

# CONCERT PHARMACEUTICALS, INC.

## **FORM 8-K** (Current report filing)

Filed 07/25/17 for the Period Ending 07/25/17

Address	99 HAYDEN AVENUE SUITE 500 LEXINGTON, MA 02421
Telephone	781-860-0045
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Industry	Biotechnology & Medical Research
Sector	Healthcare
Fiscal Year	12/31

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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

**Date of report (Date of earliest event reported): July 25, 2017**

**Concert Pharmaceuticals, Inc.**

**(Exact Name of Registrant as Specified in Charter)**

**Delaware  
(State or Other Jurisdiction  
of Incorporation)**

**001-36310  
(Commission  
File Number)**

**20-4839882  
(IRS Employer  
Identification No.)**

**99 Hayden Avenue, Suite 500  
Lexington, Massachusetts  
(Address of Principal Executive Offices)**

**02421  
(Zip Code)**

**Registrant's telephone number, including area code: (781) 860-0045**

**(Former Name or Former Address, if Changed Since Last Report)**

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 (*see* General Instruction A.2. below):

- 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.

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**Item 2.01. Completion of Acquisition or Disposition of Assets.**

On July 25, 2017, Concert Pharmaceuticals, Inc. (the “Company”) completed its previously announced sale of the cystic fibrosis assets of the Company, including CTP-656, for up to \$250 million pursuant to an Asset Purchase Agreement (the “Purchase Agreement”) with Vertex Pharmaceuticals (Europe) Limited (“Vertex”).

Upon the closing of the Purchase Agreement, Vertex paid to the Company \$160 million in cash consideration, with \$16 million of such consideration to initially be held in escrow to satisfy certain indemnification obligations of the Company. Additionally, upon the achievement of certain milestone events, Vertex has agreed to pay the Company an aggregate of up to \$90 million after the closing. Of this amount, \$50 million will become payable to the Company upon receipt of marketing approval for a combination treatment regimen containing CTP-656 for patients with cystic fibrosis in the U.S., and \$40 million will become payable to the Company upon completion of a pricing and reimbursement agreement in the first of the United Kingdom, Germany or France with respect to a combination treatment regimen containing CTP-656 for patients with cystic fibrosis.

The foregoing description of the Purchase Agreement and the transactions contemplated by the Purchase Agreement is not complete and is subject to, and qualified in its entirety by, the full text of the Purchase Agreement, which was attached as Exhibit 10.12 to the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 6, 2017 and the terms of which are incorporated herein by reference.

**Item 8.01. Other Events.**

On July 25, 2017, the Company issued a press release announcing the closing of the Purchase Agreement, as previously described in this Current Report on Form 8-K. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits*

The Exhibits to this Current Report on Form 8-K are listed in the Exhibit Index attached hereto.

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**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.

**CONCERT PHARMACEUTICALS, INC.**

By: /s/ Roger D. Tung

Roger D. Tung

President and Chief Executive Officer

Date: July 25, 2017

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## EXHIBIT INDEX

<b>Exhibit</b>	<b>Description</b>
10.1	Asset Purchase Agreement dated March 3, 2017, by and between the Registrant and Vertex Pharmaceuticals (Europe) Ltd., as Buyer, and Vertex Pharmaceuticals Inc., as Guarantor (incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K (File No. 001-36310), filed with the Securities and Exchange Commission on March 6, 2017).
99.1	Press Release issued by Concert Pharmaceuticals, Inc., dated July 25, 2017.



Vertex Pharmaceuticals Incorporated  
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www.vrtx.com



## Vertex and Concert Pharmaceuticals Complete Asset Purchase Agreement for CTP-656

**Boston and Lexington, MA (July 25, 2017)** - Vertex Pharmaceuticals Incorporated (NASDAQ: VRTX) and Concert Pharmaceuticals, Inc. (NASDAQ: CNCE) today announced the completion of their previously announced asset purchase agreement. Under the completed agreement, Vertex now has worldwide development and commercialization rights to CTP-656 and other assets related to the treatment of cystic fibrosis (CF). CTP-656 is an investigational cystic fibrosis transmembrane conductance regulator (CFTR) potentiator that has the potential to be used as part of future once-daily combination regimens of CFTR modulators that treat the underlying cause of cystic fibrosis. Concert received \$160 million in cash upon closing and is eligible to receive up to \$90 million in additional milestones based on regulatory approval in the U.S. and reimbursement in the U.K., Germany or France.

### About Vertex

Vertex is a global biotechnology company that invests in scientific innovation to create transformative medicines for people with serious and life-threatening diseases. In addition to clinical development programs in CF, Vertex has more than a dozen ongoing research programs focused on the underlying mechanisms of other serious diseases.

Founded in 1989 in Cambridge, Mass., Vertex's headquarters is now located in Boston's Innovation District. Today, the company has research and development sites and commercial offices in the United States, Europe, Canada and Australia. Vertex is consistently recognized as one of the industry's top places to work, including being named to *Science* magazine's Top Employers in the life sciences ranking for seven years in a row. For additional information and the latest updates from the company, please visit [www.vrtx.com](http://www.vrtx.com).

### About Concert

Concert Pharmaceuticals is a clinical stage biopharmaceutical company focused on applying its DCE Platform® (deuterated chemical entity platform) to create novel medicines designed to address unmet patient needs. The Company's approach starts with approved drugs in which deuterium substitution has the potential to enhance clinical safety, tolerability or efficacy. Concert has a broad pipeline of innovative medicines targeting autoimmune and inflammatory diseases and central nervous systems (CNS) disorders. For more information please visit [www.concertpharma.com](http://www.concertpharma.com).

### Vertex's Special Note Regarding Forward-looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding potential milestone payments. While Vertex believes the forward-looking statements contained in this press release are accurate, these forward-looking statements represent the company's beliefs only as of the date of this press release and there are a number of factors that could cause actual events to differ materially from those indicated by such forward-looking statements. These risks and uncertainties include, among other things, the risks listed under Risk Factors in Vertex's annual report and quarterly reports filed with the Securities and Exchange Commission and available through the company's website at [www.vrtx.com](http://www.vrtx.com). Vertex disclaims

any obligation to update the information contained in this press release as new information becomes available.

### **Concert's Cautionary Note on Forward-looking Statements**

Any statements in this press release about our future expectations, plans and prospects, including statements about the potential payments to be received pursuant to the asset purchase agreement and other statements containing the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the factors discussed in the "Risk Factors" section of our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission and in other filings that we make with the Securities and Exchange Commission. In addition, any forward-looking statements included in this press release represent our views only as of the date of this release and should not be relied upon as representing our views as of any subsequent date. We specifically disclaim any obligation to update any forward-looking statements included in this press release.

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### **Contacts:**

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#### **Vertex**

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