

Biogen (Denmark) New Manufacturing ApS

Biogen Allé 1, 3400 Hillerød

CVR no. 31 58 65 69

Annual report 2015

Approved at the annual general meeting of shareholders on 24 May 2016

Chairman:


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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Biogen (Denmark) New Manufacturing ApS for the financial year 1 January - 31 December 2015.

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 Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

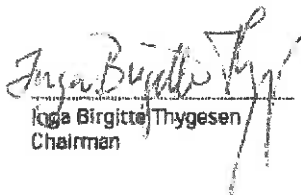
We recommend the adoption of the annual report at the annual general meeting.

Hillerød, 24 May 2016
Executive Board:



Allan Frank Fischer
Petersen

Board of Directors:



Inga Birgitte Thygesen
Chairman



Jakob Højsted

Independent auditors' report

To the shareholders of Biogen (Denmark) New Manufacturing ApS

Independent auditors' report on the Financial Statements

We have audited the Financial Statements of Biogen (Denmark) New Manufacturing ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditors' responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Hellerup, 24 May 2015
PRICEWATERHOUSECOOPERS
Statsautoriseret revisionspartnerselskab
CVR No. 33 77 12 31


Torben Jensen
state authorised public accountant


Rikke Lund-Kühl
state authorised public accountant

Management's review

Company details

Name	Bløgen (Denmark) New Manufacturing ApS
Address, Postal code, City	Bløgen Allé 1, 3400 Hillerød
CVR No.	31 58 55 69
Registered office	Hillerød
Financial year	1 January - 31 December
Board of Directors	Inga Birgitte Thygesen, Chairman Jakob Højsted
Executive Board	Allan Frank Fischer Petersen
Auditors	PriceWaterhouseCoopers Statsautoriseret revisionspartnerselskab Strandvejen 44, 2900 Hellerup

Management's review

Operating review

The Company's business review

The objective of the company is to perform trading activities and to possess ownership control in other companies in accordance with the board of director's approval.

Recognition and measurement uncertainties

The company has no uncertainty relating to recognition and measurement.

Unusual matters having affected the financial statements

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

Financial review

The income statement for 2015 shows a loss of EUR 126,174 against a loss of EUR 58,340 last year, and the balance sheet at 31 December 2015 shows equity of EUR 437,100,753. The management considers the result to be as expected.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

It is expected that the result in 2016 will end at the same level as 2015.

Financial statements for the period 1 January - 31 December

Income statement

Note	EUR	2015	2014
	Other external expenses	-164,908	-77,542
	Gross profit/loss	-164,908	-77,542
2	Financial income	0	270
	Profit/loss before tax	-164,908	-77,272
3	Tax for the year	38,734	18,932
	Profit/loss for the year	-126,174	-58,340
	Proposed profit appropriation/distribution of loss	-126,174	-58,340
	Retained earnings/accumulated loss	-126,174	-58,340

Financial statements for the period 1 January - 31 December

Balance sheet

Notes	EUR	2015	2014
	ASSETS		
	Non-current assets		
4	Investments		
	Investments in group entities, net asset value	436,925,757	436,925,757
		<u>436,925,757</u>	<u>436,925,757</u>
	Total non-current assets	<u>436,925,757</u>	<u>436,925,757</u>
	Current assets		
	Receivables		
	Receivables from group entities	40	18,972
	Joint taxation contribution receivable	38,753	0
		<u>38,793</u>	<u>18,972</u>
	Cash	170,241	49,517
	Total current assets	<u>209,034</u>	<u>68,489</u>
	TOTAL ASSETS	<u>437,134,791</u>	<u>436,994,246</u>

Financial statements for the period 1 January - 31 December

Statement of changes in equity

EUR	Share capital	Retained earnings	Total
Equity at 1 January 2014	20.141	436,996,715	437,016,856
Profit/loss for the year	0	-58,340	-58,340
Equity at 1 January 2015	20.141	436,938,375	436,958,516
Capital increase	0	268,411	268,411
Profit/loss for the year	0	-126,174	-126,174
Equity at 31 December 2015	20.141	437,080,612	437,100,753

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Biogen (Denmark) New Manufacturing ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Consolidated financial statements

Referring to section 12(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for Biogen (Denmark) New Manufacturing ApS and its group entities are part of the consolidated financial statements for the ultimate parent Biogen Inc. The consolidated financial statements for Biogen Inc. can be obtained by application to Biogen Inc., 14 Cambridge Center, Cambridge, MA 02142, USA.

Recognition and measurement in general

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.

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 for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income from investments in group entities

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial income

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

Tax

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year – including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments in group entities

Investments in subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Receivables

Receivables are measured at amortised cost.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs 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 marketable securities which are subject to an insignificant risk of changes in value.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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 liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

EUR		2015	2014		
2	Financial income				
	Interest receivable, group entities	0	3		
	Other financial income	0	267		
		<u>0</u>	<u>270</u>		
3	Tax for the year				
	Estimated tax charge for the year	-38,753	-18,932		
	Tax adjustments, prior years	19	0		
		<u>-38,734</u>	<u>-18,932</u>		
4	Investments				
	EUR	<u>Domicile</u>	<u>Interest</u>	<u>Equity</u>	<u>Profit/loss</u>
	Subsidiaries				
	Biogen (Denmark) Manufacturing ApS	Denmark	100.00 %	468,330,201	-16,681,826
				2015	2014
5	Share capital				
	The share capital consists of the following:				
	150,000 shares of DKK 1.00 each			150,000	150,000
				<u>150,000</u>	<u>150,000</u>

The Company's share capital has remained DKK 150,000 over the past 5 years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

Claims

Biogen New Manufacturing AS has received a claim from SKA¹⁾ related to withholding tax on dividend distribution of DKK 685,216,203 on 2 July 2009, DKK 183,550,000 on 22 December 2011 and DKK 143,000,000 on 10 July 2013 to Biogen (Luxembourg) Holding S.a.r.l. We are of the opinion that Biogen New Manufacturing AS not under Danish law are liable towards the Danish tax authorities for failure to withhold tax on dividend distributions to Biogen Luxembourg. Therefore no provision has been booked related to this claim.

Joint taxation

As management company, the company is jointly taxed with other Danish group entities and is jointly and severally 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.

7 Related parties

Biogen (Denmark) New Manufacturing ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Biogen Inc.	225 Binney Street, Cambridge, MA 02142, USA	Participating interest
Arrowpark Interseas Limited	Sovereign House 14-16, Nelson Street, Douglas IM1 2AL, Isle of Man	Participating interest
Biogen Luxembourg Holding Sarl	Luxembourg	Participating interest

Information about consolidated financial statements

Parent	Domicile	Regulation of the parent's consolidated financial statements
Biogen Inc.	225 Binney Street, Cambridge MA 02142, USA	The consolidated accounts 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:

Name	Domicile
Biogen Luxembourg Holding S.a r.l	2-8 Avenue Charles de Gaulle Grand Duchy of Luxembourg, L-1653 Luxembourg