Alliance Summary

Vertex and CRISPR to use CRISPR-Cas9 gene editing technology to discover and develop new treatment for genetic diseases

Licensor/Seller: CRISPR Therapeutics
Licensee/Buyer: Vertex Pharmaceuticals
Licensor/Seller Parent:
Licensee/Buyer Parent:

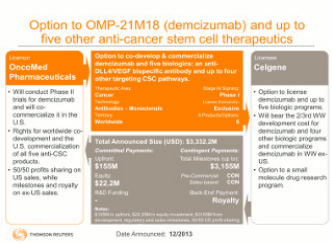
Date: 10/2015
Parties: Biotech / Biotech
Type: Co-Development, Equity, License, Option
Stage (at signing): Discovery
Therapeutic Area: Hematologic, Other/Miscellaneous, Respiratory

Press Releases

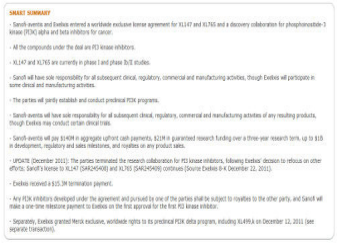
10/01/2015 Vertex and CRISPR Therapeutics Establish Collabora

Indication:
Cystic Fibrosis, Other Other/Miscellaneous, Sickle Cell Disease
Technology: Gene Sequencing, Gene Therapy

Deal Snapshot:



Smart Summary:



Contracts:

FINANCIAL PAYMENTS

Payment Type	Amount	Notes
Deal Size	$ 2625 M	
Upfront Cash	$ 75 M	$75 million in upfront cash.
Upfront Equity	$ 30 M	$30 million in upfront equity.
R&D Support	CON	Undisclosed funding
Contingent Equity		
Loan		
Total Milestones	$ 2520 M	
Dev/Reg Milestones	CON	upto $2,520 million in development, regulatory and sales milestones for upto six targets.
Sales Milestones	CON	upto $2,520 million in development, regulatory and sales milestones for upto six targets.
Royalty	CON	
Profit Split		
Transfer Price		

POST-COMMERCIALIZATION

Payment Type: None

Profit Split:

Marketing Fee:

Royalty: CON **Notes:** Undisclosed royalties.

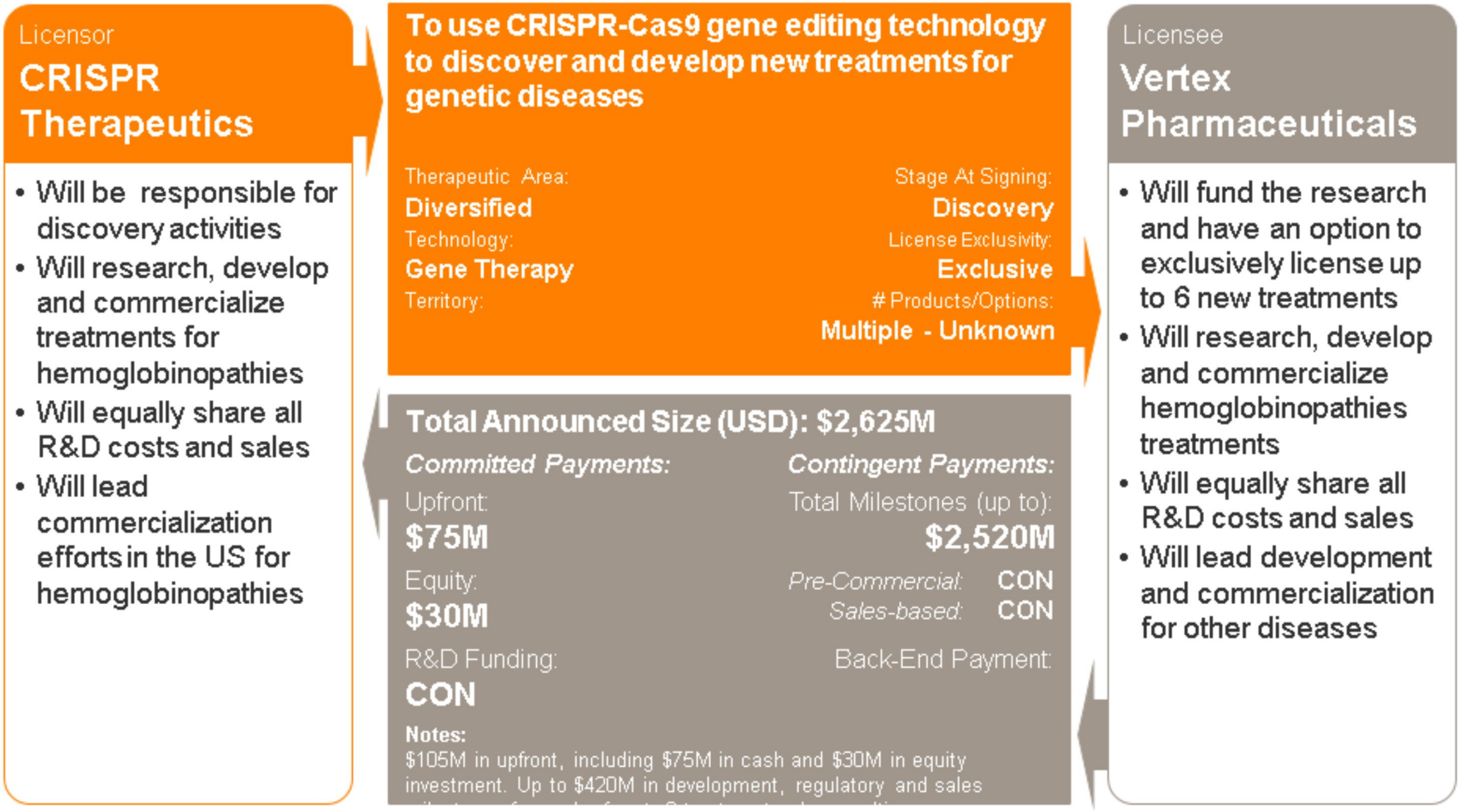
Transfer Price:

Effective Royalty Rates

Sales	Rate
$ 200 M	%
$ 500 M	%
$ 1 B	%

SNAPSHOT:

CRISPR-Cas9 gene editing technology to discover and develop new treatments for genetic diseases



THOMSON REUTERS

Date Announced: **10/2015**

LICENSE

Exclusivity:	Exclusive	**Licensed Territory:**	
Licensed Use:		**Licensed Country:**	
Notes:			

SMART SUMMARY

- In October 2015, Vertex Pharmaceuticals and CRISPR Therapeutics entered into a four-year strategic research collaboration to use CRISPR's CRISPR-Cas9 gene editing technology to discover and develop new treatments for genetic diseases.

- The parties would evaluate the use of CRISPR-Cas9 across multiple diseases where targets have been validated through human genetics.

- Initial gene editing research would be focused on discovering treatments to address the mutations and genes causing cystic fibrosis and sickle cell disease by correcting the mutations in the cystic fibrosis transmembrane conductance regulator (CFTR) gene.

- Vertex and CRISPR would also evaluate a specified number of other genetic targets.

- CRISPR would be responsible for the discovery activities and Vertex would fully fund the research.

- Vertex would have and option to exclusively license up to six new CRISPR-Cas9-based treatments that emerge from the collaboration.

- Vertex would fund 100 percent of the development expenses of licensed treatments.

- The parties would collaborate on the research, development and commercialization of treatments for hemoglobinopathies that emerge from the collaboration.

- Vertex and CRISPR would equally share all research and development costs and sales, with CRISPR Therapeutics leading commercialization efforts in the US for hemoglobinopathies, including treatments for sickle cell disease.

- Vertex would lead all development and global commercialization activities for all other diseases.

- CRISPR received $105 million upfront, including $75 million in cash and a $30 million equity investment, which would provide Vertex with an ownership stake in CRISPR.

- For each of the up to six treatments, CRISPR would receive future development, regulatory and sales milestones of up to $420 million and royalty payments on future sales.