

BIOGEN INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In millions, except per share amounts)

	For the Years Ended December 31,		
	2018	2017	2016
Revenues:			
Product, net .....	\$ 10,886.8	\$ 10,354.7	\$ 9,817.9
Revenues from anti-CD20 therapeutic programs .....	1,980.2	1,559.2	1,314.5
Other .....	585.9	360.0	316.4
Total revenues .....	<u>13,452.9</u>	<u>12,273.9</u>	<u>11,448.8</u>
Cost and expenses:			
Cost of sales, excluding amortization and impairment of acquired intangible assets .....	1,816.3	1,630.0	1,478.7
Research and development .....	2,597.2	2,253.6	1,973.3
Selling, general and administrative .....	2,106.3	1,933.9	1,946.6
Amortization and impairment of acquired intangible assets ....	747.3	814.7	385.6
Collaboration profit (loss) sharing .....	185.0	112.3	10.2
Acquired in-process research and development .....	112.5	120.0	—
Restructuring charges .....	12.0	0.9	33.1
(Gain) loss on fair value remeasurement of contingent consideration .....	(12.3)	62.7	14.8
TECFIDERA litigation settlement charge .....	—	—	454.8
Total cost and expenses .....	<u>7,564.3</u>	<u>6,928.1</u>	<u>6,297.1</u>
Income from operations .....	<u>5,888.6</u>	<u>5,345.8</u>	<u>5,151.7</u>
Other income (expense), net .....	<u>11.0</u>	<u>(217.0)</u>	<u>(218.7)</u>
Income before income tax expense and equity in loss of investee, net of tax .....	5,899.6	5,128.8	4,933.0
Income tax expense .....	1,425.6	2,458.7	1,237.3
Equity in loss of investee, net of tax .....	—	—	—
Net income .....	<u>4,474.0</u>	<u>2,670.1</u>	<u>3,695.7</u>
Net income (loss) attributable to noncontrolling interests, net of tax .....	43.3	131.0	(7.1)
Net income attributable to Biogen Inc. ....	<u>\$ 4,430.7</u>	<u>\$ 2,539.1</u>	<u>\$ 3,702.8</u>
Net income per share:			
Basic earnings per share attributable to Biogen Inc. ....	<u>\$ 21.63</u>	<u>\$ 11.94</u>	<u>\$ 16.96</u>
Diluted earnings per share attributable to Biogen Inc. ....	<u>\$ 21.58</u>	<u>\$ 11.92</u>	<u>\$ 16.93</u>
Weighted-average shares used in calculating:			
Basic earnings per share attributable to Biogen Inc. ....	<u>204.9</u>	<u>212.6</u>	<u>218.4</u>
Diluted earnings per share attributable to Biogen Inc. ....	<u>205.3</u>	<u>213.0</u>	<u>218.8</u>

See accompanying notes to these consolidated financial statements.

BIOGEN INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In millions, except per share amounts)

	As of December 31,	
	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 1,224.6	\$ 1,573.8
Marketable securities .....	2,313.4	2,115.2
Accounts receivable, net .....	1,958.5	1,787.0
Due from anti-CD20 therapeutic programs.....	526.9	532.6
Inventory .....	929.9	902.7
Other current assets .....	687.6	962.0
Total current assets.....	7,640.9	7,873.3
Marketable securities .....	1,375.9	3,057.3
Property, plant and equipment, net .....	3,601.2	3,182.4
Intangible assets, net .....	3,120.0	3,879.6
Goodwill .....	5,706.4	4,632.5
Deferred tax asset .....	2,153.9	595.9
Investments and other assets .....	1,690.6	431.6
Total assets.....	<u>\$ 25,288.9</u>	<u>\$ 23,652.6</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current portion of notes payable .....	\$ —	\$ 3.2
Taxes payable .....	63.5	68.2
Accounts payable .....	370.5	395.5
Accrued expenses and other .....	2,861.2	2,901.3
Total current liabilities .....	3,295.2	3,368.2
Notes payable .....	5,936.5	5,935.0
Deferred tax liability.....	1,636.2	122.6
Other long-term liabilities .....	1,389.4	1,628.7
Total liabilities.....	<u>12,257.3</u>	<u>11,054.5</u>
Commitments and contingencies		
Equity:		
Biogen Inc. shareholders' equity		
Preferred stock, par value \$0.001 per share .....	—	—
Common stock, par value \$0.0005 per share.....	0.1	0.1
Additional paid-in capital .....	—	97.8
Accumulated other comprehensive loss .....	(240.4)	(318.4)
Retained earnings .....	16,257.0	15,810.4
Treasury stock, at cost; 23.8 million and 23.8 million shares, respectively ....	(2,977.1)	(2,977.1)
Total Biogen Inc. shareholders' equity.....	13,039.6	12,612.8
Noncontrolling interests .....	(8.0)	(14.7)
Total equity .....	<u>13,031.6</u>	<u>12,598.1</u>
Total liabilities and equity.....	<u>\$ 25,288.9</u>	<u>\$ 23,652.6</u>

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BIOGEN INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In millions)

	For the Years Ended December 31,		
	2018	2017	2016
Cash flows from operating activities:			
Net income .....	\$ 4,474.0	\$ 2,670.1	\$ 3,695.7
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation, amortization and impairments .....	1,016.6	1,081.0	682.7
Acquired in-process research and development .....	112.5	120.0	—
Share-based compensation .....	157.5	128.0	154.8
Deferred income taxes .....	108.3	91.7	(175.0)
Contingent consideration .....	(12.3)	62.7	14.8
Other .....	(69.1)	162.1	89.0
Changes in operating assets and liabilities, net: .....			
Accounts receivable .....	(205.2)	(435.6)	(241.4)
Due from anti-CD20 therapeutic programs .....	5.7	(232.0)	13.9
Inventory .....	(52.1)	(94.5)	(165.6)
Other assets .....	(119.1)	(76.6)	59.1
Accrued expenses and other current liabilities .....	465.5	(227.4)	622.3
Income tax assets and liabilities .....	321.7	1,303.9	(232.6)
Other liabilities .....	(16.3)	(2.4)	69.5
Net cash flows provided by operating activities .....	<u>6,187.7</u>	<u>4,551.0</u>	<u>4,587.2</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of marketable securities .....	9,173.7	5,565.9	7,378.9
Purchases of marketable securities .....	(7,694.8)	(5,355.2)	(7,913.2)
Contingent consideration related to Fumapharm AG acquisition .....	(1,500.0)	(1,200.0)	(1,200.0)
Acquired in-process research and development .....	(112.5)	(120.0)	—
Purchases of property, plant and equipment .....	(770.6)	(867.4)	(616.1)
Acquisitions of intangible assets .....	(3.0)	(975.4)	(111.6)
Purchase of Ionis Pharmaceuticals, Inc. stock .....	(462.9)	—	—
Investment in Samsung Bioepis .....	(676.6)	—	—
Other .....	0.4	(11.0)	(22.8)
Net cash flows used in investing activities .....	<u>(2,046.3)</u>	<u>(2,963.1)</u>	<u>(2,484.8)</u>
Cash flows from financing activities:			
Purchases of treasury stock .....	(4,352.6)	(1,365.4)	(1,000.0)
Payments related to issuance of stock for share-based compensation arrangements, net .....	(2.1)	(5.3)	(8.5)
Net distribution to noncontrolling interest .....	(36.4)	(134.1)	—
Repayments of borrowings .....	(3.2)	(560.9)	(2.7)
Net cash contribution to Bioverativ, Inc. ....	—	(302.7)	—
Contingent consideration payments .....	(58.2)	(3.0)	(38.6)
Other .....	(19.5)	(8.6)	(2.8)
Net cash flows used in financing activities .....	<u>(4,472.0)</u>	<u>(2,380.0)</u>	<u>(1,052.6)</u>
Net increase (decrease) in cash and cash equivalents .....	<u>(330.6)</u>	<u>(792.1)</u>	<u>1,049.8</u>
Effect of exchange rate changes on cash and cash equivalents .....	(18.6)	39.4	(31.3)
Cash and cash equivalents, beginning of the year .....	<u>1,573.8</u>	<u>2,326.5</u>	<u>1,308.0</u>
Cash and cash equivalents, end of the year .....	<u>\$ 1,224.6</u>	<u>\$ 1,573.8</u>	<u>\$ 2,326.5</u>

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