Evaluate Vantage

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The fate of Celgene security looks to follow that of Genzyme's

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The contingent value right related to Bristol Myers Squibb's Celgene takeover expired last week, but for its holders the battle is not over. The next stage looks to be a legal dispute, mirroring the events around the last big tradeable pharma CVR to have been issued, relating to Sanofi's 2011 acquisition of Genzyme. That earlier security, contingent on various milestones relating to Lemtrada, had been worth up to $14 per CVR, and having effectively lapsed it resulted in litigation, whose settlement eight years later gave holders around 88 cents. Bristol's CVR, meanwhile, would have paid $9 had all three of its elements been met, but once liso-cel failed to secure US approval by December 31 the CVR's listing on the New York stock exchange was terminated. The CVR holders will likely argue that Bristol did not move fast enough to respond to FDA questions, but this might not amount to much given that liso-cel's approval delay was also down to Covid-19-related travel restrictions scuppering a manufacturing plant inspection. The CVR ended its last trading day at 69 cents, and this now represents the perceived value of a legal payout.

The Bristol Myers Squibb/Celgene CVR

Project	CVR-triggering event*	Status
Ozanimod	Approval by 31 Dec 2020	Approved
Liso-cel	Approval by 31 Dec 2020	BLA filed; Pdufa date initially 17 Aug; additional info deemed a "major amendment", causing Pdufa date delay to 16 Nov; Covid-19 travel restrictions prevented manufacturing inspection by 16 Nov, but no CRL issued; manufacturing plant inspected 3-10 Dec; additional observations responded to by 18 Dec; information requests responded to "rapidly", and none was outstanding as at 1 Jan 2021; however, liso-cel remains unapproved on 4 Jan
Ide-cel	Approval by 31 Mar 2021	BLA filed; RTF letter received 13 May; BLA refiled 22 Sep 2020; Pdufa date 27 Mar 2021; event now irrelevant

**Each CVR would have paid out $9 only if all three events were met.*