# Biogen Holding ApS

Holbergsgade 14, 2 tv., 1057 Copenhagen

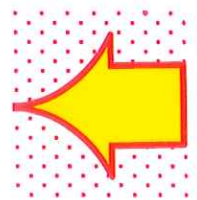
CVR no. 30 52 74 37

## Annual report 2017

Approved at the Company's annual general meeting on 5 July 2018

Chairman:

  
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Gregory Frank Covino



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### Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Biogen Holding ApS for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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

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

Cambridge, 5 July 2018  
Executive Board:

  
Lynne Marie Sullivan

  
Gregory Frank Covino

  
Michael Edward Dambach



The general meeting has decided that the financial statements for the coming financial year will not be audited.

## Independent auditor's report

To the shareholders of Biogen Holding ApS

### Opinion

We have audited the financial statements of Biogen Holding ApS for the financial year 1 January - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

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

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Frederiksberg, 5 July 2018

Redmark

Statsautoriseret revisionspartnerselskab

CVR no. 29 44 27 89



Mark Leerdrup

State Authorised Public Accountant

mne19802

## Management's review

### Company details

Name	Biogen Holding ApS
Address, Postal code, City	c/o Citco (Denmark) ApS Holbergsgade 14, 2 tv., 1057 Copenhagen

CVR no.	30 52 74 37
Established	27 June 2007
Registered office	Copenhagen
Financial year	1 January - 31 December

Executive Board	Lynne Marie Sullivan Gregory Frank Covino Michael Edward Dambach
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## Management's review

### Business review

The principal activity of the company is to invest in subsidiaries and other investment projects that will benefit the company.

### Recognition and measurement uncertainties

The company has no uncertainty relating to recognition and measurement.

### Unusual matters having affected the financial statements

A material misstatement of EUR -33,204 affecting the P&L has been adjusted in the comparative figures for 2016. Reference is made to note concerning the accounting policies for more details. No further unusual circumstances have affected the company's activities during the year.

### Financial review

The income statement for 2017 shows a loss of EUR 25,385 against a loss of EUR 12,810 last year, and the balance sheet at 31 December 2017 shows equity of EUR 822,610. The management considers the result to be as expected.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

### Outlook

It is expected that the result in 2018 will end at the same level as 2017.

Financial statements 1 January - 31 December

Income statement

Note	EUR	<u>2017</u>	<u>2016</u>
	Other external expenses	-9,154	-8,677
	Gross margin	-9,154	-8,677
	Financial expenses	-10,551	-7,561
	Profit/loss before tax	-19,705	-16,238
2	Tax for the year	-5,680	3,428
	Profit/loss for the year	<u>-25,385</u>	<u>-12,810</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-25,385</u>	<u>-12,810</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	EUR	<u>2017</u>	<u>2016</u>
	ASSETS		
	Non-fixed assets		
	Receivables		
	Joint taxation contribution receivable	0	5,680
		<u>0</u>	<u>5,680</u>
	Cash	831,739	851,290
	Total non-fixed assets	<u>831,739</u>	<u>856,970</u>
	TOTAL ASSETS	<u>831,739</u>	<u>856,970</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	16,799	16,799
	Retained earnings	805,811	831,196
	Total equity	<u>822,610</u>	<u>847,995</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Other payables	9,129	8,975
		<u>9,129</u>	<u>8,975</u>
	Total liabilities other than provisions	<u>9,129</u>	<u>8,975</u>
	TOTAL EQUITY AND LIABILITIES	<u>831,739</u>	<u>856,970</u>

- 1 Accounting policies
- 3 Contractual obligations and contingencies, etc.
- 4 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

EUR	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	16,799	844,006	860,805
Transfer through appropriation of loss	<u>0</u>	<u>-12,810</u>	<u>-12,810</u>
Equity at 1 January 2017	16,799	831,196	847,995
Transfer through appropriation of loss	<u>0</u>	<u>-25,385</u>	<u>-25,385</u>
Equity at 31 December 2017	<u><u>16,799</u></u>	<u><u>805,811</u></u>	<u><u>822,610</u></u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Biogen Holding ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Material misstatements

An incorrect currency adjustment of the bank account, has been recognised as a financial expense in 2016, and the financial statements for 2016 do not give a true and fair view. Therefore, the error has been corrected as a material misstatement by restating comparatives and opening equity figures in the current-year financial statements. In consequence of the restatement, profit/loss for the year 2016 has been affected by EUR -33,204, and cash at 31 December 2016 has been affected by EUR 33,204. In total, the balance sheet total at 31 December 2016 has been affected by EUR 33,204, and equity has been affected by EUR 33,204. Reference is also made to the comments in the Management's review.

#### Basis of recognition and measurement

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

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

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

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

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

#### Reporting currency

The financial statements are presented in EUR.

#### Foreign currency translation

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

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

#### Income statement

##### Other external expenses

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial expenses

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

##### Tax

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

The entity is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

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

##### Balance sheet

##### Receivables

Receivables are measured at amortised cost.

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

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

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

##### Cash

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

##### Income taxes

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

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

#### Liabilities

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

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

EUR	2017	2016
2 Tax for the year		
Estimated tax charge for the year	0	-3,572
Deferred tax adjustments in the year	0	144
Tax adjustments, prior years	5,680	0
	<u>5,680</u>	<u>-3,428</u>

The estimated tax charge for the year includes tax refunds received/paid between jointly taxed entities.

### 3 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

The company is jointly taxed with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

### 4 Related parties

#### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Biogen Inc.	225 Binney Street, Cambridge MA 02142, USA	The consolidated accounts of Biogen Inc can be obtained by written application to Biogen Inc., 225 Binney Street, Cambridge MA 02142, USA