

Biogen Holding ApS

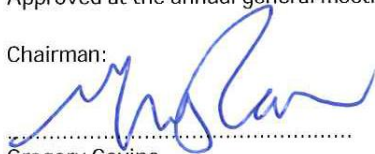
Holbergsgade 14, 2 tv., 1057 Copenhagen

CVR no. 30 52 74 37

Annual report 2016

Approved at the annual general meeting of shareholders on 30 May 2017

Chairman:



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Gregory Covino

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Statement by the Board of Directors and the Executive Board

The Executive Board has today discussed and approved the annual report of Biogen Holding ApS for the financial year 1 January - 31 December 2016.


The unaudited annual report has been prepared in accordance with the Danish Financial Statements Act. In the opinion of the Executive Board, the conditions for audit exemption have been met.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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, 30 May 2017
Executive Board:


Lynne Sullivan


Gregory Covino


Michael Edward Dambach

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

Independent auditors' report on the compilation of financial statements

To the general management of Biogen Holding ApS

We have compiled the financial statements of Biogen Holding ApS for the financial year 1 January - 31 December 2016 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.


We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 30 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 79 02 28



John Blendstrup
executive director

Management's review

Company details

Name	Biogen Holding ApS
Address, Postal code, City	Holbergsgade 14, 2 tv., 1057 Copenhagen
CVR no.	30 52 74 37
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Gregory Covino, Chairman
Executive Board	Lynne Sullivan Gregory Covino Michael Edward Dambach
Accountant	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Management commentary

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

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

Financial review

The income statement for 2016 shows a loss of EUR 46,014 against a EUR 7,331 last year, and the balance sheet at 31 December 2016 shows equity of EUR 814,791. 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 2017 will end at the same level as 2016.

Financial statements for the period 1 January - 31 December

Income statement

Note	EUR	2016	2015
	Other external expenses	-8,677	-6,514
	Gross margin	-8,677	-6,514
	Financial expenses	-40,765	-3,069
	Profit/loss before tax	-49,442	-9,583
2	Tax for the year	3,428	2,252
	Profit/loss for the year	-46,014	-7,331
	Proposed profit appropriation/distribution of loss	-46,014	-7,331
	Retained earnings/accumulated loss	-46,014	-7,331

Financial statements for the period 1 January - 31 December

Balance sheet

Note	EUR	2016	2015
	ASSETS		
	Non-fixed assets		
	Receivables		
	Joint taxation contribution receivable	5,680	2,252
		5,680	2,252
	Cash at bank and in hand	818,086	867,467
	Total non-fixed assets	823,766	869,719
	TOTAL ASSETS	823,766	869,719
	EQUITY AND LIABILITIES		
	Equity		
3	Share capital	16,799	16,799
	Retained earnings	797,992	844,006
	Total equity	814,791	860,805
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Other payables	8,975	8,914
		8,975	8,914
	Total liabilities other than provisions	8,975	8,914
	TOTAL EQUITY AND LIABILITIES	823,766	869,719

1 Accounting policies

4 Contractual obligations and contingencies, etc.

5 Related parties

Financial statements for the period 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
Profit/loss for the year	0	-46,014	-46,014
Equity at 31 December 2016	<u>16,799</u>	<u>797,992</u>	<u>814,791</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Biogen Holding ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act to report 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.

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 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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

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

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

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 and cash equivalents

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

Income taxes

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

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

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

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

Other liabilities are measured at net realisable value.

2	Tax for the year		
	Estimated tax charge for the year	-3,572	-2,252
	Deferred tax adjustments in the year	144	0
		<u>-3,428</u>	<u>-2,252</u>

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

	DKK	<u>2016</u>	<u>2015</u>
3	Share capital		
	Analysis of the share capital:		
	125,000 shares of DKK 1.00 nominal value each	<u>125,000</u>	<u>125,000</u>
		<u>125,000</u>	<u>125,000</u>

The Company's share capital has remained DKK 125,000 over the past 5 years.

4 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.

5 Related parties

Biogen Holding ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Biogen Inc.	225 Binney Street, Cambridge MA 02142, USA	Participating interest

Financial statements for the period 1 January - 31 December

Notes to the financial statements

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
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

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Biogen Inc.	225 Binney Street, Cambridge MA 02142, USA