UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

August 5, 2020

Denali Therapeutics Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-38311	46-3872213
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

161 Oyster Point Blvd.
South San Francisco, California 94080
(Address of principal executive offices, including zip code)

(650) 866-8548
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last reports)

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 communications 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 communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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. ☐

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	DNLI	NASDAQ Global Select Market

Item 1.01 Entry into a Material Definitive Agreement.

Provisional Collaboration and License Agreement

On August 5, 2020, Denali Therapeutics Inc. ("Denali" or "we") entered into a binding Provisional Collaboration and License Agreement ("Provisional Collaboration Agreement") with Biogen Inc.'s subsidiaries, Biogen MA Inc. ("BIMA") and Biogen International GmbH ("BIG") (BIMA and BIG, collectively, "Biogen") pursuant to which Denali granted Biogen a license to co-develop and co-commercialize Denali's small molecule LRRK2 inhibitor program (the "LRRK2 Program"), an option in respect of each of Denali's amyloid beta program utilizing our Transport Vehicle (TV) technology platform to cross the blood-brain barrier and one (1) other unnamed program also utilizing our TV technology platform (the "Option Programs"), and a right of first negotiation with respect to two (2) additional unnamed programs for indications within Alzheimer's Disease, Parkinson's Disease, amyotrophic lateral sclerosis and multiple sclerosis utilizing Denali's TV technology platform (the "ROFN Programs") should Denali decide to seek a collaboration with a third party for such programs.

LRRK2 Program

The Provisional Collaboration Agreement includes Denali's small molecule LRRK2 inhibitors ("LRRK2 Products") that penetrate the blood-brain barrier, as well as those that do not penetrate the blood-brain barrier. LRRK2 is a regulator of lysosomal function, which is impaired in Parkinson's Disease and may be restored by LRRK2 inhibition. Inhibition of LRRK2 activity may slow the progression of Parkinson's Disease in patients with and without known genetic risks based on restoration of lysosomal function. Mutations in the LRRK2 gene can cause Parkinson's Disease. The lead LRRK2 Inhibitor in the collaboration is DNL151. DNL151 has completed dosing of 162 healthy volunteers in an ongoing Phase 1 clinical study and 25 Parkinson's patients in a Phase 1b clinical study. Denali is currently completing further dose escalation cohorts in an expanded Phase 1 and an additional cohort in the Phase 1b study to define the full therapeutic window of the molecule. Based on the clinical data to date that has been generated in Europe, DNL151 appears safe and well tolerated and has met desired target engagement goals. An Investigational New Drug application for DNL151 was cleared by the U.S. Food and Drug Administration in July 2020 and enables expansion of our clinical trials for DNL151 globally. Based on the totality of preclinical and clinical data to date, both DNL201 and DNL151 (two chemically distinct LRRK2 inhibitors) have met Denali's requirements to proceed into further late stage clinical testing, however, Denali has selected DNL151 due to pharmacokinetic properties that provide additional dosing regimen flexibility.

Payments

Under the terms of the Provisional Collaboration Agreement, Biogen is obligated to pay Denali a $560 million upfront payment, which shall be due upon execution of the Definitive Collaboration Agreement (as defined below). With respect to the LRRK2 Program, Biogen will make milestone payments up to approximately $1.125 billion split between development, regulatory and commercial milestones. Denali will share profits and losses equally with Biogen for LRRK2 Products in the United States and will share profits and losses in China with Biogen sharing 60% of such profits and losses and Denali sharing 40% of such profits and losses. Denali will be entitled to receive royalties in the high teens to low twenties percentages on net sales for LRRK2 Products outside of the United States and China.

The downstream financials for each Option Program are to be negotiated prior to execution of the Definitive Option and ROFN Agreement and for each ROFN Program are to be negotiated at the time of ROFN exercise.

License Grant to LRRK2 Program

Under the Provisional Collaboration Agreement, Denali granted Biogen a co-exclusive, worldwide license under intellectual property that Denali controls related to Denali's LRRK2 Inhibitors, including certain intellectual property licensed to Denali by a third party.

Development and Commercialization of LRRK2 Program

Denali and Biogen will jointly develop LRRK2 Products pursuant to a clinical development plan to be set forth in the Definitive Collaboration Agreement. The parties will share responsibility and costs for global development of LRRK2 Products pursuant to a mutually agreed development plan and budget, with Biogen funding 60% of such costs and Denali funding 40% of such costs. Denali has the ability to opt out of the development cost sharing arrangement, as further described below.

Biogen will lead commercialization activities globally for LRRK2 Products. Denali will co-commercialize the LRRK2 Products with Biogen in the United States and China, provided that the profit sharing arrangement for the LRRK2 Products is still in effect, as further described below.

Denali may opt out of development cost sharing worldwide and upon such election, of all further profit sharing from the LRRK2 Program. Denali also has the right to opt-out of the profit sharing arrangement for the LRRK2 Program or for only those LRRK2 Products that do not penetrate the blood-brain barrier ("Peripheral LRRK2 Products"), in each of the United States and China. After such an opt out by Denali, Denali will no longer be obligated to share in the development and commercialization costs for, and Denali will not share in the applicable revenues from, such LRRK2 Program (or from the LRRK2 Peripheral Products). Additionally, following a change of control of Denali, Biogen may, within a specified period of time, elect to terminate Denali's right to share commercialization costs and revenues from the LRRK2 Program in China. In such cases, Denali will be entitled to receive tiered royalties on net sales of the applicable LRRK2 Program in the relevant country (or countries). The royalty rates for the applicable LRRK2 Program will be a percentage in the high teens to low twenties, but may increase to the low twenties to mid-twenties, if we have met certain co-funding thresholds or there has been a first commercial sale at the time of our election.

LRRK2 Program Manufacturing

Biogen will be responsible for delivering all supplies for clinical trials and commercial production for LRRK2 Products, except that Denali will deliver such supplies for an initial transition period mutually agreed by Denali and Biogen.

LRRK2 Program Royalty Term

For any LRRK2 Product for which Biogen is required to pay royalties, Biogen will pay royalties to Denali on a country-by-country basis and product-by-product basis until the latest of (i) the expiration of certain patents covering the relevant product, (ii) the expiration of all regulatory exclusivity for that product in the applicable country, and (iii) an agreed period of time after the first commercial sale of that product in the applicable country. If, in a particular country, a LRRK2 Product for which Biogen is required to pay royalties is not covered by specified patent rights in that country or where generic competition exists, Biogen's royalty obligations in the applicable country would be reduced.

Exclusivity of LRRK2 Program

During the term of the Provisional Collaboration Agreement, neither Denali nor Biogen may conduct preclinical, clinical or commercial activities involving any small molecule that targets LRRK2 as its primary mechanism of action anywhere in the world, unless the LRRK2 Inhibitor is included under the collaboration and only to the extent such activity is permitted under the Provisional Collaboration Agreement.

Option Programs

In addition to the LRRK2 Program, Biogen will also receive an exclusive option to license two preclinical programs from Denali's TV technology platform, which platform aims to improve brain uptake of biotherapeutics, including its Antibody Transport Vehicle (ATV): Abeta program (ATV enabled anti-amyloid beta program) and a second program utilizing Denali's TV technology for an unnamed target, excluding small molecules, AAVs and oligonucleotides. Biogen's option may be triggered up to initiation of IND-enabling studies for each program and continues for each program until a specified period of time after delivery of an option data package or thirty (30) business days after the fifth (5^{th}) anniversary of the effective date of the Provisional Collaboration Agreement, whichever is earlier.

ROFN Programs

Further, Biogen will have the right of first negotiation on two (2) additional TV-enabled therapeutics in the field of Alzheimer's Disease, Parkinson's Disease, ALS and multiple sclerosis should Denali decide to seek a collaboration with a third party for such programs, but this does not include any of Denali's small molecule, AAVs and oligonucleotide programs. The ROFN period continues until seven (7) years after the effective date of the Provisional Collaboration Agreement or the date on which Denali has offered Biogen two (2) ROFN Programs, whichever is earlier. However, if Denali does not execute an agreement with a third party with respect to a particular ROFN Program offered to Biogen within a specified amount of time, then Biogen will have one (1) additional right to exercise the ROFN again with respect to such ROFN Program.

Termination

Each party may terminate the Provisional Collaboration Agreement in its entirety if the other party remains in material breach of the Provisional Collaboration Agreement following a cure period to remedy the material breach. Biogen may terminate the Provisional Collaboration Agreement in its entirety or with respect to any particular region, for convenience and after giving a specified amount of prior notice to us, but Biogen may not do so for a certain period of time after the effective date of the Provisional Collaboration Agreement.

Denali may terminate the Provisional Collaboration Agreement in its entirety if Biogen has failed to conduct any meaningful activities to advance the development or commercialization of the LRRK2 Program for a specified period of time, unless such failure is cured by Biogen within a certain period of time or unless such suspension of activities is prevented by certain regulatory actions, applicable laws, force majeure or Denali's failure to perform its obligations under the Provisional Collaboration and License Agreement. Denali may additionally terminate the Provisional Collaboration Agreement, subject to a specified cure period, if Biogen challenges any patents licensed to it under the Provisional Collaboration Agreement.

Denali and Biogen may each terminate the Provisional Collaboration Agreement in its entirety if the other party is declared insolvent or in similar financial distress.

Following any termination of the Provisional Collaboration Agreement with respect to the LRRK2 Program, entirely or a particular region (or regions) of the world or termination of the Provisional Collaboration Agreement in its entirety, Denali's rights to each of Denali's LRRK2 Inhibitors that were licensed to Biogen will revert to Denali. Biogen will conduct certain development, manufacturing and commercialization activities on a transitional basis following termination of the Provisional Collaboration Agreement, as outlined in the Provisional Collaboration Agreement, depending upon the basis for the applicable termination.

If the Provisional Collaboration Agreement is terminated for any reason, our rights to the LRRK2 Program that were licensed to Biogen will revert to us and Biogen's option rights and rights of first negotiation will terminate. Biogen will grant us licenses to certain intellectual property controlled by Biogen with respect to the LRRK2 Program (which could be subject to low to mid single digit royalties payable to Biogen).

Definitive Collaboration Agreement

The Provisional Collaboration and License Agreement is a binding agreement, which agreement will become effective on the closing of the Purchase Agreement (as described further below). In parallel, the parties will continue to negotiate a more detailed set of terms of a definitive collaboration agreement (the "Definitive Collaboration Agreement"), including a final detailed clinical development plan and budget, procedures for the sharing of costs and profits with respect to the LRRK2 Program, procedures with respect to regulatory interactions and the prosecution and enforcement of intellectual property licensed by Denali, procedures for information sharing, record keeping and auditing arrangements. If the parties cannot reach agreement and enter into the Definitive Collaboration Agreement within sixty (60) days following the execution of the Provisional Collaboration Agreement, the terms of the Definitive Collaboration Agreement will be determined through binding arbitration. The Provisional Collaboration Agreement will expire upon the execution of the Definitive Collaboration Agreement, which will supersede the Provisional Collaboration Agreement, and will remain in effect unless terminated by either party.

Common Stock Purchase Agreement

In connection with the Provisional Collaboration Agreement, Denali entered into a common stock purchase agreement (the "Purchase Agreement") with BIMA on August 5, 2020, pursuant to which Denali agreed to issue and sell, and BIMA has agreed to purchase, 13,310,243 shares of Denali's common stock (the "Shares") for an aggregate purchase price of $465.0 million pursuant to the terms and conditions thereof. We expect to close the sale of the Shares within three business days following the satisfaction of the closing conditions set forth in the Purchase Agreement, which includes satisfaction of customary closing conditions, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

Pursuant to the terms of a standstill and stock restriction agreement (the "Standstill Agreement") to be entered into between BIMA and Denali at the closing of the sale of the Shares, BIMA will agree to certain transfer and standstill restrictions, including a restriction on acquiring more than 10% of Denali's capital stock, and to vote the Shares in the same manner and proportion as the votes cast by the other holders of our common stock on certain matters, in each case for a period of eighteen months following the closing of the sale of the Shares, or earlier upon a change of control of Denali. In addition, BIMA will be entitled to certain demand registration rights with respect to the Shares following termination of the transfer restrictions.

The foregoing descriptions of the Provisional Collaboration Agreement, Definitive Collaboration Agreement, Purchase Agreement and Standstill Agreement (together, the "Agreements") do not purport to be complete and are qualified in their entirety by reference to the full text of such Agreements, which Denali intends to file as exhibits to a subsequent filing with the Securities and Exchange Commission.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth above in Item 1.01 of this Current Report on Form 8-K under the heading "Common Stock Purchase Agreement" is hereby incorporated by reference into this Item 3.02.

Upon the closing of the sale of Shares pursuant to the above-referenced Purchase Agreement, BIMA will purchase the Shares in a private placement in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). Denali relied upon these exemptions from registration based in part on representations made by BIMA in the Purchase Agreement. BIMA will acquire the Shares for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends will be affixed to the Shares.

Item 7.01 Regulation FD Disclosure.

On August 6, 2020, Denali issued press releases announcing the collaboration with Biogen and the decision to advance DNL151 into late stage clinical testing in Parkinson's patients. A copy of the press releases are attached hereto as Exhibit 99.1 and Exhibit 99.2 and incorporated herein by reference.

The information furnished in this Item 7.01 and Item 9.01 (including Exhibits 99.1 and 99.2) shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated August 6, 2020.
99.2	Press Release dated August 6, 2020.
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURE

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.

DENALI THERAPEUTICS INC.

Date: August 6, 2020

By: /s/ Steve E. Krognes
Steve E. Krognes
Chief Financial Officer and Treasurer

BIOGEN AND DENALI TO COLLABORATE ON LRRK2 PROGRAM FOR PARKINSON'S DISEASE AND CERTAIN TV PLATFORM-ENABLED PROGRAMS FOR NEURODEGENERATIVE DISEASES

- *Biogen to receive license to co-develop and co-commercialize Denali's small molecule LRRK2 inhibitor program, expanding pipeline of potential therapies in Parkinson's disease and other movement disorders*
- *Biogen to receive exclusive option rights to two programs for neurodegenerative diseases utilizing Denali's blood-brain barrier crossing TV technology platform, including for amyloid beta, plus right of first negotiation for two additional unnamed TV platform programs*
- *Denali to receive a $560 million upfront payment, a $465 million equity investment and potential milestone payments, profit sharing and royalties*

Cambridge, MA and South San Francisco, CA, August 6, 2020 – Biogen Inc. (Nasdaq: BIIB) and Denali Therapeutics Inc. (Nasdaq: DNLI) today announced that they have signed a binding agreement to co-develop and co-commercialize Denali's small molecule inhibitors of leucine-rich repeat kinase 2 (LRRK2) for Parkinson's disease. Biogen will also receive rights to opt into two programs and a right of first negotiation for two additional programs, in each case for neurodegenerative diseases leveraging Denali's Transport Vehicle (TV) technology platform to cross the blood-brain barrier (BBB).

"Our collaboration with Denali represents an opportunity to advance the development of a potential first-in-class oral therapy that may slow the progression of Parkinson's disease," said Michel Vounatsos, Biogen's Chief Executive Officer. "Denali's LRRK2 program is highly complementary to our existing Parkinson's disease pipeline and its successful development would enhance Biogen's portfolio of medicines for treating serious neurological and neurodegenerative diseases. We look forward to leveraging our neurology capabilities and infrastructure with Denali's scientific expertise to accelerate advancement of this program."

"We are very excited to collaborate with Biogen, a company with an impressive history in inventing and developing medicines for neurological diseases," said Ryan Watts, Ph.D., Denali's Chief Executive Officer. "This collaboration will allow us to accelerate the development of our LRRK2 program and gives us the resources to build a fully integrated company with the goal of bringing transformative medicines to patients suffering from neurodegenerative diseases."

Under the agreement, Biogen will collaborate with Denali to co-develop and co-commercialize Denali's small molecule inhibitors of LRRK2 for Parkinson's disease. Biogen and Denali will co-commercialize the LRRK2 product in the U.S. and China, and Biogen will commercialize in all other markets. DNL151 has been selected to progress into late stage clinical studies expected to commence in 2021.

Mutations in the LRRK2 gene can cause Parkinson's disease. LRRK2 is a regulator of lysosomal function, which is impaired in Parkinson's disease and may contribute to neurodegeneration. Inhibition of LRRK2 activity may slow the progression of Parkinson's disease in patients with and without known genetic risks based on restoration of lysosomal function. People who have Parkinson's disease experience numerous symptoms, including tremors, slow movement, muscle stiffness and impaired balance. As these symptoms become progressively worse, patients have difficulty walking, talking or completing other simple tasks. Parkinson's disease is the second most common neurodegenerative disease with significant unmet medical needs due to the absence of approved therapies that may slow disease progression.

In addition to the LRRK2 program, Biogen will also receive an exclusive option to license two preclinical programs from Denali's TV platform, which aims to improve brain uptake of biotherapeutics, including its Antibody Transport Vehicle (ATV): Abeta program (ATV enabled anti-amyloid beta program) and a second program utilizing its TV technology. Further, Biogen will have right of first negotiation on two additional TV-enabled therapeutics, currently at a preclinical stage, should Denali decide to seek a collaboration for such programs. Denali's TV platform is a proprietary technology designed to effectively deliver large therapeutic molecules such as antibodies, enzymes, proteins and oligonucleotides across the BBB after intravenous administration.

Terms of the Collaboration

Under the terms of the agreement, Biogen will make an upfront payment to Denali of $560 million and make a $465 million equity investment in Denali from the purchase of 13.3 million newly issued shares of Denali common stock at approximately $34.94 per share, representing 11.2 percent of Denali's pro-forma outstanding stock.

Should the LRRK2 program achieve certain development and commercial milestones, Denali will be eligible to receive up to $1.125 billion in potential milestone payments.

In the LRRK2 collaboration, Biogen and Denali will share responsibility and costs for global development (60 percent Biogen; 40 percent Denali), and will share responsibility and costs as well as profits and losses for commercialization in the U.S. (50 percent Biogen; 50 percent Denali) and China (60 percent Biogen; 40 percent Denali). Outside the U.S. and China, Biogen will be responsible for commercialization and pay Denali tiered royalties.

Closing of the collaboration is contingent on completion of review under antitrust laws, including the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976 in the U.S., and other customary closing conditions.

About Denali's LRRK2 DNL151 Program

DNL151 is a small molecule inhibitor of LRRK2 invented at Denali which has completed dosing of 162 healthy volunteers in an ongoing Phase 1 clinical study and completed dosing in 25 Parkinson's patients in a Phase 1b clinical study. Denali is currently completing further dose escalation cohorts in an expanded Phase 1 and an additional cohort in the Phase 1b study to define the full therapeutic window of the molecule. Based on the clinical data to date that has been generated in Europe, DNL151 appears to have an acceptable safety and tolerability profile and has met desired target engagement goals. An Investigational New Drug application for DNL151 was cleared by the U.S. Food and Drug Administration in July 2020 and enables expansion of Denali clinical trials for DNL151 globally.

About Biogen

At Biogen, our mission is clear: we are pioneers in neuroscience. Biogen discovers, develops and delivers worldwide innovative therapies for people living with serious neurological and neurodegenerative diseases as well as related therapeutic adjacencies. One of the world's first global biotechnology companies, Biogen was founded in 1978 by Charles Weissmann, Heinz Schaller, Kenneth Murray and Nobel Prize winners Walter Gilbert and Phillip Sharp. Today Biogen has the leading portfolio of medicines to treat multiple sclerosis, has introduced the first approved treatment for spinal muscular atrophy, commercializes biosimilars of advanced biologics and is focused on advancing research programs in multiple sclerosis and neuroimmunology, Alzheimer's disease and dementia, neuromuscular disorders, movement disorders, ophthalmology, immunology, neurocognitive disorders, acute neurology and pain.

We routinely post information that may be important to investors on our website at www.biogen.com. Follow us on social media – Twitter, LinkedIn, Facebook, YouTube.

About Denali Therapeutics

Denali Therapeutics is a biopharmaceutical company developing a broad portfolio of product candidates engineered to cross the BBB for neurodegenerative diseases. Denali Therapeutics pursues new treatments by rigorously assessing genetically validated targets, engineering delivery across the BBB and guiding development through biomarkers that demonstrate target and pathway engagement. Denali Therapeutics is based in South San Francisco. For additional information, please visit www.denalitherapeutics.com.

Biogen Safe Harbor

This press release contains forward-looking statements, made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements relating to the potential benefits and results that may be achieved through Biogen's proposed collaboration with Denali; the anticipated completion of the proposed transaction; the potential benefits, safety and efficacy of DNL151 and other LRRK2 inhibitor molecules; the clinical development program for DNL151 and other LRRK2 inhibitor molecules; the potential benefits of Denali's TV technology platform and TV programs including its ATV: anti-amyloid beta program; the treatment of Parkinson's disease; the potential of Biogen's commercial business and pipeline programs; Biogen's strategy and plans; the potential treatment of neurological and neurodegenerative diseases; and risks and uncertainties associated with drug development and commercialization. These forward-looking statements may be accompanied by words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "potential," "possible," "will," "would" and other words and terms of similar meaning. Drug development and commercialization involve a high degree of risk, and only a small number of research and development programs result in commercialization of a product. Results in early stage clinical trials may not be indicative of full results or results from later stage or larger scale clinical trials and do not ensure regulatory approval. You should not place undue reliance on these statements or the scientific data presented.

These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements, including, without limitation: risks that the proposed transaction will be completed in a timely manner or at all; the possibility that certain closing conditions to the proposed transaction will not be satisfied; uncertainty as to whether the anticipated benefits of the proposed collaboration can be achieved; risks of unexpected hurdles, costs or delays; uncertainty of success in the development and potential commercialization of DNL151 and other undisclosed neurological targets, which may be impacted by, among other things, unexpected concerns that may arise from additional data or analysis, the occurrence of adverse safety events, failure to obtain regulatory approvals in certain jurisdictions, failure to protect and enforce Biogen's data, intellectual property and other proprietary rights and uncertainties relating to intellectual property claims and challenges; product liability claims; third party collaboration risks; and the direct and indirect impacts of the ongoing COVID-19 pandemic on Biogen's business, results of operations and financial condition. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from Biogen's expectations in any forward-looking statement. Investors should consider this cautionary statement, as well as the risks factors identified in Biogen's most recent annual or quarterly report and in other reports Biogen has filed with the U.S. Securities and Exchange Commission. These statements are based on Biogen's current beliefs and expectations and speak only as of the date of this press release. Biogen does not undertake any obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

Denali Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements expressed or implied in this press release include, but are not limited to, plans, timelines and expectations related to DNL151 and other LRRK2 inhibitor molecules, Denali's TV technology platform and TV programs including its ATV: anti-amyloid beta program; LRRK2 inhibitors as modifying therapy for Parkinson's disease; the ability of the TV technology to effectively deliver large therapeutic molecules across the BBB; expectations regarding the proposed transaction with Biogen, including all financial aspects of the collaboration and equity investment; the potential benefits and results of the proposed transaction with Biogen; the anticipated completion of the transaction; plans to conduct clinical development activities and commercialize products; and statements made by Denali's CEO and Biogen's CEO.

Actual results are subject to risks and uncertainties and may differ materially from those indicated by these forward-looking statements as a result of these risks and uncertainties, including but not limited to: any and all risks to Denali's business and operations caused directly or indirectly by the evolving COVID-19 pandemic; the risks that the proposed transaction with Biogen may not be completed in a timely manner or at all; the possibility that certain closing conditions to the proposed transaction will not be satisfied, including the finalization of a definitive collaboration agreement; risks related to obtaining the requisite regulatory approvals, including those required under antitrust laws; the risk of the occurrence of any event, change or other circumstance that could give rise to the termination of the agreements with Biogen (including without limitation the failure to timely obtain requisite regulatory approvals); risks related to the effect of the announcement of the transaction on Denali's business relationships, operating results, stock price and business generally; Denali's early stages of clinical drug development; Denali's and its partners' ability to complete the development and, if approved, commercialization of its product candidates; Denali's and its partners' ability to enroll patients in clinical trials; Denali's reliance on third parties for the manufacture and supply of its product candidates for clinical trials; Denali's dependence on successful development of its BBB platform technology and whether the platform technology effectively delivers large therapeutic molecules across the BBB; Denali's and its partners' ability to conduct or complete clinical trials on expected timelines; the risk that preclinical profiles of Denali's product candidates, such as DNL151, may not translate in clinical trials and that such product candidates may not sufficiently modify Parkinson's disease; the uncertainty that product candidates will receive regulatory approval necessary to be commercialized; Denali's ability to continue to create a pipeline of product candidates or develop commercially successful products; developments relating to Denali's competitors and its industry, including competing product candidates and therapies; Denali's ability to obtain, maintain or protect intellectual property rights related to its product candidates; implementation of Denali's strategic plans for its business, product candidates and BBB platform technology; Denali's ability to obtain additional capital to finance its operations, as needed; Denali's ability to accurately forecast future financial results in the current environment; general economic and market conditions; and other risks and uncertainties, including those described in Denali's most recent Annual Report on Form 10-K, most recent Quarterly Report on Form 10-Q and Denali's future reports to be filed with the SEC. The forward-looking statements in this press release are based on information available to Denali as of the date hereof. Denali disclaims any obligation to update any forward-looking statements, except as required by law.

# # #

BIOGEN MEDIA CONTACT:
Biogen Inc.
David Caouette
+ 617 679 4945
public.affairs@biogen.com

BIOGEN INVESTOR CONTACT:
Biogen Inc.
Joe Mara
+781 464 2442
IR@biogen.com

DENALI THERAPEUTICS CONTACT:
Morgan Warners (GPG)
+ 202 295 0124
mwarners@gpg.com

DENALI THERAPEUTICS ANNOUNCES DECISION TO ADVANCE DNL151 INTO LATE STAGE CLINICAL STUDIES IN PARKINSON'S PATIENTS

- *DNL151 selected to advance into two late stage studies in Parkinson's disease in patients with a kinase activating mutation in LRRK2 and in patients with sporadic disease*
- *Denali and collaboration partner Biogen are finalizing DNL151 clinical development plans and intend to commence patient enrollment in 2021*

SOUTH SAN FRANCISCO — August 6, 2020 — Denali Therapeutics Inc. (NASDAQ: DNLI), a biopharmaceutical company developing a broad portfolio of product candidates engineered to cross the blood-brain barrier ("BBB") for treatment of neurodegenerative diseases, today announced that DNL151 has been selected to progress into late stage studies in Parkinson's disease patients with a kinase activating mutation in LRRK2 and in sporadic Parkinson's disease patients.

"Safety and biomarker data from studies of our two LRRK2 molecules in Parkinson's patients support moving DNL151 into late stage clinical studies with the aim of addressing the devastating clinical decline and pathology of disease in Parkinson's patients," said Carole Ho, M.D., Chief Medical Officer. "Our collaboration partner Biogen is a respected leader in neurodegenerative diseases and brings deep scientific and development expertise in Parkinson's disease which will allow us to accelerate our development plan and we believe increase the likelihood of ultimate success."

LRRK2 is a regulator of lysosomal function, which is impaired in Parkinson's disease and may be restored by LRRK2 inhibition. Inhibition of LRRK2 activity may slow the progression of Parkinson's disease in patients with and without known genetic risks based on restoration of lysosomal function. Mutations in the LRRK2 gene can cause Parkinson's disease and are a major driver of lysosomal dysfunction, which contributes to neurodegeneration.

DNL151 has completed dosing of 162 healthy volunteers in an ongoing Phase 1 clinical study and 25 Parkinson's patients in a Phase 1b clinical study. Denali is currently completing further dose escalation cohorts in an expanded Phase 1 and an additional cohort in the Phase 1b study to define the full therapeutic window of the molecule. Based on the clinical data to date that have been generated in Europe, DNL151 appears to have an acceptable safety and tolerability profile, and has met desired target engagement goals. An Investigational New Drug application for DNL151 was cleared by the U.S. Food and Drug Administration in July 2020 and enables expansion of our clinical studies for DNL151 globally. Based on the totality of preclinical and clinical data to date, both DNL201 and DNL151 (two chemically distinct LRRK2 inhibitors) have met Denali's requirements to proceed into further late stage clinical studies. However, Denali has selected DNL151 due to pharmacokinetic properties that provide additional dosing regimen flexibility.

Denali and Biogen are working to finalize the clinical development plans for the LRRK2 program and intend to commence two separate Parkinson's disease studies, one in patients with a kinase activating mutation in LRRK2 and the other in patients with sporadic disease. Patient enrollment is expected to commence in 2021.

About Denali's LRRK2 program

Denali has two CNS-penetrant small molecules that inhibit LRRK2 in clinical studies, DNL201 and DNL151.

DNL 201 has successfully completed a Phase 1 study in 122 healthy volunteer subjects and a Phase 1b study in 28 Parkinson's disease patients. DNL201 has been generally safe and well tolerated in doses tested and met all target engagement and biomarker goals. Based on this, DNL201 has met the bar for progression into further clinical studies.

DNL151 has successfully completed dosing of 162 healthy volunteers in an ongoing Phase 1 study in healthy volunteer subjects and completed dosing in 25 Parkinson's disease patients in a Phase 1b clinical study. DNL151 met safety, target engagement and biomarker goals in the Phase 1 healthy volunteer study. Denali is currently completing further dose escalation cohorts in an expanded Phase 1 and Phase 1b study to define the full therapeutic window. Target and pathway engagement of greater than 50 percent and a dose-dependent reduction of BMP in urine of up to 50 percent were observed at clinically relevant doses in healthy volunteers. The DNL151 Phase 1b study (NCT04056689) in Parkinson's disease patients is a 28-day, multicenter, randomized, placebo controlled, double-blind clinical trial in patients with mild-to-moderate Parkinson's disease being conducted in the U.S. and Europe. Its purpose is to evaluate safety, tolerability, pharmacokinetics, pharmacodynamics, including target and pathway engagement biomarkers as well as certain exploratory clinical endpoints, after multiple oral doses of DNL151. To date, 25 patients have been enrolled in the study, and the protocol has been amended to expand the study with up to 10 additional patients. Both the Phase 1 healthy volunteer and Phase 1b Parkinson's patient studies are anticipated to complete in 2020.

Further information on clinical studies with DNL151, DNL201 and Denali's efforts in Parkinson's disease can be found on clinicaltrials.gov and EngageParkinsons.com – Denali's Parkinson's disease patient engagement website for patients, caregivers and healthcare professionals.

About Denali

Denali Therapeutics is a biopharmaceutical company developing a broad portfolio of product candidates engineered to cross the BBB for neurodegenerative diseases. Denali Therapeutics pursues new treatments by rigorously assessing genetically validated targets, engineering delivery across the BBB and guiding development through biomarkers that demonstrate target and pathway engagement. Denali Therapeutics is based in South San Francisco. For additional information, please visit www.denalitherapeutics.com.

Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements expressed or implied in this press release include, but are not limited to, plans, timelines and expectations related to DNL 201, DNL151 and other LRRK2 inhibitor molecules; expectations regarding the proposed collaboration with Biogen; the potential benefits and results of Denali's collaboration agreement with Biogen; expectations regarding the commencement of, and timing of patient enrollment in, clinical trials; expectations regarding the timing of completion of ongoing clinical trials; and statements made by Denali's Chief Medical Officer.

Actual results are subject to risks and uncertainties and may differ materially from those indicated by these forward-looking statements as a result of these risks and uncertainties, including but not limited to: any and all risks to Denali's business and operations caused directly or indirectly by the evolving COVID-19 pandemic; the risks that the proposed transaction with Biogen may not be completed in a timely manner or at all; the possibility that certain closing conditions to the proposed transaction with Biogen will not be satisfied, including the finalization of a definitive collaboration agreement; risks related to obtaining the requisite regulatory approvals, including those required under antitrust laws; the risk of the occurrence of any event, change or other circumstance that could give rise to the termination of the agreements with Biogen (including without limitation the failure to timely obtain requisite regulatory approvals); Denali's early stages of clinical drug development; Denali's and its partners' ability to complete the development and, if approved, commercialization of its product candidates; Denali's and its partners' ability to enroll patients in clinical trials; Denali's reliance on third parties for the manufacture and supply its product candidates for clinical trials; Denali's dependence on successful development of its BBB platform technology; Denali's and its partners' ability to conduct or complete clinical trials on expected timelines; the risk that preclinical profiles of Denali's product candidates, such as DNL151, may not translate in clinical trials and that such product candidates may not sufficiently modify Parkinson's disease; the uncertainty that product candidates will receive regulatory approval necessary to be commercialized; Denali's ability to continue to create a pipeline of product candidates or develop commercially successful products; developments relating to Denali's competitors and its industry, including competing product candidates and therapies; Denali's ability to obtain, maintain, or protect intellectual property rights related to its product candidates; implementation of Denali's strategic plans for its business, product candidates and BBB platform technology; Denali's ability to obtain additional capital to finance its operations, as needed; Denali's ability to accurately forecast future financial results in the current environment; general economic and market conditions; and other risks and uncertainties, including those described in Denali's most recent Annual Report on Form 10-K, most recent Quarterly Report on Form 10-Q and Denali's future reports to

be filed with the SEC. The forward-looking statements in this press release are based on information available to Denali as of the date hereof. Denali disclaims any obligation to update any forward-looking statements, except as required by law.

Contacts:

Morgan Warners

(202) 295-0124

mwarners@gpg.com

or

Lizzie Hyland

(646) 495-2706

lhyland@gpg.com