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Vertex Pharmaceuticals is a U.S. R&D innovation company headquartered in Boston, Massachusetts. Vertex is engaged in the business of discovering, developing, manufacturing and commercializing therapies for patients with serious diseases worldwide. Vertex has multiple approved medicines that treat the underlying cause of cystic fibrosis, a life-threatening genetic disease that effects the lungs and digestive systems and leads to progressive decline in lung function including chronic lung infections and lung inflammation. Additionally, Vertex has an approved therapy that treats severe sickle cell disease and transfusion dependent beta-thalassemia, both life-shortening inherited blood disorders.

As part of the Tax Cuts & Jobs Act, starting in 2022, Vertex, like its industry peers, has been required to add back research and development expenses qualifying under IRC section 174 and amortize such expenses over 5- or 15-years. Since 2022, Vertex has had to capitalize over \$13 billion in qualified research expenditures and accelerated payment of almost \$2 billion in income taxes to the U.S. and state governments. This acceleration in income taxes over these last 4 years equals over 25% of the annual R&D expenditures, meaning that instead of these funds being put back into developing its ground-breaking science, Vertex paid the US fisc which amounts to no more than a timing item used as a revenue raiser for the 10-year budget window.

Although it is a large company, Vertex does not have infinite resources, and payment of an extra \$500 million in taxes per annum means that innovative medicines are delayed in getting to patients. Vertex is supportive of the return of full expensing for R&D expenditures, not only for itself to get life-changing medicines to patients, but for the entire biotech community and patients.

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