UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 000-19319

Vertex Pharmaceuticals Incorporated

(Exact name of registrant as specified in its charter)

Massachusetts	**04-3039129**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
50 Northern Avenue, Boston, Massachusetts	**02210**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(617) 341-6100**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 Par Value Per Share	VRTX	The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value $0.01 per share	253,460,924	Outstanding at July 31, 2026

VERTEX PHARMACEUTICALS INCORPORATED

FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2026

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"Vertex," "we," "us," and "our" as used in this Quarterly Report on Form 10-Q refer to Vertex Pharmaceuticals Incorporated, a Massachusetts corporation, and its subsidiaries.

We use the brand name for our products when we refer to the product that has been approved and with respect to the indications on the approved label. Otherwise, including in discussions of our cystic fibrosis, sickle cell disease, beta thalassemia, and pain development programs, we refer to our product candidates by their scientific (or generic) name or VX developmental designation.

Part I. Financial Information

Item 1. Financial Statements

VERTEX PHARMACEUTICALS INCORPORATED
Condensed Consolidated Statements of Income
(unaudited; in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Product revenues, net	$ 3,333.9	$ 2,944.0	$ 6,320.8	$ 5,704.2
Other revenues	—	20.7	—	30.7
Total revenues	3,333.9	2,964.7	6,320.8	5,734.9
Costs and expenses:				
Cost of sales	489.2	407.5	882.0	770.5
Research and development expenses	993.8	978.4	1,955.4	1,958.1
Acquired in-process research and development expenses	21.4	2.2	21.9	22.0
Selling, general and administrative expenses	582.2	424.6	1,075.9	821.0
Intangible asset impairment charge	—	—	—	379.0
Change in fair value of contingent consideration	0.4	0.9	0.6	3.1
Total costs and expenses	2,087.0	1,813.6	3,935.8	3,953.7
Income from operations	1,246.9	1,151.1	2,385.0	1,781.2
Interest income, net	120.6	118.7	235.4	236.6
Other income (expense), net	24.3	13.2	24.3	(4.4)
Income before provision for income taxes	1,391.8	1,283.0	2,644.7	2,013.4
Provision for income taxes	292.0	250.1	513.5	334.2
Net income	$ 1,099.8	$ 1,032.9	$ 2,131.2	$ 1,679.2
Net income per common share:				
Basic	$ 4.34	$ 4.02	$ 8.39	$ 6.54
Diluted	$ 4.31	$ 3.99	$ 8.33	$ 6.48
Shares used in per share calculations:				
Basic	253.7	256.7	253.9	256.8
Diluted	255.2	258.9	255.7	259.2

The accompanying notes are an integral part of these condensed consolidated financial statements.

VERTEX PHARMACEUTICALS INCORPORATED
Condensed Consolidated Statements of Comprehensive Income
(unaudited; in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 1,099.8	$ 1,032.9	$ 2,131.2	$ 1,679.2
Other comprehensive income (loss):				
Unrealized holding (losses) gains on available-for-sale debt securities, net of tax of $4.9, $(2.1), $13.7 and $(6.7), respectively	(17.4)	7.4	(48.6)	23.9
Unrealized gains (losses) on foreign currency forward contracts, net of tax of $(11.2), $54.1, $(35.1) and $79.7, respectively	39.7	(191.9)	124.6	(282.2)
Foreign currency translation adjustment	1.4	15.3	(11.6)	29.4
Total other comprehensive income (loss)	23.7	(169.2)	64.4	(228.9)
Comprehensive income	$ 1,123.5	$ 863.7	$ 2,195.6	$ 1,450.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

VERTEX PHARMACEUTICALS INCORPORATED
Condensed Consolidated Balance Sheets
(unaudited; in millions, except share and per share data)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 6,143.5	$ 5,084.8
Marketable securities	1,708.9	1,523.3
Accounts receivable, net	2,134.3	2,052.8
Inventories	1,765.1	1,686.8
Prepaid expenses and other current assets	791.9	853.3
Total current assets	12,543.7	11,201.0
Property and equipment, net	1,665.0	1,520.3
Goodwill	1,088.0	1,088.0
Other intangible assets, net	412.8	424.2
Deferred tax assets	3,010.9	2,897.9
Operating lease assets	1,662.9	1,562.7
Long-term marketable securities	5,789.1	5,712.3
Other assets	1,250.9	1,236.6
Total assets	$ 27,423.3	$ 25,643.0
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 429.5	$ 461.7
Accrued expenses	3,179.0	2,971.2
Other current liabilities	329.4	428.3
Total current liabilities	3,937.9	3,861.2
Long-term operating lease liabilities	1,977.6	1,846.5
Other long-term liabilities	1,259.9	1,269.5
Total liabilities	7,175.4	6,977.2
Commitments and contingencies (Note L)		
Shareholders' equity:		
Preferred stock, $0.01 par value; 1,000,000 shares authorized; none issued	—	—
Common stock, $0.01 par value; 500,000,000 shares authorized, 253,347,555 and 253,991,224 shares issued and outstanding, respectively	2.5	2.5
Additional paid-in capital	4,505.7	5,119.2
Accumulated other comprehensive income (loss)	48.5	(15.9)
Retained earnings	15,691.2	13,560.0
Total shareholders' equity	20,247.9	18,665.8
Total liabilities and shareholders' equity	$ 27,423.3	$ 25,643.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

VERTEX PHARMACEUTICALS INCORPORATED
Condensed Consolidated Statements of Shareholders' Equity
(unaudited; in millions)

	Three Months Ended					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Shares	Amount				
Balance at March 31, 2025	257.0	$ 2.6	$ 6,172.5	$ 68.1	$ 10,253.1	$ 16,496.3
Other comprehensive loss, net of tax	—	—	—	(169.2)	—	(169.2)
Net income	—	—	—	—	1,032.9	1,032.9
Repurchases of common stock	(0.9)	—	(397.3)	—	—	(397.3)
Common stock withheld for employee tax obligations	—	—	(5.9)	—	—	(5.9)
Issuance of common stock under benefit plans	0.2	—	47.4	—	—	47.4
Stock-based compensation expense	—	—	171.2	—	—	171.2
Balance at June 30, 2025	256.3	$ 2.6	$ 5,987.9	$ (101.1)	$ 11,286.0	$ 17,175.4
Balance at March 31, 2026	254.2	$ 2.5	$ 4,743.2	$ 24.8	$ 14,591.4	$ 19,361.9
Other comprehensive income, net of tax	—	—	—	23.7	—	23.7
Net income	—	—	—	—	1,099.8	1,099.8
Repurchases of common stock	(1.1)	—	(457.7)	—	—	(457.7)
Common stock withheld for employee tax obligations	—	—	(4.3)	—	—	(4.3)
Issuance of common stock under benefit plans	0.2	—	50.6	—	—	50.6
Stock-based compensation expense	—	—	173.9	—	—	173.9
Balance at June 30, 2026	253.3	$ 2.5	$ 4,505.7	$ 48.5	$ 15,691.2	$ 20,247.9

	Six Months Ended					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Shares	Amount				
Balance at December 31, 2024	256.9	$ 2.6	$ 6,672.4	$ 127.8	$ 9,606.8	$ 16,409.6
Other comprehensive loss, net of tax	—	—	—	(228.9)	—	(228.9)
Net income	—	—	—	—	1,679.2	1,679.2
Repurchases of common stock	(1.8)	—	(814.2)	—	—	(814.2)
Common stock withheld for employee tax obligations	(0.6)	—	(276.4)	—	—	(276.4)
Issuance of common stock under benefit plans	1.8	—	65.9	—	—	65.9
Stock-based compensation expense	—	—	340.2	—	—	340.2
Balance at June 30, 2025	256.3	$ 2.6	$ 5,987.9	$ (101.1)	$ 11,286.0	$ 17,175.4
Balance at December 31, 2025	254.0	$ 2.5	$ 5,119.2	$ (15.9)	$ 13,560.0	$ 18,665.8
Other comprehensive income, net of tax	—	—	—	64.4	—	64.4
Net income	—	—	—	—	2,131.2	2,131.2
Repurchases of common stock	(1.8)	—	(802.2)	—	—	(802.2)
Common stock withheld for employee tax obligations	(0.5)	—	(232.8)	—	—	(232.8)
Issuance of common stock under benefit plans	1.6	—	77.7	—	—	77.7
Stock-based compensation expense	—	—	343.8	—	—	343.8
Balance at June 30, 2026	253.3	$ 2.5	$ 4,505.7	$ 48.5	$ 15,691.2	$ 20,247.9

The accompanying notes are an integral part of these condensed consolidated financial statements.

VERTEX PHARMACEUTICALS INCORPORATED
Condensed Consolidated Statements of Cash Flows
(unaudited; in millions)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 2,131.2	$ 1,679.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation expense	336.6	333.4
Depreciation and amortization expense	112.4	100.1
Intangible asset impairment charge	—	379.0
Deferred income taxes	(135.0)	(305.4)
Other non-cash items, net	(21.4)	106.6
Changes in operating assets and liabilities:		
Accounts receivable	(100.4)	(188.0)
Inventories	(125.4)	(315.7)
Prepaid expenses and other assets	122.0	(104.5)
Accounts payable	(31.1)	33.8
Accrued expenses	293.0	214.7
Other liabilities	(28.4)	(41.2)
Net cash provided by operating activities	2,553.5	1,892.0
Cash flows from investing activities:		
Purchases of available-for-sale debt securities	(4,864.1)	(3,820.6)
Sales and maturities of available-for-sale debt securities	4,558.2	3,476.3
Purchases of property and equipment	(245.6)	(186.4)
Proceeds related to convertible note	75.5	—
Other investing activities	(1.7)	(9.6)
Net cash used in investing activities	(477.7)	(540.3)
Cash flows from financing activities:		
Issuances of common stock under benefit plans	74.7	65.8
Repurchases of common stock	(806.4)	(817.9)
Payments in connection with common stock withheld for employee tax obligations	(232.8)	(276.4)
Other financing activities	(1.0)	(1.1)
Net cash used in financing activities	(965.5)	(1,029.6)
Effect of changes in exchange rates on cash	(44.0)	87.7
Net increase in cash, cash equivalents and restricted cash	1,066.3	409.8
Cash, cash equivalents and restricted cash—beginning of period	5,087.8	4,572.2
Cash, cash equivalents and restricted cash—end of period	$ 6,154.1	$ 4,982.0
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 501.5	$ 697.7
Cash paid for interest	$ 6.3	$ 6.2

The accompanying notes are an integral part of these condensed consolidated financial statements.

VERTEX PHARMACEUTICALS INCORPORATED
Notes to Condensed Consolidated Financial Statements (unaudited)

A. Basis of Presentation and Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited and have been prepared by Vertex Pharmaceuticals Incorporated ("Vertex," "we," "us" or "our") in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The condensed consolidated financial statements reflect the operations of Vertex and our wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated. We operate in one segment, pharmaceuticals.

Certain information and footnote disclosures normally included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the "2025 Annual Report on Form 10-K") have been condensed or omitted. These interim financial statements, in the opinion of management, reflect all normal recurring adjustments necessary for a fair presentation of the financial position and results of income for the interim periods ended June 30, 2026 and 2025.

The results of operations for the interim period are not necessarily indicative of the results of operations to be expected for the full fiscal year. These interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2025, which are contained in our 2025 Annual Report on Form 10-K.

Use of Estimates

The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our condensed consolidated financial statements, and the amounts of revenues and expenses during the reported periods. We base our estimates on historical experience and various other assumptions, including in certain circumstances future projections that we believe to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in reported results in the period in which they become known.

Recently Issued Accounting Standards

Disaggregation of Income Statement Expenses

In 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires public entities, among other items, to disclose in a tabular format, on an annual and interim basis, purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion for each income statement line item that contains those expenses. ASU 2024-03 becomes effective for the annual period starting on January 1, 2027 and interim periods starting on January 1, 2028. We are in the process of analyzing the impact that the adoption of ASU 2024-03 will have on our disclosures.

Internal-Use Software

In 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"), which eliminates consideration of the software project development stages and replaces them with modernized recognition and measurement guidance designed to reflect current internal-use software development practices. ASU 2025-06 becomes effective for the annual and interim periods starting on January 1, 2028. We are in the process of analyzing the impact that the adoption of ASU 2025-06 will have on our consolidated financial statements and related disclosures.

Summary of Significant Accounting Policies

Our significant accounting policies are described in Note A, "Nature of Business and Accounting Policies," in our 2025 Annual Report on Form 10-K.

B. Collaboration, License and Other Arrangements

Acquired In-Process Research and Development

We have entered into numerous business development agreements with third parties to collaborate on research, development and commercialization programs, license technologies, or acquire assets. Our "Acquired in-process research and

development expenses" ("AIPR&D") included $21.4 million and $21.9 million in the three and six months ended June 30, 2026, respectively, and $2.2 million and $22.0 million in the three and six months ended June 30, 2025, respectively, related to upfront, contingent milestone, or other payments pursuant to our business development transactions.

Our collaboration, licensing and asset acquisition agreements that had a significant impact on our financial statements for the three and six months ended June 30, 2026 and 2025 or were new or materially revised during the three and six months ended June 30, 2026, are described below. Additional agreements are described in Note B, "Collaboration, License and Other Arrangements," of our 2025 Annual Report on Form 10-K.

In-license Agreements

CRISPR Therapeutics AG

We have a joint development and commercialization agreement (the "CRISPR JDCA") with CRISPR Therapeutics AG and its affiliates ("CRISPR"). Pursuant to the CRISPR JDCA, we lead global development, manufacturing and commercialization of CASGEVY for the treatment of hemoglobinopathies, including treatments for severe sickle cell disease ("SCD") and transfusion-dependent beta thalassemia, with support from CRISPR.

We share with CRISPR 40% of the net commercial profits or losses incurred with respect to CASGEVY, subject to certain adjustments, which is recorded to "Cost of sales." The net commercial profits or losses equal the sum of the product revenues, cost of sales and selling, general and administrative expenses that we recognized during the applicable period related to the CRISPR JDCA. We also are reimbursed by CRISPR for its 40% share of the research and development activities conducted under the CRISPR JDCA, subject to certain adjustments, and we record this reimbursement from CRISPR as a credit within "Research and development expenses."

In the first quarter of 2025, we recorded a $12.5 million credit to AIPR&D from CRISPR, reflecting its share of our upfront payment paid to Orna Therapeutics in December 2024.

During the three and six months ended June 30, 2026 and 2025, the credits recognized in our condensed consolidated statements of income for CRISPR's share of CRISPR JDCA activities were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
Cost of sales	$ 21.8	$ 30.1	$ 44.9	$ 66.3
Research and development expenses	$ 14.4	$ 15.1	$ 30.5	$ 31.1
Acquired in-process research and development expenses	$ —	$ —	$ —	$ 12.5

Cystic Fibrosis Foundation

In 2004, we entered into an agreement with the Cystic Fibrosis Foundation (the "CFF"), as successor in interest to the Cystic Fibrosis Foundation Therapeutics, Inc., to support research and development activities. Pursuant to the agreement, as amended, we have agreed to pay tiered royalties ranging from single digits to sub-teens on covered compounds first synthesized and/or tested during a research term on or before February 28, 2014, including ivacaftor, lumacaftor and tezacaftor, and royalties ranging from low-single digits to mid-single digits on net sales of certain compounds first synthesized and/or tested between March 1, 2014 and August 31, 2016, including elexacaftor. We do not have any royalty obligations on compounds first synthesized and tested on or after September 1, 2016. For combination products, such as ORKAMBI, SYMDEKO/SYMKEVI, TRIKAFTA/KAFTRIO, and ALYFTREK, sales are allocated equally to each of the active pharmaceutical ingredients in the combination product, and royalties are then paid for any royalty-bearing components included in the combination. We record expenses related to these royalty obligations to "Cost of sales."

VERTEX PHARMACEUTICALS INCORPORATED
Notes to Condensed Consolidated Financial Statements (unaudited)

C. Earnings Per Share

The following table sets forth the computation of basic and diluted net income per common share for the periods ended:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions, except per share amounts)			
Net income	$ 1,099.8	$ 1,032.9	$ 2,131.2	$ 1,679.2
Basic weighted-average common shares outstanding	253.7	256.7	253.9	256.8
Effect of potentially dilutive securities:				
Restricted stock units (including performance-based restricted stock units ("PSUs"))	0.9	1.3	1.2	1.4
Stock options	0.6	0.9	0.6	1.0
Diluted weighted-average common shares outstanding	255.2	258.9	255.7	259.2
Basic net income per common share	$ 4.34	$ 4.02	$ 8.39	$ 6.54
Diluted net income per common share	$ 4.31	$ 3.99	$ 8.33	$ 6.48

During the three and six months ended June 30, 2026 and 2025, the number of anti-dilutive securities that were excluded from the computation of our diluted net income per common share were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
Unvested restricted stock units (including PSUs)	0.6	—	0.3	—
Stock options	—	—	—	—

VERTEX PHARMACEUTICALS INCORPORATED
Notes to Condensed Consolidated Financial Statements (unaudited)

D. Fair Value Measurements

The following table sets forth our financial assets and liabilities subject to fair value measurements by level within the fair value hierarchy, as described in Note A, "Nature of Business and Accounting Policies," of our 2025 Annual Report on Form 10-K:

	As of June 30, 2026				As of December 31, 2025			
		Fair Value Hierarchy				Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
				(in millions)				
Financial instruments carried at fair value (asset positions):								
Cash equivalents	$ 2,656.9	$ 1,351.5	$ 1,305.4	$ —	$ 2,779.1	$ 1,770.7	$ 1,008.4	$ —
Marketable securities:								
Corporate equity securities	11.9	11.9	—	—	16.6	16.6	—	—
U.S. Treasury securities	1,660.4	1,660.4	—	—	1,864.9	1,864.9	—	—
U.S. government agency securities	190.8	—	190.8	—	262.4	—	262.4	—
Asset-backed securities	1,233.5	—	1,233.5	—	1,357.0	—	1,357.0	—
Certificates of deposit	18.9	—	18.9	—	26.2	—	26.2	—
Corporate debt securities	4,317.8	—	4,317.8	—	3,693.9	—	3,693.9	—
Commercial paper	64.7	—	64.7	—	14.6	—	14.6	—
Prepaid expenses and other current assets:								
Foreign currency forward contracts	60.8	—	60.8	—	6.2	—	6.2	—
Other assets:								
Foreign currency forward contracts	39.9	—	39.9	—	12.7	—	12.7	—
Total financial assets	$ 10,255.6	$ 3,023.8	$ 7,231.8	$ —	$ 10,033.6	$ 3,652.2	$ 6,381.4	$ —
Financial instruments carried at fair value (liability positions):								
Other current liabilities:								
Foreign currency forward contracts	$ (35.2)	$ —	$ (35.2)	$ —	$ (79.4)	$ —	$ (79.4)	$ —
Other long-term liabilities:								
Foreign currency forward contracts	(17.4)	—	(17.4)	—	(51.0)	—	(51.0)	—
Contingent consideration	(79.6)	—	—	(79.6)	(79.0)	—	—	(79.0)
Total financial liabilities	$ (132.2)	$ —	$ (52.6)	$ (79.6)	$ (209.4)	$ —	$ (130.4)	$ (79.0)

Please refer to Note E, "Marketable Securities and Other Investments," for the carrying amount and related unrealized gains (losses) by type of investment. Our cash equivalents primarily include money market funds, commercial paper, and time deposits.

Fair Value of Corporate Equity Securities

We classify our investments in publicly traded corporate equity securities as "Marketable securities" on our condensed consolidated balance sheets. Generally, our investments in the common stock of publicly traded companies are valued based on Level 1 inputs because they have readily determinable fair values.

Please refer to Note E, "Marketable Securities and Other Investments," for further information on these investments.

Fair Value of Contingent Consideration

Our Level 3 contingent consideration liabilities of $79.6 million are related to $678.3 million of development and regulatory milestones potentially payable to former equity holders of a privately-held company we acquired in 2019. We base our estimates of the probability of achieving the milestones relevant to the fair value of contingent payments on industry data attributable to gene therapies and our knowledge of the progress and viability of the associated Duchenne muscular dystrophy programs. The discount rates used in the valuation model for contingent payments, which were between 4.6% and 4.7% as of June 30, 2026, represent a measure of credit risk and market risk associated with settling the liabilities. Significant judgment is used in determining the appropriateness of these assumptions at each reporting period.

VERTEX PHARMACEUTICALS INCORPORATED
Notes to Condensed Consolidated Financial Statements (unaudited)

The following table represents a rollforward of the fair value of our contingent consideration liabilities:

	Six Months Ended June 30, 2026
	(in millions)
Balance at December 31, 2025	$ 79.0
Increase in fair value of contingent payments	0.6
Balance at June 30, 2026	$ 79.6

E. Marketable Securities and Other Investments

A summary of our cash equivalents and marketable debt and equity securities, which are recorded at fair value, is shown below:

	As of June 30, 2026				As of December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in millions)							
Cash equivalents	$ 2,656.9	$ —	$ —	$ 2,656.9	$ 2,779.1	$ —	$ —	$ 2,779.1
Marketable securities:								
U.S. Treasury securities	1,668.0	0.4	(8.0)	1,660.4	1,852.9	12.1	(0.1)	1,864.9
U.S. government agency securities	191.0	0.2	(0.4)	190.8	261.2	1.2	—	262.4
Asset-backed securities	1,236.1	1.2	(3.8)	1,233.5	1,351.1	6.0	(0.1)	1,357.0
Certificates of deposit	18.9	—	—	18.9	26.2	—	—	26.2
Corporate debt securities	4,326.1	5.7	(14.0)	4,317.8	3,669.3	25.0	(0.4)	3,693.9
Commercial paper	64.7	—	—	64.7	14.6	—	—	14.6
Total marketable available-for-sale debt securities	7,504.8	7.5	(26.2)	7,486.1	7,175.3	44.3	(0.6)	7,219.0
Corporate equity securities	25.0	—	(13.1)	11.9	25.0	—	(8.4)	16.6
Total marketable securities	7,529.8	7.5	(39.3)	7,498.0	7,200.3	44.3	(9.0)	7,235.6
Total cash equivalents and marketable securities	$ 10,186.7	$ 7.5	$ (39.3)	$ 10,154.9	$ 9,979.4	$ 44.3	$ (9.0)	$ 10,014.7

Amounts in the table above at fair value were classified on our condensed consolidated balance sheets as follows:

	As of June 30, 2026	As of December 31, 2025
	(in millions)	
Cash and cash equivalents	$ 2,656.9	$ 2,779.1
Marketable securities	1,708.9	1,523.3
Long-term marketable securities	5,789.1	5,712.3
Total	$ 10,154.9	$ 10,014.7

Marketable available-for-sale debt securities by contractual maturity were as follows:

	As of June 30, 2026	As of December 31, 2025
	(in millions)	
Matures within one year	$ 1,697.0	$ 1,506.7
Matures after one year through five years	5,689.5	5,595.8
Matures after five years	99.6	116.5
Total	$ 7,486.1	$ 7,219.0

We did not record any allowances for credit losses to adjust the fair value of our marketable available-for-sale debt securities during the three and six months ended June 30, 2026 and 2025. Additionally, we did not record any realized gains or losses related to these investments that were material to our condensed consolidated statements of income during the three and six months ended June 30, 2026 and 2025. As of June 30, 2026, we held marketable available-for-sale debt securities with a total fair value of $4.8 billion that were in unrealized loss positions totaling $26.2 million, including an insignificant amount that had been in unrealized loss positions for greater than twelve months.

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We record changes in the fair value of our investments in corporate equity securities to "Other income (expense), net" in our condensed consolidated statements of income. During the three and six months ended June 30, 2026 and 2025, our net unrealized (losses) gains on corporate equity securities with readily determinable fair values held at the conclusion of each period were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
Net unrealized (losses) gains	$ (8.5)	$ 6.4	$ (4.7)	$ (8.6)

As of June 30, 2026 and December 31, 2025, the carrying value of our equity investments without readily determinable fair values, which are recorded in "Other assets" on our condensed consolidated balance sheets was $80.1 million and $81.5 million, respectively.

During the three and six months ended June 30, 2026, we received $75.5 million cash proceeds following the conversion of a note receivable we held from a privately-held company that was acquired. As a result, we recognized a realized gain of $48.7 million within "Other income (expense), net" in our condensed consolidated statements of income.

F. Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in accumulated other comprehensive income (loss) ("AOCI") by component:

		Unrealized Holding Gains (Losses), Net of Tax		
	Foreign Currency Translation Adjustment	On Available-For-Sale Debt Securities	On Foreign Currency Forward Contracts	Total
		(in millions)		
Balance at December 31, 2025	$ 37.2	$ 34.0	$ (87.1)	$ (15.9)
Other comprehensive (loss) income before reclassifications	(11.6)	(49.1)	96.7	36.0
Amounts reclassified from accumulated other comprehensive income (loss)	—	0.5	27.9	28.4
Net current period other comprehensive (loss) income	(11.6)	(48.6)	124.6	64.4
Balance at June 30, 2026	$ 25.6	$ (14.6)	$ 37.5	$ 48.5
Balance at December 31, 2024	$ 9.7	$ 7.1	$ 111.0	$ 127.8
Other comprehensive income (loss) before reclassifications	29.4	26.3	(280.0)	(224.3)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(2.4)	(2.2)	(4.6)
Net current period other comprehensive income (loss)	29.4	23.9	(282.2)	(228.9)
Balance at June 30, 2025	$ 39.1	$ 31.0	$ (171.2)	$ (101.1)

G. Hedging

Foreign currency forward contracts - Designated as hedging instruments

We maintain a hedging program intended to mitigate the effect of changes in foreign exchange rates for a portion of our forecasted product revenues denominated in certain foreign currencies. The program includes foreign currency forward contracts that are designated as cash flow hedges under U.S. GAAP having contractual durations from one to 36 months. We recognize realized gains and losses for the effective portion of such contracts in "Product revenues, net" in our condensed consolidated statements of income in the same period that we recognize the product revenues that were impacted by the hedged foreign exchange rate changes.

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We formally document the relationship between foreign currency forward contracts (hedging instruments) and forecasted product revenues (hedged items), as well as our risk management objective and strategy for undertaking various hedging activities, which includes matching all foreign currency forward contracts that are designated as cash flow hedges to forecasted transactions. Using regression analysis, we assess, both at the hedge's inception and on an ongoing basis, whether the foreign currency forward contracts are highly effective in offsetting changes in cash flows of hedged items on a prospective and retrospective basis. As of June 30, 2026, all hedges were determined to be highly effective.

We consider the impact of our counterparties' credit risk on the fair value of the foreign currency forward contracts. As of June 30, 2026 and December 31, 2025, credit risk did not change the fair value of our foreign currency forward contracts.

The following table summarizes the notional amount in U.S. dollars of our outstanding foreign currency forward contracts designated as cash flow hedges under U.S. GAAP:

	As of June 30, 2026	As of December 31, 2025
Foreign Currency	**(in millions)**	
Euro	$ 3,520.1	$ 4,677.9
Canadian dollar	371.7	516.1
British pound sterling	351.6	492.6
Australian dollar	278.0	267.5
Swiss franc	91.2	126.0
Total foreign currency forward contracts	$ 4,612.6	$ 6,080.1

Foreign currency forward contracts - Not designated as hedging instruments

We enter into foreign currency forward contracts, typically with contractual maturities of approximately one month, which are designed to mitigate the effect of changes in foreign exchange rates on monetary assets and liabilities, including intercompany balances. These contracts are not designated as hedging instruments under U.S. GAAP. We recognize realized gains and losses for such contracts in "Other income (expense), net" in our condensed consolidated statements of income each period. As of June 30, 2026 and December 31, 2025, the notional amount of our outstanding foreign currency forward contracts where hedge accounting under U.S. GAAP was not applied was $670.9 million and $612.6 million, respectively.

During the three and six months ended June 30, 2026 and 2025, we recognized the following related to foreign currency forward contracts in our condensed consolidated statements of income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
Designated as hedging instruments - Reclassified from AOCI				
Product revenues, net	$ (10.2)	$ (21.3)	$ (35.7)	$ 2.8
Not designated as hedging instruments				
Other income (expense), net	$ (13.4)	$ (3.1)	$ (16.3)	$ (4.3)
Total reported in the Condensed Consolidated Statements of Income				
Product revenues, net	$ 3,333.9	$ 2,944.0	$ 6,320.8	$ 5,704.2
Other income (expense), net	$ 24.3	$ 13.2	$ 24.3	$ (4.4)

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The following table summarizes the fair value of our outstanding foreign currency forward contracts designated as cash flow hedges under U.S. GAAP included on our condensed consolidated balance sheets:

As of June 30, 2026			
Assets		**Liabilities**	
Classification	**Fair Value**	**Classification**	**Fair Value**
	(in millions)		
Prepaid expenses and other current assets	$ 60.8	Other current liabilities	$ (35.2)
Other assets	39.9	Other long-term liabilities	(17.4)
Total assets	$ 100.7	Total liabilities	$ (52.6)

As of December 31, 2025			
Assets		**Liabilities**	
Classification	**Fair Value**	**Classification**	**Fair Value**
	(in millions)		
Prepaid expenses and other current assets	$ 6.2	Other current liabilities	$ (79.4)
Other assets	12.7	Other long-term liabilities	(51.0)
Total assets	$ 18.9	Total liabilities	$ (130.4)

As of June 30, 2026, we expect the amounts that are related to foreign currency forward contracts designated as cash flow hedges under U.S. GAAP recorded in “Prepaid expenses and other current assets” and “Other current liabilities” to be reclassified to earnings within twelve months.

We present the fair value of our foreign currency forward contracts on a gross basis within our condensed consolidated balance sheets. The following table summarizes the potential effect of offsetting derivatives by type of financial instrument designated as cash flow hedges under U.S. GAAP on our condensed consolidated balance sheets:

	As of June 30, 2026				
	Gross Amounts Recognized	**Gross Amounts Offset**	**Gross Amounts Presented**	**Gross Amounts Not Offset**	**Legal Offset**
Foreign currency forward contracts			**(in millions)**		
Total assets	$ 100.7	$ —	$ 100.7	$ (52.6)	$ 48.1
Total liabilities	(52.6)	—	(52.6)	52.6	—

	As of December 31, 2025				
	Gross Amounts Recognized	**Gross Amounts Offset**	**Gross Amounts Presented**	**Gross Amounts Not Offset**	**Legal Offset**
Foreign currency forward contracts			**(in millions)**		
Total assets	$ 18.9	$ —	$ 18.9	$ (18.9)	$ —
Total liabilities	(130.4)	—	(130.4)	18.9	(111.5)

H. Inventories

“Inventories” consisted of the following:

	As of June 30, 2026	**As of December 31, 2025**
	(in millions)	
Raw materials	$ 233.0	$ 259.8
Work-in-process	1,253.9	1,196.9
Finished goods	278.2	230.1
Total	$ 1,765.1	$ 1,686.8

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I. Intangible Assets

"Other intangible assets, net" consisted of the following:

	Estimated Useful Lives	As of June 30, 2026			As of December 31, 2025		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(in millions, except useful lives)					
In-process research and development	Indefinite	$ 224.6	$ —	$ 224.6	$ 224.6	$ —	$ 224.6
Finite-lived intangible assets - marketed products	10 to 12 years	238.0	(52.2)	185.8	238.0	(42.1)	195.9
Finite-lived intangible assets - assembled workforce	3 years	7.7	(5.3)	2.4	7.7	(4.0)	3.7
Total other intangible assets, net		$ 470.3	$ (57.5)	$ 412.8	$ 470.3	$ (46.1)	$ 424.2

In March 2025, based on results from a Phase 1/2 clinical trial evaluating our VX-264 clinical program in patients with type 1 diabetes ("T1D"), we concluded that VX-264 will not be advancing further in clinical development. Based on this event, we performed an interim impairment test on the fair value of our VX-264 indefinite-lived in-process research and development asset that we acquired from Semma Therapeutics, Inc. in 2019. As a result, using the multi period earnings method of the income approach, we recorded a full intangible asset impairment charge of $379.0 million in the first quarter of 2025. As of June 30, 2026, our remaining indefinite-lived in-process research and development assets were associated with our T1D program.

J. Stock-based Compensation Expense and Share Repurchase Programs

Stock-based compensation expense

During the three and six months ended June 30, 2026 and 2025, we recognized the following stock-based compensation expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
Stock-based compensation expense by type of award:				
Restricted stock units (including PSUs)	$ 165.9	$ 162.9	$ 332.4	$ 326.3
ESPP share issuances	5.8	7.1	9.2	12.7
Stock options	2.2	1.2	2.2	1.2
Stock-based compensation expense related to inventories	(3.7)	(3.9)	(7.2)	(6.8)
Total stock-based compensation expense included in "Total costs and expenses"	$ 170.2	$ 167.3	$ 336.6	$ 333.4
Stock-based compensation expense by line item:				
Cost of sales	$ 3.8	$ 2.5	$ 7.0	$ 5.1
Research and development expenses	104.4	99.6	206.1	199.7
Selling, general and administrative expenses	62.0	65.2	123.5	128.6
Total stock-based compensation expense included in "Total costs and expenses"	170.2	167.3	336.6	333.4
Income tax effect	(35.3)	(36.5)	(70.6)	(111.7)
Total stock-based compensation expense, net of tax	$ 134.9	$ 130.8	$ 266.0	$ 221.7

Share repurchase program

In February 2023, our Board of Directors authorized a share repurchase program (the "2023 Share Repurchase Program"), pursuant to which we were authorized to repurchase up to $3.0 billion of our common stock. As of September 30, 2025, we had repurchased the full amount authorized under the 2023 Share Repurchase Program.

In May 2025, our Board of Directors authorized an additional share repurchase program (the "2025 Share Repurchase Program"), pursuant to which we are authorized to repurchase up to $4.0 billion of our common stock. The 2025 Share Repurchase Program does not have an expiration date and can be discontinued at any time. As of June 30, 2026, we had $2.6 billion remaining available under the 2025 Share Repurchase Program.

During each of the six months ended June 30, 2026 and 2025, we repurchased 1.8 million shares of our common stock under our share repurchase programs, for aggregate repurchases of $799.5 million and $811.4 million, respectively.

K. Income Taxes

We are subject to U.S. federal, state, and foreign income taxes. During the three and six months ended June 30, 2026 and 2025, we recorded the following provisions for income taxes and effective tax rates as compared to our income before provision for income taxes.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions, except percentages)			
Income before provision for income taxes	$ 1,391.8	$ 1,283.0	$ 2,644.7	$ 2,013.4
Provision for income taxes	$ 292.0	$ 250.1	$ 513.5	$ 334.2
Effective tax rate	21.0 %	19.5 %	19.4 %	16.6 %

Our effective tax rates were equal to the U.S. statutory rate for the three months ended June 30, 2026, and lower than the U.S. statutory rate for the six months ended June 30, 2026, primarily due to excess tax benefits related to stock-based compensation.

Our effective tax rate for the three and six months ended June 30, 2025 was lower than the U.S. statutory rate primarily due to excess tax benefits related to stock-based compensation and tax credits.

We have reviewed the tax positions taken, or to be taken, in our tax returns for all tax years currently open to examination by a taxing authority. As of June 30, 2026 and December 31, 2025, we had $439.4 million and $436.6 million, respectively, of net unrecognized tax benefits, which would affect our tax rate if recognized.

We file U.S. federal income tax returns and income tax returns in various state, local and foreign jurisdictions. We have various income tax audits ongoing at any time throughout the world. Except for jurisdictions where we have net operating losses or tax credit carryforwards, we are no longer subject to any tax assessment from tax authorities for years prior to 2014 in jurisdictions that have a material impact on our consolidated financial statements. Due to the nature of the adjustments from a settlement with the United Kingdom's HM Revenue & Customs in 2023, we have asserted our rights under the U.S./U.K. Income Tax Convention pursuant to the mutual agreement procedures for the relief of double taxation for these matters.

In December 2022, European Union member states reached an agreement to implement the minimum tax component ("Pillar Two") of the Organization for Economic Co-operation and Development's (the "OECD's"), global international tax reform initiative with effective dates of January 1, 2024 and 2025. On January 5, 2026, the OECD announced that a 'side-by-side' agreement was reached with member countries creating safe harbors to exempt U.S. multi-nationals from certain taxes under the Pillar Two regime by recognizing the U.S. tax system as a compatible domestic minimum tax regime. Our exposure to other countries' minimum tax regimes was limited before these changes, but the side-by-side agreement allows for certainty as our structure may change in the future.

In July 2025, the U.S. enacted H.R.1, which includes significant provisions modifying the U.S. tax framework, including the ability for companies to immediately deduct research and development expenditures for 2025 and provisions for deducting previously capitalized amounts. H.R.1 does not have a material impact on our U.S. taxes for the first half of 2026, but we expect further guidance to be issued. We will review guidance when issued for impacts on future years and disclose any impacts if needed at that time. These legislative changes could have an impact on our future effective tax rates, tax liabilities, and cash taxes.

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L. Commitments and Contingencies

2026 Revolving Credit Agreement

In July 2026, Vertex and certain of its subsidiaries entered into a $500.0 million senior unsecured revolving facility (the "2026 Revolver") with the lenders and issuing banks party thereto and Bank of America, N.A., as administrative agent, which matures on July 30, 2031. We have not drawn upon the 2026 Revolver to date. Amounts drawn pursuant to the 2026 Revolver, if any, will be used for general corporate purposes. Subject to satisfaction of certain conditions, we may request that the borrowing capacity for the 2026 Revolver be increased by an additional $500.0 million. Up to $100.0 million of the 2026 Revolver may be allocated for loans and letters of credit in certain non-U.S. Dollar currencies. Additionally, the 2026 Revolver provides a sublimit of $100.0 million for letters of credit.

Any U.S. Dollar-denominated amounts borrowed under the 2026 Revolver will bear interest, at our option, at a rate per annum equal to either a base rate or a Secured Overnight Financing Rate ("SOFR"), in each case, plus an applicable margin. Under the 2026 Revolver, the applicable margins on base rate loans range from 0.000% to 0.500% and the applicable margins on SOFR-based loans range from 0.875% to 1.500%, in each case, depending upon, either (x) our consolidated leverage ratio (the ratio of our total consolidated funded indebtedness to our consolidated EBITDA for the most recently completed four fiscal quarter period) or (y) to the extent available, our credit rating. Any amounts borrowed in non-U.S. Dollar currencies will bear interest at a rate per annum equal to the applicable benchmark rate for such currency plus the applicable margin. Loans made under the 2026 Revolver may be prepaid and commitments under the 2026 Revolver may be reduced at any time, in whole or in part, without premium or penalty.

Loans made under the 2026 Revolver will be guaranteed by certain of our existing and future domestic subsidiaries, subject to certain customary exceptions and limitations.

The 2026 Revolver contains customary representations and warranties and affirmative and negative covenants, which include limitations on subsidiary debt, liens and fundamental changes, as well as a financial covenant to maintain a consolidated leverage ratio of 3.50 to 1.00, subject to an increase, at our election, to 4.00 to 1.00 for each of the four fiscal quarters following a material acquisition.

The 2026 Revolver also contains customary events of default. In the case of a continuing event of default, the administrative agent would be entitled to exercise various remedies, including the acceleration of amounts due under any outstanding loans.

Direct costs related to the 2026 Revolver are recorded over its term and are not material to our financial statements.

Prior Credit Facility

In July 2026, in conjunction with entering into the 2026 Revolver, we terminated the $500.0 million revolving credit agreement we entered into in 2022. As of June 30, 2026, we were in compliance with all covenants associated with this revolving credit agreement.

2026 Term Loan

In July 2026, we entered into the 2026 Term Loan, as defined and described in Note O, "Subsequent Events."

Guaranties and Indemnifications

As permitted under Massachusetts law, our Articles of Organization and By-laws provide that we will indemnify certain of our officers and directors for certain claims asserted against them in connection with their service as an officer or director. The maximum potential amount of future payments that we could be required to make under these indemnification provisions is unlimited. However, we have purchased directors' and officers' liability insurance policies that could reduce our monetary exposure and enable us to recover a portion of any future amounts paid. No indemnification claims currently are outstanding, and we believe the estimated fair value of these indemnification arrangements is minimal.

We customarily agree in the ordinary course of our business to indemnification provisions in agreements with clinical trial investigators and sites in our product development programs, sponsored research agreements with academic and not-for-profit institutions, various comparable agreements involving parties performing services for us, and our real estate leases. We also customarily agree to certain indemnification provisions in our drug discovery, development and commercialization collaboration agreements. With respect to our clinical trials and sponsored research agreements, these indemnification provisions typically apply to any claim asserted against the investigator or the investigator's institution relating to personal injury or property damage, violations of law or certain breaches of our contractual obligations arising out of the research or

clinical testing of our compounds or product candidates. With respect to lease agreements, the indemnification provisions typically apply to claims asserted against the landlord relating to personal injury or property damage caused by us, to violations of law by us or to certain breaches of our contractual obligations. The indemnification provisions appearing in our collaboration agreements are similar to those for the other agreements discussed above, but in addition provide some limited indemnification for our collaborator in the event of third-party claims alleging infringement of intellectual property rights. In each of the cases above, the indemnification obligation generally survives the termination of the agreement for some extended period, although we believe the obligation typically has the most relevance during the contract term and for a short period of time thereafter. The maximum potential amount of future payments that we could be required to make under these provisions is generally unlimited. We have purchased insurance policies covering personal injury, property damage and general liability that reduce our exposure for indemnification and would enable us in many cases to recover all or a portion of any future amounts paid. We have never paid any material amounts to defend lawsuits or settle claims related to these indemnification provisions. Accordingly, we believe the estimated fair value of these indemnification arrangements is minimal.

Legal Matters and Other Contingencies

As described in Note B, "Collaboration, License and Other Arrangements," we have an agreement with the CFF (the "CFF Agreement") pursuant to which we owe third-party royalties payable on net sales of certain CF products, including ALYFTREK. Since inception, our ALYFTREK net product revenues total $1.8 billion. Based on the CFF Agreement, our position is that the royalty burden associated with ALYFTREK is 4%. On October 10, 2025, Royalty Pharma plc ("RP"), the third party to whom the CFF assigned its rights (and the CFF, which remains a party to the CFF Agreement), initiated a confidential arbitration alleging the royalty burden on ALYFTREK is approximately 8%. RP is seeking a declaratory judgment regarding the royalty burden on ALYFTREK as well as alleged unpaid royalties and other alleged damages available under the CFF Agreement or applicable law, costs, expenses, attorneys' fees, and interest. We believe RP's position is contrary to the plain terms of the CFF Agreement and intend to vigorously defend our position under the CFF Agreement.

On a quarterly basis, we evaluate developments with claims, whether asserted or unasserted, and legal proceedings that could result in a loss contingency accrual, or an increase or decrease to a previously accrued loss contingency. There were no material loss contingencies accrued as of June 30, 2026 or December 31, 2025.

We also have certain contingent liabilities that arise in the ordinary course of our business activities. We accrue for such contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. Other than our contingent consideration liabilities discussed in Note D, "Fair Value Measurements," there were no significant contingent liabilities accrued as of June 30, 2026 or December 31, 2025.

M. Segment Information

Revenues by Product

"Product revenues, net" consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
TRIKAFTA/KAFTRIO	$ 2,497.2	$ 2,551.1	$ 4,851.9	$ 5,086.6
ALYFTREK	573.6	156.8	998.0	210.7
Other CF product revenues [1]	137.1	193.7	273.0	349.0
Total CF product revenues, net	3,207.9	2,901.6	6,122.9	5,646.3
CASGEVY	76.4	30.4	119.3	44.6
JOURNAVX	49.6	12.0	78.6	13.3
Total product revenues, net	$ 3,333.9	$ 2,944.0	$ 6,320.8	$ 5,704.2

[1] Include KALYDECO, ORKAMBI, and SYMDEKO/SYMKEVI.

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Revenues by Geographic Location

"Product revenues, net" are allocated based on the location of the customer. "Other revenues" are allocated based on the location of the Vertex entity associated with such revenues. Our "Total revenues" consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
United States	$ 2,056.4	$ 1,848.2	$ 3,832.3	$ 3,511.7
Outside of the United States				
Europe	977.7	910.9	1,927.7	1,737.5
Other	299.8	205.6	560.8	485.7
Total revenues outside of the United States	1,277.5	1,116.5	2,488.5	2,223.2
Total revenues	$ 3,333.9	$ 2,964.7	$ 6,320.8	$ 5,734.9

We did not have any "Other revenues" in the three and six months ended June 30, 2026. In the three and six months ended June 30, 2025, our "Other revenues" of $20.7 million and $30.7 million, respectively, were attributed to the U.S.

Significant Segment Expenses

Significant segment expenses are set forth in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in millions)			
Total revenues	$ 3,333.9	$ 2,964.7	$ 6,320.8	$ 5,734.9
Costs and expenses:				
Cost of sales - products	218.3	140.5	378.5	271.1
Cost of sales - royalty	270.9	267.0	503.5	499.4
Research expenses	207.3	209.3	412.3	415.4
Development expenses	786.5	769.1	1,543.1	1,542.7
Acquired in-process research and development expenses	21.4	2.2	21.9	22.0
Selling and other commercial expenses	388.1	264.6	701.7	505.7
General and administrative expenses	194.1	160.0	374.2	315.3
Intangible asset impairment charge	—	—	—	379.0
Interest income, net	(120.6)	(118.7)	(235.4)	(236.6)
Other segment items [(1)]	(23.9)	(12.3)	(23.7)	7.5
Provision for income taxes	292.0	250.1	513.5	334.2
Net income	$ 1,099.8	$ 1,032.9	$ 2,131.2	$ 1,679.2

(1) Other segment items included in "Net income" primarily include a realized gain related to an investment in a privately held company in the three and six months ended June 30, 2026, changes in the fair value of equity investments and changes in the fair value of contingent consideration.

Additional Segment Information

During the three and six months ended June 30, 2026 and 2025, we recorded total depreciation and amortization expense of $56.5 million, $51.7 million, and $112.4 million and $100.1 million, respectively.

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N. Additional Balance Sheet & Cash Flow Information

Contract Liabilities

We had contract liabilities of $157.0 million and $171.8 million as of June 30, 2026 and December 31, 2025, respectively, primarily related to annual contracts with government-owned and supported customers in international markets that limit the amount of annual reimbursement we can receive for our CF products. Upon exceeding the annual reimbursement amount provided by the customer's contract with us, our CF products are provided free of charge, which is a material right. These contracts include upfront payments and fees. If we estimate that we will exceed the annual reimbursement amount under a contract, we defer a portion of the consideration received for shipments made up to the annual reimbursement limit as a portion of "Other current liabilities." Once the reimbursement limit has been reached, we recognize the deferred amount as revenue when we ship the free products. Our CF product revenue contracts include performance obligations that are one year or less.

Our contract liabilities at the end of each fiscal year relate to contracts with CF annual reimbursement limits in international markets in which the annual period associated with the contract is not the same as our fiscal year. In these markets, we recognize revenues related to performance obligations satisfied in previous years; however, these revenues do not relate to any performance obligations that were satisfied more than 12 months prior to the beginning of the current year.

Operating Lease Assets and Liabilities

In 2023, we entered into a strategic agreement with Lonza to support the manufacture of T1D cell therapy product candidates. As part of this agreement, we have partnered with Lonza to build a 130,000 square foot dedicated new facility in New Hampshire, which will be operated by Lonza (the "Lonza Facility") and is an embedded lease for accounting purposes. The lease commencement for the Lonza Facility occurred during the first quarter of 2026, upon which we recorded a right-of-use asset and corresponding lease liability of $95.8 million within each of "Operating lease assets" and "Long-term operating lease liabilities" on our condensed consolidated balance sheet. In accordance with our policy for embedded leases with contract manufacturing organizations, we account for the lease component separately from the variable non-lease components, which we expense as incurred. Payments will continue through the tenth anniversary of the Lonza Facility's regulatory approval for commercial production. The lease will automatically renew for additional one-year periods, unless either we or Lonza provides written notice of intent to not renew. We utilize the initial period as our lease term.

We obtained $148.8 million and $5.1 million of right-of-use operating lease assets in exchange for a similar amount of lease obligations, including the Lonza Facility amounts described above, during the six months ended June 30, 2026 and 2025, respectively. These represent non-cash operating activities associated with our condensed consolidated statement of cash flows.

Cash, Cash Equivalents and Restricted Cash Presented in Condensed Consolidated Statements of Cash Flows

The cash, cash equivalents and restricted cash at the beginning and end of each period presented in our condensed consolidated statements of cash flows consisted of the following:

	Six Months Ended June 30,			
	2026		2025	
	Beginning of period	End of period	Beginning of period	End of period
	(in millions)			
Cash and cash equivalents	$ 5,084.8	$ 6,143.5	$ 4,569.6	$ 4,972.2
Prepaid expenses and other current assets	3.0	10.6	2.6	9.8
Cash, cash equivalents and restricted cash per condensed consolidated statement of cash flows	$ 5,087.8	$ 6,154.1	$ 4,572.2	$ 4,982.0

O. Subsequent Events

Crinetics Acquisition

On July 6, 2026, we entered into an agreement and plan of merger to acquire (the "Crinetics Acquisition") all of the issued and outstanding shares of common stock of Crinetics Pharmaceuticals, Inc., a publicly traded biotechnology company focused on discovering, developing, and commercializing novel therapeutics for endocrine diseases and endocrine-related tumors, for $85.00 per share in cash, for a total equity value of approximately $10.0 billion. The transaction is expected to

close in the third quarter of 2026, subject to certain customary closing conditions. We will account for the acquisition in the period that it closes. We intend to fund the acquisition using a combination of our cash, cash equivalents, and proceeds from the 2026 Term Loan, as defined below. The Crinetics Acquisition is not conditioned on our receipt of financing.

Concurrently with entry into the merger agreement for the Crinetics Acquisition, we entered into a debt commitment letter dated July 6, 2026 with Bank of America, N.A., BofA Securities, Inc. and Morgan Stanley Senior Funding, Inc., pursuant to which they agreed to provide us with an unsecured 364-day bridge loan facility. On July 30, 2026, this commitment was terminated upon entry into the 2026 Term Loan, described below.

Term Loan Credit Agreement

On July 30, 2026, we entered into a term loan credit agreement (the "2026 Term Loan") with the lenders and issuing banks party thereto and Bank of America, N.A., as administrative agent, which provides for a $4.5 billion senior unsecured delayed draw term loan A facility. Amounts borrowed under the 2026 Term Loan will be used to finance a portion of the Crinetics Acquisition.

Any amounts borrowed under the 2026 Term Loan will become payable in full as follows: (a) a $1.0 billion tranche due 364 days after the amounts are borrowed (the "Funding Date") ("Tranche 1 Loans"), (b) a $1.0 billion tranche due on the date that is two years after the Funding Date ("Tranche 2 Loans"), and (c) a $2.5 billion tranche due on the date that is three years after the Funding Date ("Tranche 3 Loans"). We have not drawn upon the 2026 Term Loan to date.

Loans made under the 2026 Term Loan will bear interest, at our option, at a rate per annum equal to either a base rate or a SOFR-based rate, in each case, plus an applicable margin. Under the 2026 Term Loan, the applicable margin on base rate loans ranges from 0.000% to 0.500% for Tranche 1 and Tranche 2 Loans and from 0.000% to 0.625% for Tranche 3 Loans, and the applicable margin on SOFR-based loans ranges from 0.8750% to 1.500% for Tranche 1 and Tranche 2 Loans and from 1.000% to 1.625% for Tranche 3 Loans, in each case, depending upon, either (x) our consolidated leverage ratio (the ratio of our total consolidated funded indebtedness to our consolidated EBITDA for the most recently completed four fiscal quarter period) or (y) to the extent available, our credit rating. Loans made under the 2026 Term Loan may be prepaid and commitments under the 2026 Term Loan may be reduced at any time, in whole or in part, without premium or penalty. There are no mandatory prepayments or amortization required in connection with the loans made under the 2026 Term Loan.

Loans made under the 2026 Term Loan will be guaranteed by certain of our existing and future domestic subsidiaries.

The 2026 Term Loan also contains customary representations and warranties and affirmative and negative covenants, in each case, that are substantially consistent with the representations and warranties and covenants contained in the 2026 Revolver and which include a financial covenant to maintain a consolidated leverage ratio of 3.50 to 1.00, subject to an increase, at our election, to 4.00 to 1.00 for each of the four fiscal quarters following a material acquisition.

The 2026 Term Loan also contains customary events of default that are substantially consistent with the events of default contained in the 2026 Revolver. In the case of a continuing event of default, the administrative agent would be entitled to exercise various remedies, including the acceleration of amounts due under any outstanding loan.

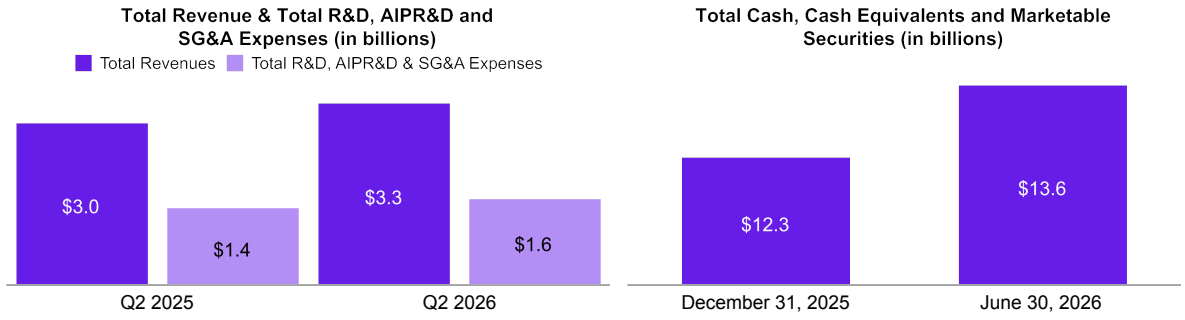
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

We are a global biotechnology company that invests in scientific innovation to create transformative medicines for people with serious diseases, with a focus on specialty markets. We have seven approved medicines: five that treat the underlying cause of cystic fibrosis ("CF"), a life-threatening genetic disease, one that treats severe sickle cell disease ("SCD") and transfusion dependent beta thalassemia ("TDT"), life shortening inherited blood disorders, and one that treats moderate-to-severe acute pain. We are also preparing for the anticipated launch of povetacicept, a potential treatment for IgA nephropathy ("IgAN"). Our clinical-stage pipeline spans a range of programs targeting CF, SCD, beta thalassemia, neuropathic pain, type 1 diabetes, IgA nephropathy, primary membranous nephropathy and other autoimmune diseases and cytopenias, APOL1-mediated kidney disease, autosomal dominant polycystic kidney disease and myotonic dystrophy type 1, reflecting our commitment to addressing significant unmet medical needs globally.

Financial Highlights

Total Revenues	In the second quarter of 2026, our total revenues increased to $3.3 billion as compared to $3.0 billion in the second quarter of 2025, primarily due to continued performance of our CF therapies and growth from diversification into additional disease areas.
Cost of Sales	Our cost of sales as a percentage of our net product revenues increased to 14.7% in the second quarter of 2026 as compared to 13.8% in the second quarter of 2025, as a result of changes in product mix, partially offset by a lower blended royalty rate for our CF medicines.
Total R&D, AIPR&D and SG&A Expenses	Our total research and development ("R&D"), acquired in-process research and development expenses ("AIPR&D") and selling, general and administrative ("SG&A") expenses increased to $1.6 billion in the second quarter of 2026 as compared to $1.4 billion in the second quarter of 2025, primarily due to increased investment to commercialize our new products.
Cash	Our total cash, cash equivalents and marketable securities increased to $13.6 billion as of June 30, 2026 as compared to $12.3 billion as of December 31, 2025 primarily due to cash flows provided by our operating activities, partially offset by repurchases of our common stock.



Note: Charts above may not add due to rounding.

Business Updates

Marketed Products

Cystic Fibrosis

We expect that the number of people with CF taking our medicines will continue to grow through new approvals and reimbursement agreements, treatment of younger patients, increased survival and expansion into additional geographies. Recent progress in activities expanding our CF business is included below:

- In the second quarter of 2026, we secured reimbursement for ALYFTREK in four additional countries, including Spain, bringing the total number of countries where ALYFTREK is reimbursed to 25. We also signed a letter of intent with the Pan-Canadian Pharmaceutical Alliance for reimbursement of ALYFTREK for eligible patients six years of age and older in Canada.

Sickle Cell Disease and Beta Thalassemia

- In the second quarter of 2026, we recorded $76.4 million of CASGEVY product revenues, representing a 78% increase compared to the first quarter of 2026 and a 151% increase compared to the second quarter of 2025.
- The U.S. Food and Drug Administration (the "FDA") approved CASGEVY in children two years of age and older with SCD or TDT, making it the first genetic therapy indicated for children as young as two years of age for both SCD and TDT. Approximately 5,500 patients with SCD or TDT may be eligible for treatment with CASGEVY for the first time with this approval. We also completed regulatory submissions in the Kingdom of Saudi Arabia ("Saudi Arabia") and the United Kingdom for the treatment of children five to eleven years of age.
- In May, we secured reimbursement for CASGEVY for eligible patients 12 years and older with SCD or TDT in Germany. We are committed to working with government and reimbursement authorities globally to ensure sustainable access for eligible patients.

Acute Pain

- In the second quarter of 2026, we recorded $49.6 million of JOURNAVX product revenues, representing a 71% increase compared to the first quarter of 2026 and a more than 300% increase compared to the second quarter of 2025.
- In the second quarter and first six months of 2026, approximately 535,000 and 900,000 prescriptions, respectively, have been filled for JOURNAVX across the hospital and retail settings.
- We have reached agreements with two additional major pharmacy benefit managers for Medicare Part D coverage of JOURNAVX. As a result, seniors covered by three of the four major Medicare Part D pharmacy benefit managers have reimbursed access. Twenty-three states provide coverage for JOURNAVX via Medicaid. In total, approximately 260 million individuals have reimbursed access to JOURNAVX across a wide range of commercial and government payers.

Pipeline

We continue to advance a diversified pipeline of potentially transformative medicines for serious diseases utilizing a range of modalities. Recent and anticipated progress in activities supporting these efforts is included below:

Cystic Fibrosis

- Following positive results from the Phase 3 clinical trial evaluating ALYFTREK in children with CF two to five years of age, we initiated global regulatory submissions for this age group.

Acute and Peripheral Neuropathic Pain

- During the second quarter of 2026, Health Canada accepted our new drug submission for suzetrigine for the treatment of moderate-to-severe acute pain, and review is underway.
- We expect to complete enrollment in both Phase 3 clinical trials evaluating suzetrigine in diabetic peripheral neuropathy, a form of peripheral neuropathic pain, by the end of 2026.

IgA Nephropathy and Other B Cell-Mediated Diseases

- We are developing povetacicept, a dual inhibitor of B cell activating factor ("BAFF") and a proliferation-inducing ligand ("APRIL") cytokines, for multiple diseases. Povetacicept represents a potentially best-in-class approach to control B cell activity in IgAN.
- The FDA accepted our biologics license application for accelerated approval of povetacicept for adults with IgAN and assigned a PDUFA target action date of November 30, 2026. If approved, povetacicept will become the first commercialized therapy in our emerging nephrology franchise.
- We have completed our regulatory submission for accelerated approval of povetacicept in adults with IgAN in Saudi Arabia, and the Saudi Food and Drug Authority has granted Breakthrough Designation to povetacicept.
- Povetacicept represents a potentially best-in-class approach to control B cell activity in primary membranous nephropathy ("pMN"), another B cell-mediated disease. We completed the Phase 2B portion of the Phase 2/3

OLYMPUS pivotal trial evaluating povetacicept in people with pMN, and we confirmed the dose selection for the Phase 3 portion, which is underway.

APOL1-Mediated Kidney Disease

- Inaxaplin is our small molecule for the treatment of APOL1-mediated kidney disease ("AMKD"). We expect to complete full enrollment in the AMPLITUDE Phase 2/3 pivotal clinical trial evaluating inaxaplin in the second half of 2026.
- We expect to share data from the interim analysis of the AMPLITUDE clinical trial in early 2027. We expect to conduct the pre-planned interim analysis for potential U.S. accelerated approval once the interim analysis cohort has been treated for 48 weeks.

Type 1 Diabetes

- Zimislecel is an allogeneic, stem cell-derived, fully differentiated, insulin-producing islet cell replacement therapy, using standard immunosuppression to protect the implanted cells. We are enrolling and dosing patients in the Phase 1/2/3 clinical trial of zimislecel in people with type 1 diabetes ("T1D").
- The FDA cleared the Investigational New Drug Application for VX-017, our stem cell-derived, fully differentiated islet cell therapy designed to treat all eligible patients with T1D, regardless of blood type. We plan to initiate a Phase 1/2 clinical trial to evaluate the safety and efficacy of VX-017 in people with T1D in the near term.
- We expect to provide updated timelines for the zimislecel and VX-017 programs in 2026.

Investment in External Innovation

- In July, we entered into an agreement and plan of merger (the "Crinetics Merger Agreement") to acquire all of the issued and outstanding shares of common stock of Crinetics Pharmaceuticals, Inc. ("Crinetics") for $85.00 per share in cash, for a total equity value of approximately $10.0 billion (the "Crinetics Acquisition"). We expect the transaction to close in the third quarter of 2026, subject to certain customary conditions. Crinetics' PALSONIFY® (paltusotine) is a once-daily oral therapy for adults with acromegaly, a rare and debilitating condition caused by a pituitary tumor that secretes excess growth hormone, who had an inadequate response to surgery and/or for whom surgery is not an option. PALSONIFY is approved by the FDA and the European Medicines Agency, and is under review by other global regulatory bodies. Crinetics' most advanced pipeline candidate, atumelnant, is a once-daily oral adrenocorticotropic hormone receptor antagonist in Phase 3 development for congenital adrenal hyperplasia.

Our Business Environment

In the first half of 2026, our total product revenues came primarily from the sale of our medicines for the treatment of CF. Our CF strategy involves continuing to develop and obtain approval and reimbursement for treatment regimens that will provide benefits to all people with CF and increasing the number of people with CF eligible and able to receive our medicines. Outside of CF, we continue to advance the commercialization of CASGEVY for the treatment of SCD and TDT, and JOURNAVX for the treatment of acute pain, and we are preparing for a potential launch of povetacicept for the treatment of IgAN. In addition, we are advancing our pipeline of product candidates for the treatment of serious diseases outside of CF, SCD, TDT and acute pain.

Our strategy is to combine transformative advances in the understanding of causal human biology and the science of therapeutics to discover and develop innovative medicines. This approach includes advancing multiple compounds or therapies from each program, spanning multiple modalities, into early clinical trials to obtain patient data that can inform selection of the most promising therapies for later-stage development, as well as to inform discovery and development efforts. We aim to serially innovate in our disease areas of interest and follow our first-in-class therapies with potential best-in-class candidates to provide durable clinical and commercial success.

In pursuit of new product candidates and therapies in specialty markets, we invest in research and development. We believe that pursuing research in diverse areas allows us to balance the risks inherent in product development and may provide product candidates that will form our pipeline in future years. To supplement our internal research programs, we acquire technologies and programs and collaborate with biopharmaceutical and technology companies, leading academic research institutions, government laboratories, foundations and other organizations, as needed, to advance research in our areas of therapeutic interest and to access technologies needed to execute on our strategy.

Discovery and development of a new pharmaceutical or biological product is a difficult and lengthy process that requires significant financial resources along with extensive technical and regulatory expertise. Across the industry, most potential drug or biological products never progress into development, and most products that advance into development never receive marketing approval. Our investments in product candidates are subject to considerable risks. We closely monitor our research and development activities, and frequently evaluate our pipeline programs in light of new data and scientific, business and commercial insights, with the objective of balancing risk and potential. This process can result in rapid changes in focus and priorities as new information becomes available and as we gain additional understanding of our ongoing programs and potential new programs, as well as those of our competitors. In addition, our product candidates must satisfy rigorous standards of safety and efficacy before they can be approved for sale by regulatory authorities. Our analysis of data obtained from nonclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval.

Our business also requires ensuring appropriate manufacturing and supply of our products. As we advance our product candidates through clinical development toward commercialization and market and sell our approved products, we build and maintain our supply chain and quality assurance resources. We rely on a global network of third parties, including some in China, and our internal capabilities to manufacture and distribute our products for commercial sale and post-approval clinical trials and to manufacture and distribute our product candidates for clinical trials. In addition to establishing supply chains for each newly approved product, we adapt our supply chain for existing products to include additional formulations or to increase scale of production for existing products as needed. The processes for biological and cell and genetic therapies can be more complex than those required for small molecule drugs and require additional investments in different systems, equipment, facilities and expertise. We are focused on ensuring the stability of the supply chains for our current products, as well as for our pipeline programs.

Sales of our products depend, to a large degree, on the extent to which our products are reimbursed by third-party payors, such as government health programs, commercial insurance and managed health care organizations. Reimbursement for our products, including our potential pipeline therapies, cannot be assured and may take significant periods of time to obtain. We dedicate substantial management and other resources to obtain and maintain appropriate levels of reimbursement for our products from third-party payors, including governmental organizations in the U.S. and ex-U.S. markets. In the U.S., we work with government and commercial payors to obtain and maintain appropriate levels of reimbursement for our medicines. In ex-U.S. markets, we seek government reimbursement for our medicines on a country-by-country or region-by-region, as required. This is necessary for each new medicine, as well as for label expansions for our current medicines. We expect to continue to focus significant resources to expand and maintain reimbursement for our CF medicines, CASGEVY, JOURNAVX, and, ultimately, our pipeline therapies, in U.S. and ex-U.S. markets.

Strategic Transactions

Acquisitions

As part of our business strategy, we seek to license or acquire technologies, products, product candidates and businesses that are aligned with our corporate and research and development strategies and complement and advance our ongoing research and development efforts. We have acquired multiple biotechnology companies over the last several years and expect to continue to identify and evaluate such opportunities. The accounting for an acquisition can vary significantly based on whether we conclude the relevant transaction represents a business combination or asset acquisition.

In 2024, we acquired Alpine Immune Sciences, Inc. (“Alpine”) and its lead molecule, povetacicept, for approximately $5.0 billion. Povetacicept, has shown potential to treat multiple diseases or conditions and become a pipeline-in-a-product. We accounted for the Alpine transaction as an asset acquisition because povetacicept represented substantially all of the fair value of the gross assets that we acquired. As a result, $4.4 billion of the fair value attributed to povetacicept was expensed as AIPR&D in 2024.

In July 2026, we entered into the Crinetics Merger Agreement to acquire Crinetics as described above. Crinetics is a publicly traded biotechnology company focused on discovering, developing, and commercializing novel therapeutics for endocrine diseases and endocrine-related tumors. We will acquire Crinetics for $85.00 per share in cash, for a total equity value of approximately $10.0 billion. We expect to fund the acquisition with our cash, cash equivalents, and proceeds from the 2026 Term Loan, as defined below. The Crinetics Acquisition is not conditioned on our receipt of financing. We will account for the acquisition in the period that it closes.

Collaboration and In-Licensing Arrangements

We enter into arrangements with third parties, including collaboration and licensing arrangements, for the development, manufacture and commercialization of products, product candidates and other technologies that have the potential to complement our ongoing research and development efforts.

Over the last several years, we entered into collaboration agreements with a number of companies, including CRISPR Therapeutics AG ("CRISPR") and Entrada Therapeutics, Inc. ("Entrada").

Generally, when we in-license a technology or product candidate, we make upfront payments to the collaborator, assume the costs of the program and/or agree to make contingent payments, which could consist of milestone, royalty and option payments. Most of these collaboration payments are expensed as AIPR&D because they were primarily attributable to acquired in-process research and development for which there was no alternative future use. However, depending on many factors, including the structure of the collaboration, the stage of development of the acquired technology, the significance of the in-licensed product candidate to the collaborator's operations and the other activities in which our collaborators are engaged, the accounting for these transactions can vary significantly. We expect to continue to identify and evaluate collaboration and licensing opportunities that may be similar to or different from the collaborations and licenses that we have engaged in previously.

Acquired In-Process Research and Development Expenses

In the first half of 2026 and 2025, our AIPR&D included $21.9 million and $22.0 million, respectively, related to upfront, contingent milestone, or other payments pursuant to our business development transactions, including the asset acquisitions, collaborations, and licenses of third-party technologies described above. Please refer to Note B, "Collaboration, License and Other Arrangements," for further information regarding our asset acquisitions, collaborations and in-license agreements.

Out-licensing Arrangements

We also have out-licensed certain development programs to collaborators who are leading the development or commercialization of these programs, either globally or within certain geographic regions.

In January 2025 and June 2025, we entered into agreements with Zai Lab Limited ("Zai") and Ono Pharmaceuticals Co., Ltd ("Ono"), respectively, for the development and commercialization of povetacicept in various Asian markets. Zai licensed povetacicept for mainland China, Hong Kong SAR, Macau SAR, Taiwan region and Singapore, while Ono licensed povetacicept for Japan and South Korea. Zai and Ono will help advance povetacicept clinical trials, and will be responsible for obtaining marketing authorizations and commercialization activities, if povetacicept becomes an approved product, in their licensed territories. We are eligible to receive certain future milestone payments and tiered royalties on future net sales of povetacicept in these regions.

RESULTS OF OPERATIONS

Total Revenues

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
TRIKAFTA/KAFTRIO	$ 2,497.2	$ 2,551.1	(2)%	$ 4,851.9	$ 5,086.6	(5)%
ALYFTREK	573.6	156.8	266%	998.0	210.7	374%
Other CF product revenues [(1)]	137.1	193.7	(29)%	273.0	349.0	(22)%
Total CF product revenues, net	3,207.9	2,901.6	11%	6,122.9	5,646.3	8%
CASGEVY	76.4	30.4	151%	119.3	44.6	167%
JOURNAVX	49.6	12.0	313%	78.6	13.3	491%
Product revenues, net	3,333.9	2,944.0	13%	6,320.8	5,704.2	11%
Other revenues	—	20.7	**	—	30.7	**
Total revenues	$ 3,333.9	$ 2,964.7	12%	$ 6,320.8	$ 5,734.9	10%

[(1)] Include KALYDECO, ORKAMBI and SYMDEKO/SYMKEVI.

** Not meaningful

Product Revenues, Net

In the second quarter and first half of 2026, our net product revenues increased 13% and 11%, as compared to the second quarter and first half of 2025, respectively, primarily due to continued performance of our CF therapies and growth from diversification into additional disease areas.

Other Revenues

In the second quarter of 2025, our other revenues included a $20.6 million upfront payment received from our collaboration agreement with Ono Pharmaceuticals Co., Ltd. In the first half of 2025, our other revenues also included a $10.0 million upfront payment received from our collaboration agreement with Zai Lab Limited.

Total Revenues by Geographic Location

Our total revenues from the U.S. and from ex-U.S. markets were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
United States	$ 2,056.4	$ 1,848.2	11%	$ 3,832.3	$ 3,511.7	9%
ex-U.S.	1,277.5	1,116.5	14%	2,488.5	2,223.2	12%
Total revenues	$ 3,333.9	$ 2,964.7	12%	$ 6,320.8	$ 5,734.9	10%

In the second quarter and first half of 2026, our U.S. total revenues increased 11% and 9%, as compared to the second quarter and first half of 2025, respectively, primarily due to continued strong patient demand, including from new initiations of ALYFTREK, and higher realized net prices in CF, and contributions from CASGEVY and JOURNAVX.

In the second quarter and first half of 2026, our ex-U.S. total revenues increased 14% and 12%, as compared to the second quarter and first half of 2025, respectively, primarily due to strong CF performance across multiple geographies, including ALYFTREK uptake, increased CASGEVY product revenues, and favorable impacts from foreign exchange.

Operating Costs and Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
Cost of sales	$ 489.2	$ 407.5	20%	$ 882.0	$ 770.5	14%
Research and development expenses	993.8	978.4	2%	1,955.4	1,958.1	—%
Acquired in-process research and development expenses	21.4	2.2	**	21.9	22.0	**
Selling, general and administrative expenses	582.2	424.6	37%	1,075.9	821.0	31%
Intangible asset impairment charge	—	—	**	—	379.0	**
Change in fair value of contingent consideration	0.4	0.9	**	0.6	3.1	**
Total costs and expenses	$ 2,087.0	$ 1,813.6	15%	$ 3,935.8	$ 3,953.7	—%

** Not meaningful

Cost of Sales

Our cost of sales primarily consists of third-party royalties payable on net sales of our CF products as well as the cost of producing inventories. Our cost of sales as a percentage of our net product revenues increased to 14.7% and 14.0% in the second quarter and first half of 2026, respectively, as compared to 13.8% and 13.5% in the second quarter and first half of 2025, respectively, as a result of changes in product mix, partially offset by a lower blended royalty rate for our CF medicines.

Pursuant to our agreement (the "CFF Agreement") with the Cystic Fibrosis Foundation (the "CFF"), our tiered third-party royalties on sales of ALYFTREK, TRIKAFTA/KAFTRIO, SYMDEKO/SYMKEVI, KALYDECO, and ORKAMBI, calculated as a percentage of net sales, range from the single digits to the sub-teens, with lower royalties on sales of ALYFTREK and TRIKAFTA/KAFTRIO than for our other products. The royalty burden associated with TRIKAFTA/KAFTRIO is 9.33%, and our position is that the royalty burden associated with ALYFTREK is 4%. On October 10, 2025, Royalty Pharma plc ("RP"), the third party to whom the CFF assigned its rights (and the CFF, which remains a party to the CFF Agreement), initiated a confidential arbitration alleging the royalty burden on ALYFTREK is approximately 8%. RP is seeking a declaratory judgment regarding the royalty burden on ALYFTREK as well as alleged unpaid royalties and other alleged damages available under the CFF Agreement or applicable law, costs, expenses, attorneys' fees, and interest. We believe RP's position is contrary to the plain terms of the CFF Agreement and intend to vigorously defend our position under the CFF Agreement.

Research and Development Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
Research expenses	$ 207.3	$ 209.3	(1)%	$ 412.3	$ 415.4	(1)%
Development expenses	786.5	769.1	2%	1,543.1	1,542.7	—%
Total research and development expenses	$ 993.8	$ 978.4	2%	$ 1,955.4	$ 1,958.1	—%

Research Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
Research Expenses:						
Salary and benefits	$ 51.3	$ 53.1	(3)%	$ 106.5	$ 106.2	—%
Stock-based compensation expense	21.2	22.5	(6)%	42.4	44.8	(5)%
Outsourced services and other direct expenses	71.2	71.0	—%	137.8	144.1	(4)%
Infrastructure costs	63.6	62.7	1%	125.6	120.3	4%
Total research expenses	$ 207.3	$ 209.3	(1)%	$ 412.3	$ 415.4	(1)%

Our research expenses include investment in our pipeline, including our cell and genetic therapy capabilities. We expect to continue to invest in our research programs with a focus on creating transformative medicines for serious diseases.

Development Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
Development Expenses:						
Salary and benefits	$ 194.1	$ 187.3	4%	$ 406.7	$ 383.2	6%
Stock-based compensation expense	83.2	77.1	8%	163.7	154.9	6%
Outsourced services and other direct expenses	367.7	372.5	(1)%	693.9	752.2	(8)%
Infrastructure costs	141.5	132.2	7%	278.8	252.4	10%
Total development expenses	$ 786.5	$ 769.1	2%	$ 1,543.1	$ 1,542.7	—%

As we have advanced our pipeline of transformative medicines, we have invested in internal headcount and infrastructure to support multiple mid- and late-stage clinical development programs, including our povetacicept, T1D, peripheral neuropathic pain and AMKD programs. We expect to continue to invest in these programs, launch new products and advance our pipeline going forward. Our outsourced services and other direct expenses were lower as compared to the first half of 2025 due to the discontinuation of certain clinical programs during 2025.

Our research and development expenses include internal and external costs incurred for research and development of our products and product candidates. We assign external costs of services provided to us by clinical research organizations and other outsourced research by individual program. Our internal costs include salary and benefits, stock-based compensation expense, laboratory supplies and other direct expenses and infrastructure costs, the majority of which are not assigned to individual products or product candidates. Our stock-based compensation expenses, including those recorded as research and development expenses, have historically fluctuated and are expected to continue to fluctuate from one period to another primarily due to changes in the probability of achieving milestones associated with our performance-based awards.

Acquired In-Process Research and Development Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
Acquired in-process research and development expenses	$ 21.4	$ 2.2	**	$ 21.9	$ 22.0	**

** Not meaningful

AIPR&D in the second quarters and first halves of 2026 and 2025 included various upfront and milestone payments related to our collaboration and in-licensing arrangements. Our AIPR&D has historically fluctuated, and is expected to continue to fluctuate, from one period to another due to upfront, contingent milestone, and other payments pursuant to our existing and future business development transactions, including collaborations, licenses of third-party technologies, and asset acquisitions.

Selling, General and Administrative Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
	(in millions, except percentages)					
Selling, general and administrative expenses	$ 582.2	$ 424.6	37%	$ 1,075.9	$ 821.0	31%

In the second quarter and first half of 2026, our selling, general and administrative expenses increased by 37% and 31% as compared to the second quarter and first half of 2025, respectively, primarily due to increased internal headcount and commercial investment to support JOURNAVX and the anticipated launch of povetacicept in IgAN. We expect to continue to invest in our commercialization capabilities in support of our current and future product launches.

Intangible Asset Impairment Charge

In the first quarter of 2025, based on results from a Phase 1/2 clinical trial evaluating our VX-264 clinical program in patients with T1D, we concluded that VX-264 will not be advancing further in clinical development. Based on this event, we performed an interim impairment test on the fair value of our VX-264 indefinite-lived in-process research and development asset. As a result, we recorded a full intangible asset impairment charge of $379.0 million associated with VX-264 in the first quarter of 2025.

Non-Operating Income (Expense), Net

Interest Income, Net

Our net interest income of $120.6 million and $235.4 million in the second quarter and first half of 2026, respectively, was similar to our net interest income of $118.7 million and $236.6 million of net interest income in the second quarter and first half of 2025, respectively. Due to our anticipated acquisition of Crinetics in the third quarter of 2026, we expect our future net interest income to decrease.

Other Income (Expense), Net

Other income (expense), net was income of $24.3 million in the second quarter of 2026, $13.2 million in the second quarter of 2025, and $24.3 million in the first half of 2026, and net expenses of $4.4 million in the first half of 2025. Our other income (expense), net in the second quarter and first half of 2026 was primarily due to a realized gain associated with one of our strategic investments. Our other income (expense), net in the second quarter and first half of 2025 was primarily due to net unrealized and realized gains and losses resulting from changes in the fair value of certain of our strategic equity investments and net foreign currency exchange gains and losses

Income Taxes

Our effective tax rate fluctuates from period to period due to the global nature of our operations. The factors that most significantly impact our effective tax rate include changes in tax laws, excess tax benefits related to stock-based compensation, variability in the amount and allocation of our taxable earnings among multiple jurisdictions, the amount and characterization of our research and development expenses, the levels of certain deductions and credits, adjustments to the value of our uncertain tax positions, acquisitions and third-party collaboration and licensing transactions.

In July 2025, the U.S. enacted H.R.1, which includes significant provisions modifying the U.S. tax framework, including the ability for companies to immediately deduct research and development expenditures for 2025 and provisions for deducting previously capitalized amounts. H.R.1 does not have a material impact on our U.S. taxes for the first half of 2026, but we expect further guidance to be issued. We will review guidance when issued for impacts on future years and disclose any impacts if needed at that time. These legislative changes could have an impact on our future effective tax rates, tax liabilities, and cash taxes.

Our effective tax rate of 19.4% in the first half of 2026 was lower than the U.S. statutory rate, primarily due to excess tax

benefits related to stock-based compensation. Our effective tax rate of 16.6% in the first half of 2025 was lower than the U.S. statutory rate, primarily due to excess tax benefits related to stock-based compensation and tax credits.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the components of our financial condition as of June 30, 2026 and December 31, 2025:

	As of June 30, 2026	As of December 31, 2025	Change
	(in millions, except percentages)		
Cash, cash equivalents and marketable securities:			
Cash and cash equivalents	$ 6,143.5	$ 5,084.8	
Marketable securities	1,708.9	1,523.3	
Long-term marketable securities	5,789.1	5,712.3	
Total cash, cash equivalents and marketable securities	$ 13,641.5	$ 12,320.4	11%
Working Capital:			
Total current assets	$ 12,543.7	$ 11,201.0	12%
Total current liabilities	(3,937.9)	(3,861.2)	2%
Total working capital	$ 8,605.8	$ 7,339.8	17%

Working Capital

As of June 30, 2026, total working capital was $8.6 billion, which represented an increase of $1.3 billion, or 17%, compared to December 31, 2025, primarily due to increased cash, cash equivalents and marketable securities resulting from the continued performance of our CF therapies.

Cash Flows

	Six Months Ended June 30,	
	2026	2025
	(in millions)	
Net cash provided by (used in):		
Operating activities	$ 2,553.5	$ 1,892.0
Investing activities	$ (477.7)	$ (540.3)
Financing activities	$ (965.5)	$ (1,029.6)

Operating Activities

Cash provided by operating activities increased to $2.6 billion in the first half of 2026, as compared to $1.9 billion in the first half of 2025, primarily due to increased net product revenues, the timing of income tax payments, and reduced purchases of inventory.

Investing Activities

Cash used in investing activities of $477.7 million and $540.3 million in the first half of 2026 and 2025, respectively, were primarily related to net purchases of available-for-sale debt securities and property and equipment.

Financing Activities

Cash used in financing activities of $965.5 million and $1.0 billion in the first half of 2026 and 2025, respectively, were primarily related to repurchases of our common stock pursuant to our share repurchase programs and payments in connection with common stock withheld for employee tax obligations.

Sources and Uses of Liquidity

We intend to rely on our existing cash, cash equivalents and current marketable securities together with our operating profitability as our primary source of liquidity. We expect that cash flows from our product sales together with our cash, cash equivalents and current marketable securities will be sufficient to fund our operations for at least the next twelve months. In July 2026, we entered into the Crinetics Merger Agreement to acquire Crinetics for $85.00 per share in cash, for a total equity value of approximately $10.0 billion, which we will fund with our cash, cash equivalents, and proceeds from the 2026 Term Loan, as defined below.

The adequacy of our available funds to meet our future operating and capital requirements will depend on many factors, including our future sales of currently marketed products, and the potential introduction of one or more new product candidates to the market, our business development activities, and the number, breadth and cost of our research and development programs.

Credit Facilities & Financing Strategy

In July 2026, we entered into a $4.5 billion term loan credit agreement (the "2026 Term Loan"), which we plan to use to finance the Crinetics Acquisition, and can be prepaid without penalty. We may also borrow up to a total of $500.0 million pursuant to a revolving credit facility that we entered into in July 2026 (the "2026 Revolver") and could repay and reborrow amounts under this revolving credit agreement without penalty. Subject to certain conditions, we could request that the borrowing capacity be increased by an additional $500.0 million, for a total of $1.0 billion. Covenants in the 2026 Term Loan and the 2026 Revolver could prohibit or limit our ability to access these sources of liquidity.

Future Capital Requirements

We have significant future capital requirements, including:

- We expect to acquire Crinetics in the third quarter of 2026, which we intend to fund with our cash, cash equivalents, and proceeds from the 2026 Term Loan described above.
- Expected operating expenses to conduct research and development activities, manufacture and commercialize our existing and future products, and to operate our organization.
- Cash that we pay for income taxes.
- Royalties we pay related to sales of our CF products.
- Facility, operating and finance lease obligations.
- Firm purchase obligations related to our supply and manufacturing processes.

In addition, other potential significant future capital requirements may include:

- We have entered into certain agreements with third parties that include the funding of certain research, development, manufacturing and commercialization efforts. Certain of our transactions, including collaborations, licensing arrangements, and asset acquisitions, include the potential for future milestone and royalty payments by us upon the achievement of pre-established developmental and regulatory targets and/or commercial targets. Other transactions include the potential for future lease-related expenses and other costs. Our obligation to fund these research and development and commercialization efforts and to pay these potential milestones, expenses and royalties is contingent upon continued involvement in the programs and/or the lack of any adverse events that could cause their discontinuance. We may enter into additional agreements, including acquisitions, collaborations, licensing arrangements and equity investments, which require additional capital.
- To the extent we borrow amounts under the 2026 Revolver, we would be required to repay any outstanding principal amounts in July 2031.
- To the extent we borrow amounts under the 2026 Term Loan discussed above, we will be required to repay a portion of any outstanding principal on each of the first three anniversaries from the date upon which we borrowed against the 2026 Term Loan, including $1.0 billion on the first anniversary.

- As of June 30, 2026, we had $2.6 billion remaining available under the share repurchase program that our Board of Directors authorized in May 2025. The program does not have an expiration date and can be discontinued at any time. We expect to fund the program through a combination of cash on hand and cash generated by operations.

Other than our anticipated payment to acquire Crinetics and our entry into the 2026 Term Loan noted above, there have not been any material changes to our future capital requirements disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the Securities and Exchange Commission, or SEC, on February 13, 2026.

We may also raise additional capital by borrowing under credit agreements, through public offerings or private placements of our securities, or securing new collaborative agreements or other methods of financing. We will continue to manage our capital structure and will consider all financing opportunities, whenever they may occur, that could strengthen our long-term liquidity profile. There can be no assurance that any such financing opportunities will be available on acceptable terms, if at all.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements prepared in accordance with generally accepted accounting principles in the U.S. The preparation of these financial statements requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. These items are monitored and analyzed by management for changes in facts and circumstances, and material changes in these estimates could occur in the future. Changes in estimates are reflected in reported results for the period in which the change occurs. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from our estimates if past experience or other assumptions do not turn out to be substantially accurate. During the six months ended June 30, 2026, there were no material changes to our critical accounting policies as reported in our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on February 13, 2026.

RECENT ACCOUNTING PRONOUNCEMENTS

For a discussion of recent accounting pronouncements, please refer to Note A, “Basis of Presentation and Accounting Policies.”

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information required by this item is incorporated by reference from the discussion in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” of our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on February 13, 2026.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management (under the supervision and with the participation of our chief executive officer and chief financial officer), after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q, has concluded that, based on such evaluation, as of June 30, 2026 our disclosure controls and procedures were effective and designed to provide reasonable assurance that the information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Controls Over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) occurred during the three months ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

Other than as described in Part I—Note L, "Commitments and Contingencies," to our condensed consolidated financial statements, we are not currently subject to any material legal proceedings.

Item 1A. Risk Factors

The information presented below supplements the risk factors set forth in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on February 13, 2026.

We may be unable to complete the Crinetics Acquisition, successfully integrate Crinetics' business, or realize the potential commercial benefits of the strategic acquisition, which could adversely affect our business and financial condition.

Our inability to complete the Crinetics Acquisition or to successfully integrate the Crinetics business could have a material adverse effect on our business. The Crinetics Acquisition may not be completed for a number of reasons, including the need to satisfy customary closing conditions, the need for antitrust and/or other regulatory approvals, as well as potential disputes or litigation that may arise. We provide no assurance that the Crinetics Acquisition will occur or that the closing conditions to the Crinetics Acquisition will be satisfied in a timely manner or at all. Our realization of the value from the Crinetics Acquisition relies on successful integration of its operations. We may not be able to integrate Crinetics' business successfully into our existing business, make Crinetics' business profitable, retain key employees or realize anticipated cost savings or synergies, if any, from the acquisition, which could adversely affect our business and financial condition. Further, our ongoing business may be disrupted, and our management's attention may be diverted by integration activities. In addition, the anticipated benefits of the Crinetics Acquisition depend on revenues from PALSONIFY and the commercial potential of atumelnant. If PALSONIFY does not achieve the sales, market acceptance, or other commercial performance we expect, if development of atumelnant is delayed or terminated, or if we fail to obtain approval or fail to successfully commercialize atumelnant, we may not realize the expected revenue growth or income contribution from these assets on the anticipated timeline, or at all, which could adversely affect our business and financial condition.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and, in particular, our Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in Part I, Item 2, contain a number of forward-looking statements. Forward-looking statements are not purely historical and may be accompanied by words such as "anticipates," "may," "forecasts," "expects," "intends," "plans," "potentially," "believes," "seeks," "estimates," and other words and terms of similar meaning. Such statements may relate to:

- our financial performance, including revenues, costs and expenses, taxes, and other gains and losses;
- product development, including our development timelines, timing of data from our ongoing and planned clinical trials, regulatory authority filings and other submissions for our therapies, including the potential to file for accelerated approvals, and communications with regulatory authorities;
- our ability to continue to grow our CF business by increasing the number of people with CF eligible and able to receive our medicines through new approvals, label extensions and reimbursement agreements, treatment of younger patients, increased survival, and expansion into additional geographies;
- our ability to continue to launch, commercialize and market our products, including the anticipated launch of povetacicept for the treatment of IgAN, and our ability to obtain label expansions for existing therapies;
- our ability to obtain and maintain adequate coverage, pricing, and reimbursement from third-party payors for our products;
- the data that will be generated by ongoing and planned clinical trials, preclinical and nonclinical studies, and the ability to use that data to advance compounds, continue development or support regulatory filings, or accelerate regulatory approval, including our expectations regarding the FDA's review of our BLA for accelerated approval of povetacicept;
- our plans to continue investing in our research and development programs, including anticipated timelines for our programs, and our strategy to develop our pipeline programs, alone or with third party-collaborators;

- our ability to use our research programs to identify and develop new product candidates to address serious diseases and significant unmet medical needs;
- our beliefs regarding the approximate patient populations for the disease areas on which we focus;
- our expectations, plans and anticipated timeline for the pending Crinetics Acquisition, including regarding Crinetics' business and operations, the commercial potential of PALSONIFY, and the anticipated potential of atumelnant and Crinetics' other pipeline assets;
- plans for and prospects of our business development activities, including the potential benefits and therapeutic scope of our collaborations, our ability to integrate and continue operations of acquired businesses, and our ability to successfully capitalize on these opportunities;
- the establishment, development and maintenance of collaborative relationships, including potential milestone payments or other obligations, and other potential business development activities, including the identification of potential collaborative partners or acquisition targets;
- our plans to maintain and expand our global supply chains and manufacturing infrastructure and capabilities, including for biologics, cell and gene therapies;
- our ability to expand and protect our intellectual property portfolio and otherwise maintain exclusive rights to products;
- our expectations or beliefs regarding any legal proceedings in which we are involved, including any litigation, arbitration or other similar proceedings involving our products, product candidates or activities;
- potential fluctuations in foreign currency exchange rates and the effectiveness of our foreign currency management program;
- our expectations regarding cash generated by operations, our cash balance and expected generation and net interest income;
- our expectations regarding our provision for or benefit from income taxes and the utilization of our deferred tax assets; and
- our liquidity and our expectations regarding the possibility of raising additional capital.

Forward-looking statements are subject to certain risks, uncertainties, or other factors that are difficult to predict and could cause actual events or results to differ materially from those indicated in any such statements. These risks, uncertainties, and other factors include, but are not limited to, those described in our "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on February 13, 2026, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

Any such forward-looking statements are made on the basis of our views and assumptions as of the date of the filing and are not estimates of future performance. Except as required by law, we undertake no obligation to publicly update any forward-looking statements. The reader is cautioned not to place undue reliance on any such statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Repurchases of Equity Securities

In May 2025, our Board of Directors authorized a share repurchase program (our "Share Repurchase Program"), pursuant to which we were authorized to repurchase up to $4.0 billion of our common stock. The Share Repurchase Program does not have an expiration date and can be discontinued at any time.

The table set forth below shows repurchases of securities by us during the three months ended June 30, 2026 under our Share Repurchase Program.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (1)
April 1, 2026 to April 30, 2026	375,000	$ 436.21	375,000	$ 2,873,410,086
May 1, 2026 to May 31, 2026	366,652	$ 434.50	366,652	$ 2,714,101,470
June 1, 2026 to June 30, 2026	292,000	$ 452.37	292,000	$ 2,582,008,580
Total	1,033,652	$ 440.17	1,033,652	$ 2,582,008,580

(1) Under our Share Repurchase Program, we are authorized to purchase shares from time to time through open market or privately negotiated transactions. Such purchases may be pursuant to Rule 10b5-1 plans or other means as determined by our management and in accordance with the requirements of the Securities and Exchange Commission.

Item 5. Other Information

Rule 10b5-1 Trading Plans

Our policy governing transactions in our securities by our directors, officers, and employees permits our officers, directors and employees to enter into trading plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (each a "Trading Plan"). In the second quarter of 2026, none of our directors or officers adopted, modified or terminated a Trading Plan.

Entry into 2026 Revolver

On July 30, 2026, we entered into a revolving credit agreement (the "2026 Revolver"), with Vertex Pharmaceuticals (Europe) Limited, a private limited company incorporated in England and Wales and a wholly-owned subsidiary of Vertex, as a co-borrower, Vertex Pharmaceuticals (Ireland) Limited, a private company limited by shares incorporated in Ireland and a wholly-owned subsidiary of Vertex, as a co-borrower, certain other wholly-owned subsidiaries of Vertex party thereto as subsidiary guarantors, the lenders and issuing banks party thereto and Bank of America, N.A., as administrative agent, which provides for a $500 million senior unsecured revolving facility. Up to $100 million of the senior unsecured revolving facility may be allocated for loans and letters of credit in certain non-U.S. Dollar currencies (the "Alternative Currencies"). The 2026 Revolver also provides that, subject to satisfaction of certain conditions, we may request that the borrowing capacity under the 2026 Revolver be increased by an additional $500 million. Proceeds of borrowings under the 2026 Revolver will be used for general corporate purposes. The outstanding loans under the 2026 Revolver mature, and the unused commitments thereunder terminate, on July 30, 2031.

U.S. Dollar-denominated loans made under the 2026 Revolver will bear interest, at our option, at a rate per annum equal to either a base rate or a SOFR-based rate, in each case, plus an applicable margin. Under the 2026 Revolver, the applicable margin on base rate loans ranges from 0.000% to 0.500% and the applicable margin on SOFR-based loans ranges from 0.875% to 1.500% (such margin, the "Applicable Benchmark Margin"), in each case, depending upon, either (x) Vertex's consolidated funded indebtedness to consolidated EBITDA ratio for the most recently completed four fiscal quarter period or (y) to the extent available, Vertex's credit rating. Alternative Currency-denominated loans will bear interest at a rate per annum equal to the applicable benchmark rate for such Alternative Currency plus the Applicable Benchmark Margin. Loans made under the 2026 Revolver may be prepaid at par and commitments under the 2026 Revolver may be reduced at any time, in whole or in part, without premium or penalty (except for customary SOFR breakage costs).

Loans made under the 2026 Revolver will be guaranteed by certain of our existing and future domestic subsidiaries, subject to certain customary exceptions and limitations.

The 2026 Revolver contains customary representations and warranties and affirmative and negative covenants, which include limitations on subsidiary debt, liens and fundamental changes, as well as a financial covenant to maintain a consolidated leverage ratio of 3.50 to 1.00, subject to an increase, at Vertex's election, to 4.00 to 1.00 for each of the four fiscal quarters following a material acquisition.

The 2026 Revolver also contains customary events of default. In the case of a continuing event of default, the administrative agent would be entitled to exercise various remedies, including the acceleration of amounts due under any outstanding loan.

The foregoing summary of the 2026 Revolver is not complete and is qualified in its entirety by reference to the full and complete 2026 Revolver, a copy of which will be filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2026.

Termination of 2022 Revolver

On July 30, 2026, we terminated and repaid all outstanding obligations under our existing credit agreement, dated as of July 1, 2022, as amended, with certain subsidiaries party thereto as co-borrowers and/or guarantors, the lenders and issuing banks party thereto, and Bank of America, N.A., as administrative agent (the "2022 Revolver"). In connection with the termination of the 2022 Revolver, all guarantees thereunder were terminated and released.

Entry into 2026 Term Loan

On July 30, 2026, we entered into a term loan credit agreement (the "2026 Term Loan"), with certain wholly-owned subsidiaries of Vertex party thereto as subsidiary guarantors, the lenders and issuing banks party thereto and Bank of America, N.A., as administrative agent, which provides for a $4.5 billion senior unsecured delayed draw term loan A facility, comprised of (a) a $1,000,000,000 tranche that will mature and be payable in full on the date that is 364 days after the date on which the borrowing under the 2026 Term Loan is made (such date, the "Funding Date" and such loans, the "Tranche 1 Loans"), (b) a $1,000,000,000 tranche that will mature and be payable in full on the date that is two (2) years following the Funding Date (the "Tranche 2 Loans") and (c) a $2,500,000,000 tranche that will mature and be payable in full on the date that is three (3) years following the Funding Date (the "Tranche 3 Loans"). Proceeds of borrowings under the 2026 Term Loan will be used to finance in part the Crinetics Acquisition that was announced on July 6, 2026. The Funding Date under the 2026 Term Loan is subject to the satisfaction of customary conditions, including the substantially concurrent consummation of the Crinetics Acquisition.

Loans made under the 2026 Term Loan will bear interest, at our option, at a rate per annum equal to either a base rate or a SOFR-based rate, in each case, plus an applicable margin. Under the 2026 Term Loan, the applicable margin on base rate loans ranges from 0.000% to 0.500% for Tranche 1 and Tranche 2 Loans and from 0.000% to 0.625% for Tranche 3 Loans, and the applicable margin on SOFR-based loans ranges from 0.8750% to 1.500% for Tranche 1 and Tranche 2 Loans and from 1.000% to 1.625% for Tranche 3 Loans (such margin, the "Applicable Benchmark Margin"), in each case, depending upon, either (x) Vertex's consolidated funded indebtedness to consolidated EBITDA ratio for the most recently completed four fiscal quarter period or (y) to the extent available, Vertex's credit rating. Loans made under the 2026 Term Loan may be prepaid at par and commitments under the 2026 Term Loan may be reduced at any time, in whole or in part, without premium or penalty (except for customary SOFR breakage costs). There are no mandatory prepayments or amortization required in connection with the loans made under the 2026 Term Loan.

Loans made under the 2026 Term Loan will be guaranteed by our existing and future domestic subsidiaries that guarantee the obligations under the 2026 Revolver.

The 2026 Term Loan contains customary representations and warranties and affirmative and negative covenants, in each case, that are substantially consistent with the representations and warranties and covenants contained in the 2026 Revolver and which include a financial covenant to maintain a consolidated leverage ratio of 3.50 to 1.00, subject to an increase, at Vertex's election, to 4.00 to 1.00 for each of the four fiscal quarters following a material acquisition.

The 2026 Term Loan also contains customary events of default that are substantially consistent with the events of default contained in the 2026 Revolver. In the case of a continuing event of default, the administrative agent would be entitled to exercise various remedies, including the acceleration of amounts due under any outstanding loan.

The foregoing summary of the 2026 Term Loan is not complete and is qualified in its entirety by reference to the full and complete 2026 Term Loan, a copy of which will be filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2026.

Item 6. Exhibits

Exhibit Number	Exhibit Description
2.1^	Agreement and Plan of Merger by and among Crinetics Pharmaceuticals, Inc., Vertex Pharmaceuticals Incorporated, and Clark Merger Sub, Inc. dated July 6, 2026 (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission by Crinetics Pharmaceuticals, Inc. on July 6, 2026).
10.1	Vertex Pharmaceuticals Incorporated 2026 Stock and Option Plan dated (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 filed with the Securities and Exchange Commission by Vertex Pharmaceuticals Incorporated on May 13, 2026) *
10.2	Form of Restricted Stock Unit Agreement under the 2026 Stock and Option Plan.*
10.3	Form of Restricted Stock Unit Agreement (with Performance Conditions) under the 2026 Stock and Option Plan.*
10.4	Form of Restricted Stock Unit Agreement (for Non-Employee Directors) under the 2026 Stock and Option Plan.*
10.5	Form of Option Agreement (for Non-Employee Directors) under the 2026 Stock and Option Plan.*
10.6	Non-Employee Director Deferred Compensation Plan.*
31.1	Certification of the Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer and the Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation
101.DEF	XBRL Taxonomy Extension Definition
104	Cover Page Interactive Data File—the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

^ Schedules and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule will be furnished supplementally to the SEC upon request.

* Management contract, compensatory plan or agreement.

SIGNATURES

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 thereunto duly authorized.

Vertex Pharmaceuticals Incorporated

August 4, 2026 By: /s/ Charles F. Wagner, Jr.

Charles F. Wagner, Jr.

Executive Vice President, Chief Operating & Financial Officer
(principal financial officer and
duly authorized officer)

VERTEX PHARMACEUTICALS INCORPORATED
2026 STOCK AND OPTION PLAN

Restricted Stock Unit Award

This Agreement sets forth the terms and conditions of a Restricted Stock Unit Award granted pursuant to the provisions of the 2026 Stock and Option Plan (as from time to time amended and in effect, the "Plan") of Vertex Pharmaceuticals Incorporated (the "Company") to the Participant whose name appears below, of a contingent entitlement of the Participant to receive the number of shares of Stock of the Company set forth below, pursuant to the provisions of the Plan and on the following express terms and conditions. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Plan, and any Restricted Stock Units evidenced hereby are granted subject to the terms of the Plan.

1. Name of Participant to whom the Restricted Stock Unit Award is granted:

Participant Name: #ParticipantName#
Employee ID: #EmployeeID#

2. Number of Shares of Stock in the Restricted Stock Unit Award (the "Shares") (subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof):

#QuantityGranted# Shares

3. Date of grant of the Restricted Stock Unit Award:

#GrantDate# ("MM/DD/YYYY")

4. Vesting. The Restricted Stock Unit Award shall vest and be subject to the additional provisions as set forth in Exhibit A to this Agreement.

5. Agreement with respect to Tax Payments, Withholding and Sale of a Portion of Shares. The Participant acknowledges and agrees that any income or other taxes, fees or social security or comparable contributions due from the Participant with respect to the vesting of the Restricted Stock Unit Award or the issuance of Shares pursuant to this Agreement shall be the Participant's sole responsibility. In connection with the foregoing, the Participant agrees that the Company shall be entitled to hold back Shares based on the Fair Market Value of the Shares on the Vesting Date in satisfaction of tax withholding requirements, if any. The Participant agrees to pay to the Company as soon as practicable, including through payroll, the amount of any tax withholding, that is for whatever reason, not satisfied through such hold back. The Participant further acknowledges that the Restricted Stock Unit Award made hereunder is subject to the Participant's acceptance of the terms of this Section 5, and other terms and provisions of this Agreement.

6. Restrictions on Transfer. Except as provided in Section 6(a)(3) of the Plan, this Restricted Stock Unit Award may not be sold, transferred, assigned, hypothecated, pledged, encumbered or otherwise disposed of, whether voluntarily or by operation of law, at any time before the Participant receives Shares. Any such purported transfer shall be null and void, and shall not be recognized by the Company or recorded on its books.

7. Forfeiture; Recovery of Compensation; Termination for Cause. By accepting, or being deemed to have accepted, the Restricted Stock Unit Award, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee, with respect to the Restricted Stock

Unit Award, including the right to any Shares acquired under the Restricted Stock Unit Award or proceeds from the disposition thereof, are subject to Sections 6(a)(4)(D) and 6(a)(5) of the Plan (including any successor provisions). The Participant further acknowledges and agrees that if the Participant's Employment with the Company is terminated for Cause, any portion of the Restricted Stock Unit Award that has not vested prior to the date written notice of such termination is provided to the Participant shall be immediately forfeited. If the Participant is notified that the Company is investigating or evaluating whether the Company will terminate the Participant's Employment for Cause, the Company may, at its election, suspend the vesting of this Restricted Stock Unit Award by giving written notice to the Participant. If after such notification it is determined or otherwise agreed that the Participant's Employment will not be terminated for Cause, vesting of the Shares shall resume pursuant to the original schedule and any Shares that would have vested during such suspension immediately shall vest. The Participant further acknowledges and agrees that the Restricted Stock Unit Award, and any proceeds received therefrom, shall be subject to recoupment to the extent the Participant is or becomes subject to (i) the Company's Policy for Recoupment of Incentive Compensation, as the same may be amended and in effect from time to time, or (ii) the terms of any other clawback or recoupment policy of the Company that applies to incentive compensation that includes Awards such as the Restricted Stock Unit Award. Nothing in the preceding sentence will be construed as limiting the general application of Section 11 of this Agreement.

8. No Rights as a Shareholder. The Participant shall have no rights as a shareholder, including voting and dividend rights, with respect to the Restricted Stock Unit Award subject to this Agreement unless and until shares of Stock are actually delivered to the Participant.

9. No Obligation to Maintain Relationship. The Participant acknowledges that: (i) the Company is not obligated by the Plan or this Restricted Stock Unit Award to continue the Participant as an Employee, Director, consultant or advisor of the Company or an affiliate; (ii) the Plan is discretionary in nature and may be modified, suspended or terminated by the Company at any time; (iii) the grant of this Restricted Stock Unit Award is a one-time benefit that does not create any contractual or other right to receive future grants of equity, or benefits in lieu thereof; (iv) all determinations with respect to any such future grants, including, but not limited to, the times when restricted stock unit awards shall be granted, the number of shares subject to each restricted stock unit award, and the time or times when each restricted stock unit award shall vest, will be at the sole discretion of the Company; (v) the Participant's participation in the Plan is voluntary; (vi) the value of this Restricted Stock Unit Award is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vii) this Restricted Stock Unit Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

10. Code Section 409A. Pursuant to Section 6(a)(11) of the Plan, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to this Restricted Stock Unit Award in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting, or being deemed to have accepted, this Restricted Stock Unit Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code), except as Section 409A of the Code may then permit.

11. Plan. The Participant hereby acknowledges receipt of a copy of the Plan as presently in effect and the Prospectus with respect thereto. All of the terms and provisions of the Plan, and any additional terms and conditions provided to Participants located outside of the United States, are incorporated herein by

reference, and this Restricted Stock Unit Award is subject to those terms and provisions in all respects. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the
Plan will control. By accepting, or being deemed to have accepted, this Restricted Stock Unit Award, the
Participant agrees to be bound by the terms of the Plan and this Agreement.

VERTEX PHARMACEUTICALS INCORPORATED

By: _____

VERTEX PHARMACEUTICALS INCORPORATED
2026 STOCK AND OPTION PLAN

Restricted Stock Unit Award
(with Performance Conditions)

This Agreement sets forth the terms and conditions of a Restricted Stock Unit Award granted pursuant to the provisions of the 2026 Stock and Option Plan (as from time to time amended and in effect, the "Plan") of Vertex Pharmaceuticals Incorporated (the "Company") to the Participant whose name appears below, of a contingent entitlement of the Participant to receive the number of shares of Stock of the Company set forth below, pursuant to the provisions of the Plan and on the following express terms and conditions. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Plan, and any Restricted Stock Units evidenced hereby are granted subject to the terms of the Plan.

1. Name of Participant to whom the Restricted Stock Unit Award is granted:

Participant Name: #ParticipantName#
Employee ID: #EmployeeID#

2. Number of Shares of Stock in the Restricted Stock Unit Award (the "Shares") (subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof)**:**

#QuantityGranted# Shares

3. Date of grant of the Restricted Stock Unit Award:

#GrantDate# ("MM/DD/YYYY")

4.1 Performance Conditions. Vesting of the Restricted Stock Unit Award shall be contingent upon the attainment of the "Performance Conditions" set forth in Exhibit A to this Agreement. The percentage of the target number of Shares (the "Target Shares") pursuant to this Restricted Stock Unit Award that is eligible for vesting (the "Earned Performance Shares") shall be set forth in Exhibit A to this Agreement.

4.2 Vesting Schedule. Provided that the Performance Conditions are satisfied, the Restricted Stock Unit Award shall vest as set forth in Exhibit A to this Agreement.

5. Agreement with respect to Tax Payments, Withholding and Sale of a Portion of Shares. The Participant acknowledges and agrees that any income or other taxes, fees or social security or comparable contributions due from the Participant with respect to the vesting of the Restricted Stock Unit Award or the issuance of Shares pursuant to this Agreement shall be the Participant's sole responsibility. In connection with the foregoing, the Participant agrees that the Company shall be entitled to hold back Shares based on the Fair Market Value of the Shares on the Vesting Date in satisfaction of tax withholding requirements, if any. The Participant agrees to pay to the Company as soon as practicable, including through payroll, the amount of any tax withholding, that is for whatever reason, not satisfied through such hold back. The Participant further acknowledges that the Restricted Stock Unit Award made hereunder is subject to the Participant's acceptance of the terms of this Section 5, and other terms and provisions of this Agreement.

6. Restrictions on Transfer. Except as provided in Section 6(a)(3) of the Plan, this Restricted Stock Unit Award may not be sold, transferred, assigned, hypothecated, pledged, encumbered or otherwise

disposed of, whether voluntarily or by operation of law, at any time before the Participant receives Shares. Any such purported transfer shall be null and void, and shall not be recognized by the Company or recorded on its books.

7. Forfeiture; Recovery of Compensation; Termination for Cause. By accepting, or being deemed to have accepted, the Restricted Stock Unit Award, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee, with respect to the Restricted Stock Unit Award, including the right to any Shares acquired under the Restricted Stock Unit Award or proceeds from the disposition thereof, are subject to Sections 6(a)(4)(D) and 6(a)(5) of the Plan (including any successor provisions). The Participant further acknowledges and agrees that if the Participant's Employment with the Company is terminated for Cause, any portion of the Restricted Stock Unit Award that has not vested prior to the date written notice of such termination is provided to the Participant shall be immediately forfeited. If the Participant is notified that the Company is investigating or evaluating whether the Company will terminate the Participant's Employment for Cause, the Company may, at its election, suspend the vesting of this Restricted Stock Unit Award by giving written notice to the Participant. If after such notification it is determined or otherwise agreed that the Participant's Employment will not be terminated for Cause, vesting of the Shares shall resume pursuant to the original schedule and any Shares that would have vested during such suspension immediately shall vest. The Participant further acknowledges and agrees that the Restricted Stock Unit Award, and any proceeds received therefrom, shall be subject to recoupment to the extent the Participant is or becomes subject to (i) the Company's Policy for Recoupment of Incentive Compensation, as the same may be amended and in effect from time to time, or (ii) the terms of any other clawback or recoupment policy of the Company that applies to incentive compensation that includes Awards such as the Restricted Stock Unit Award. Nothing in the preceding sentence will be construed as limiting the general application of Section 11 of this Agreement.

8. No Rights as a Shareholder. The Participant shall have no rights as a shareholder, including voting and dividend rights, with respect to the Restricted Stock Unit Award subject to this Agreement unless and until shares of Stock are actually delivered to the Participant.

9. No Obligation to Maintain Relationship. The Participant acknowledges that: (i) the Company is not obligated by the Plan or this Restricted Stock Unit Award to continue the Participant as an Employee, Director, consultant or advisor of the Company or an affiliate; (ii) the Plan is discretionary in nature and may be modified, suspended or terminated by the Company at any time; (iii) the grant of this Restricted Stock Unit Award is a one-time benefit that does not create any contractual or other right to receive future grants of equity, or benefits in lieu thereof; (iv) all determinations with respect to any such future grants, including, but not limited to, the times when restricted stock unit awards shall be granted, the number of shares subject to each restricted stock unit award, and the time or times when each restricted stock unit award shall vest, will be at the sole discretion of the Company; (v) the Participant's participation in the Plan is voluntary; (vi) the value of this Restricted Stock Unit Award is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vii) this Restricted Stock Unit Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

10. Code Section 409A. Pursuant to Section 6(a)(11) of the Plan, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to this Restricted Stock Unit Award in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting, or being deemed to have accepted, this Restricted Stock Unit Award) agrees that he or she is bound, such portion

of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code), except as Section 409A of the Code may then permit.

11. Plan. The Participant hereby acknowledges receipt of a copy of the Plan as presently in effect and the Prospectus with respect thereto. All of the terms and provisions of the Plan, and any additional terms and conditions provided to Participants located outside of the United States, are incorporated herein by reference, and this Restricted Stock Unit Award is subject to those terms and provisions in all respects. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan will control. By accepting, or being deemed to have accepted, this Restricted Stock Unit Award, the Participant agrees to be bound by the terms of the Plan and this Agreement.

VERTEX PHARMACEUTICALS INCORPORATED

By: _____

VERTEX PHARMACEUTICALS INCORPORATED
2026 STOCK AND OPTION PLAN

Restricted Stock Unit Award
(for Directors)

This Agreement sets forth the terms and conditions of a Restricted Stock Unit Award granted pursuant to the provisions of the 2026 Stock and Option Plan (as from time to time amended and in effect, the "Plan") of Vertex Pharmaceuticals Incorporated (the "Company") to the Participant whose name appears below, of a contingent entitlement of the Participant to receive the number of shares of Stock of the Company set forth below, pursuant to the provisions of the Plan and on the following express terms and conditions. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Plan, and any Restricted Stock Units evidenced hereby are granted subject to the terms of the Plan.

1. Name of Participant to whom the Restricted Stock Unit Award is granted:

Participant Name: #ParticipantName#
Employee ID: #EmployeeID#

2. Number of Shares of Stock in the Restricted Stock Unit Award (the "Shares") (subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof)**:**

#QuantityGranted# Shares

3. Date of grant of the Restricted Stock Unit Award:

#GrantDate# ("MM/DD/YYYY")

4. Vesting. The Restricted Stock Unit Award shall vest and be subject to the additional provisions as set forth in Exhibit A to this Agreement.

5. Agreement with respect to Tax Payments, Withholding and Sale of a Portion of Shares. The Participant acknowledges and agrees that any income or other taxes, fees or social security or comparable contributions due from the Participant with respect to the vesting of the Restricted Stock Unit Award or the issuance of Shares pursuant to this Agreement shall be the Participant's sole responsibility. In connection with the foregoing, the Participant agrees that the Company shall be entitled to hold back Shares based on the Fair Market Value of the Shares on the Vesting Date in satisfaction of tax withholding requirements, if any. The Participant agrees to pay to the Company as soon as practicable, including through payroll, the amount of any tax withholding, that is for whatever reason, not satisfied through such hold back. The Participant further acknowledges that the Restricted Stock Unit Award made hereunder is subject to the Participant's acceptance of the terms of this Section 5, and other terms and provisions of this Agreement.

6. Restrictions on Transfer. Except as provided in Section 6(a)(3) of the Plan, this Restricted Stock Unit Award may not be sold, transferred, assigned, hypothecated, pledged, encumbered or otherwise disposed of, whether voluntarily or by operation of law, at any time before the Participant receives Shares. Any such purported transfer shall be null and void, and shall not be recognized by the Company or recorded on its books.

7. Forfeiture; Recovery of Compensation; Termination for Cause. By accepting, or being deemed to have accepted, the Restricted Stock Unit Award, the Participant expressly acknowledges and

agrees that his or her rights, and those of any permitted transferee, with respect to the Restricted Stock Unit Award, including the right to any Shares acquired under the Restricted Stock Unit Award or proceeds from the disposition thereof, are subject to Sections 6(a)(4)(D) and 6(a)(5) of the Plan (including any successor provisions). The Participant further acknowledges and agrees that if the Participant's Employment with the Company is terminated for Cause, any portion of the Restricted Stock Unit Award that has not vested prior to the date written notice of such termination is provided to the Participant shall be immediately forfeited. If the Participant is notified that the Company is investigating or evaluating whether the Company will terminate the Participant's Employment for Cause, the Company may, at its election, suspend the vesting of this Restricted Stock Unit Award by giving written notice to the Participant. If after such notification it is determined or otherwise agreed that the Participant's Employment will not be terminated for Cause, vesting of the Shares shall resume pursuant to the original schedule and any Shares that would have vested during such suspension immediately shall vest. The Participant further acknowledges and agrees that the Restricted Stock Unit Award, and any proceeds received therefrom, shall be subject to recoupment to the extent the Participant is or becomes subject to (i) the Company's Policy for Recoupment of Incentive Compensation, as the same may be amended and in effect from time to time, or (ii) the terms of any other clawback or recoupment policy of the Company that applies to incentive compensation that includes Awards such as the Restricted Stock Unit Award. Nothing in the preceding sentence will be construed as limiting the general application of Section 11 of this Agreement.

8. No Rights as a Shareholder. The Participant shall have no rights as a shareholder, including voting and dividend rights, with respect to the Restricted Stock Unit Award subject to this Agreement unless and until shares of Stock are actually delivered to the Participant.

9. No Obligation to Maintain Relationship. The Participant acknowledges that: (i) the Company is not obligated by the Plan or this Restricted Stock Unit Award to continue the Participant as an Employee, Director, consultant or advisor of the Company or an affiliate; (ii) the Plan is discretionary in nature and may be modified, suspended or terminated by the Company at any time; (iii) the grant of this Restricted Stock Unit Award is a one-time benefit that does not create any contractual or other right to receive future grants of equity, or benefits in lieu thereof; (iv) all determinations with respect to any such future grants, including, but not limited to, the times when restricted stock unit awards shall be granted, the number of shares subject to each restricted stock unit award, and the time or times when each restricted stock unit award shall vest, will be at the sole discretion of the Company; (v) the Participant's participation in the Plan is voluntary; (vi) the value of this Restricted Stock Unit Award is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vii) this Restricted Stock Unit Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

10. Code Section 409A. Pursuant to Section 6(a)(11) of the Plan, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to this Restricted Stock Unit Award in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting, or being deemed to have accepted, this Restricted Stock Unit Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code), except as Section 409A of the Code may then permit.

11. Plan. The Participant hereby acknowledges receipt of a copy of the Plan as presently in effect and the Prospectus with respect thereto. All of the terms and provisions of the Plan, and any additional terms

and conditions provided to Participants located outside of the United States, are incorporated herein by reference, and this Restricted Stock Unit Award is subject to those terms and provisions in all respects. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the
Plan will control. By accepting, or being deemed to have accepted, this Restricted Stock Unit Award, the
Participant agrees to be bound by the terms of the Plan and this Agreement.

VERTEX PHARMACEUTICALS INCORPORATED

By: _____

Name:	
Number of Shares of Stock subject to the Stock Option:	
Exercise Price Per Share:	$
Date of Grant:	

VERTEX PHARMACEUTICALS INCORPORATED
2026 STOCK AND OPTION PLAN

NON-STATUTORY STOCK OPTION AGREEMENT
(NON-EMPLOYEE DIRECTORS)

This agreement (this "Agreement") evidences a stock option granted by Vertex Pharmaceuticals Incorporated (the "Company") to the individual named above (the "Participant"), pursuant to and subject to the terms of the Vertex Pharmaceuticals Incorporated 2026 Stock and Option Plan (as from time to time amended and in effect, the "Plan"). Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Plan, and the Stock Option evidenced hereby is granted subject to the terms of the Plan.

1. Grant of Stock Option. The Company grants to the Participant on the date set forth above (the "Date of Grant") an option (the "Stock Option") to purchase, pursuant to and subject to the terms set forth in this Agreement and in the Plan, up to the number of shares of Stock set forth above (the "Shares") with an exercise price per Share as set forth above, in each case subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

The Stock Option evidenced by this Agreement is a non-statutory option (that is, an option that is not intended to qualify as an ISO) and is granted to the Participant in connection with the Participant's Employment.

2. Vesting. The term "vest" as used herein with respect to the Stock Option or any portion thereof means to become exercisable and the term "vested" with respect to the Stock Option (or any portion thereof) means that the Stock Option (or portion thereof) is then exercisable. The Stock Option shall be immediately vested in full on the Date of Grant.

3. Exercise of the Stock Option. Notwithstanding Sections 6(a)(4)(B) and 6(a)(4)(C) of the Plan, the Stock Option, or any portion thereof, may be exercised until the tenth (10^{th}) anniversary of the Date of Grant and, if not exercised by such date and subject to Section 6(b)(1) of the Plan, the Stock Option or any remaining portion thereof will thereupon immediately terminate. Each election to exercise a vested portion of the Stock Option will be subject to the terms and conditions of the Plan and must be in written or electronic form acceptable to the Administrator, signed (including by electronic signature) by the Participant or, if at the relevant time the Stock Option has passed to the estate or beneficiary of the Participant or a permitted transferee, such estate or beneficiary or permitted transferee. Each such written or electronic exercise election must be received by the Company at its principal office or by such other party as the Administrator may prescribe and be accompanied by payment in full of the exercise price by cash or check, through a broker-assisted exercise program acceptable to the Administrator, or as otherwise provided in the Plan.

4. Restrictions on Transfer. Except as provided in Section 6(a)(3) of the Plan, this Stock Option may not be sold, transferred, assigned, hypothecated, pledged, encumbered or otherwise disposed

of, whether voluntarily or by operation of law, at any time before the Participant exercises the Shares. Any such purported transfer shall be null and void, and shall not be recognized by the Company or recorded on its books.

5. Taxes. The Participant is responsible for satisfying and paying all taxes arising from or due in connection with the Stock Option, its exercise or a disposition of any Shares acquired upon exercise of the Stock Option. The Company will have no liability or obligation related to the foregoing.

6. Forfeiture; Recovery of Compensation; Termination for Cause. By accepting, or being deemed to have accepted, the Stock Option, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee, with respect to the Stock Option, including the right to any Shares acquired under the Stock Option or proceeds from the disposition thereof, are subject to Sections 6(a)(4)(D) and 6(a)(5) of the Plan (including any successor provisions). The Participant further acknowledges and agrees that if the Participant's Employment is terminated for Cause, any portion of the Stock Option that is unexercised prior to the date written notice of such termination is provided to the Participant shall be immediately forfeited. If the Participant is notified that the Company is investigating or evaluating whether the Company will terminate the Participant's Employment for Cause, the Company may, at its election, suspend the exercisability of the Stock Option by giving written notice to the Participant. If after such notification it is determined or otherwise agreed that the Participant's Employment will not be terminated for Cause, exercisability of the Shares shall be restored. The Participant further acknowledges and agrees that the Stock Option, and any proceeds received therefrom, shall be subject to recoupment to the extent the Participant is or becomes subject to (i) the Company's Policy for Recoupment of Incentive Compensation, as the same may be amended and in effect from time to time, or (ii) the terms of any other clawback or recoupment policy of the Company that applies to incentive compensation that includes Awards such as the Stock Option. Nothing in the preceding sentence will be construed as limiting the general application of Section 7 of this Agreement.

7. Provisions of the Plan. The Participant hereby acknowledges receipt of a copy of the Plan as presently in effect and the Prospectus with respect thereto. All of the terms and provisions of the Plan, and any additional terms and conditions provided to Participants located outside of the United States, are incorporated herein by reference, and the Stock Option is subject to those terms and provisions in all respects. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan will control. By accepting, or being deemed to have accepted, the Stock Option, the Participant agrees to be bound by the terms of the Plan and this Agreement.

8. No Obligation to Maintain Relationship. The Participant acknowledges that: (i) the Company is not obligated by the Plan or the Stock Option to continue the Participant as an Employee, Director, consultant or advisor of the Company or an affiliate; (ii) the Plan is discretionary in nature and may be modified, suspended or terminated by the Company at any time; (iii) the grant of the Stock Option is a one-time benefit that does not create any contractual or other right to receive future grants of equity, or benefits in lieu thereof; (iv) all determinations with respect to any such future grants, including, but not limited to, the times when stock options shall be granted, the number of shares subject to each stock option, and the time or times when each stock option shall vest, will be at the sole discretion of the Company; (v) the Participant's participation in the Plan is voluntary; (vi) the value of the Stock Option is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vii) the Stock Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

VERTEX PHARMACEUTICALS INCORPORATED

By: _____

VERTEX PHARMACEUTICALS
NON-EMPLOYEE DIRECTOR DEFERRED
COMPENSATION PLAN
Effective May 13, 2026

VERTEX PHARMACEUTICALS NON-EMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN

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Vertex Pharmaceuticals
Non-Employee Director Deferred Compensation Plan
Effective May 13, 2026

PURPOSE

The purpose of this Plan is to provide deferred compensation to non-employee directors of Vertex Pharmaceuticals Incorporated. The Plan is exempt from the Employee Retirement Income Security Act of 1974. This Plan is intended to comply with Code Section 409A and the regulations and guidance thereunder. This Plan is a sub-plan of the Vertex Pharmaceuticals Incorporated 2026 Stock and Option Plan, as permitted by section 9 of such plan, and is subject to the terms and conditions of the Stock and Option Plan. This Plan was originally adopted effective as of January 1, 2016, and is hereby amended and restated effective as of May 13, 2026.

ARTICLE 1
Definitions

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following meanings:

1.1 "Account Balance" means the aggregate number of Deferred Stock Units or cash allocated on account of a Participant's deferrals to the Plan, as adjusted in accordance with Article 3 of the Plan. This account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the number of shares of Common Stock to be paid to or in respect of a Participant pursuant to the Plan.

1.2 "Administrator" means the Committee or such person or persons as may be appointed by the Committee to be responsible for those functions assigned to the Administrator under the Plan.

1.3 "Beneficiary" means one or more persons, trusts, estates or other entities, designated in accordance with Section 4.3, that are entitled to receive benefits under the Plan upon the death of a Participant.

1.4 "Board" means the Board of Directors of Vertex.

1.5 "Change in Control" means an "Acquisition" under the Stock and Option Plan that also constitutes a change in ownership or control event as defined in Treasury Regulation § 1.409A-3(i)(5).

1.6 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

1.7 "Committee" means the Management Development & Compensation Committee of the Board, or such other committee as the Board shall appoint from time to time to administer the Plan.

1.8 "Common Stock" means the common stock of Vertex, par value $0.01 per share.

1.9 "Compensation" means (a) all cash compensation, including fees and retainers (but not reimbursement of expenses) paid to a Director for service on the Board or a committee of the Board and (b) Restricted Stock Units that become vested.

1.10 "Deferred Stock Units" means the phantom stock units comprising all or a portion of the Participant's Account Balance, each of which represents one share of Common Stock.

1.11 "Director" means a member of the Board who is not an employee of Vertex.

1.12 "Disability" means that the Participant (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (b) has been determined to be totally disabled by the Social Security Administration.

1.12 "Election Form" means the form of a document established by the Administrator, whether printed or electronic, for the purpose of allowing Directors to defer receipt of Compensation and Restricted Stock Units under the Plan.

1.14 "Fair Market Value" of a share of Common Stock on a particular date shall be the mean between the highest and lowest quoted sales prices on such date (the "valuation date") on the securities market where the Common Stock is traded, or if there were no sales on the valuation date, on the next preceding date within a reasonable period (as determined in the sole discretion of the Committee) on which there were sales. If there were no sales on such a market within a reasonable period, the Fair Market Value shall be determined in good faith by the Committee in its sole discretion. The Fair Market Value as determined in this Section 1.14 shall be rounded down to the nearest whole cent if the foregoing calculation results in fractional cents.

1.15 "Participant" means a Director who elects to participate in the Plan in accordance with the terms and conditions of the Plan or a former Director who has an Account Balance in the Plan that has not been fully distributed.

1.16 "Plan" means the Vertex Pharmaceuticals Non-Employee Director Deferred Compensation Plan, amended and restated effective May 13, 2026, which shall be evidenced by this plan document.

1.17 "Plan Year" means the calendar year.

1.18 "Restricted Stock Units" means an award of restricted stock units made to a Director under the Stock and Option Plan for his or her service as a Director, including both annual awards and awards made upon appointment to the Board.

1.19 "Stock and Option Plan" means the Vertex Pharmaceuticals Incorporated 2013 Stock and Option Plan, as amended from time to time, and any successor thereto under which this Plan is an authorized sub-plan.

1.20 "Termination" means the termination of service as a Director for any reason. Whether a Termination has occurred shall be determined in accordance with Treasury Regulation § 1.409A-1(h). Therefore, a Termination shall not occur if the Director becomes an Employee of Vertex even if he or she terminates service as a Director.

1.21 "Vertex" means Vertex Pharmaceuticals Incorporated, a Massachusetts corporation, and its successors.

ARTICLE 2
Eligibility and Enrollment

2.1 Eligibility. All non-employee Directors of Vertex shall be eligible to participate in the Plan.

2.2 Commencement of Participation. As a condition to enrolling in the Plan, each Director shall execute and return to the Administrator any such forms required by the Administrator to elect his or her deferral amounts and designate a Beneficiary.

2.3 Election to Defer. A Participant may make separate periodic elections to defer (a) either 0%, 50%, or 100% of the Participant's cash Compensation to be earned during an applicable Plan Year (or, if applicable, the portion of the Plan Year) and (b) either 0% or 100% of the Restricted Stock Units granted to a Participant that vest not less than 12 months from the date of the election. A deferral election shall be irrevocable once made. The Administrator may limit or decline to accept a deferral election to the extent that it determines that Deferred Stock Units are not available for issuance under the Stock and Option Plan.

2.4 Date for Filing Elections. Each Director may elect to defer Compensation by executing and returning to the Administrator the Election Form. The elections must be made by the following deadlines:

2.4.1 For deferrals of cash Compensation, the election must be made no later than the end of the Plan Year preceding the Plan Year in which the cash Compensation is to be earned. If a Director first becomes eligible for this Plan during a Plan Year, an election to defer cash Compensation to be earned for the remainder of that Plan Year shall be made within 30 days of the initial date of eligibility for this Plan.

2.4.2 For deferrals of Restricted Stock Units, the election must be made on or before the earliest to occur of (a) the 30th day after the Director obtains the legally binding right to the grant of Restricted Stock Units and (b) 12 months prior to the date that the substantial risk of forfeiture with respect to such Restricted Stock Units lapses (other than due to death, Disability or a Change in Control). Such election shall comply with Treasury Regulation Section 1.409A-2(a)(5).

The Administrator shall establish from time to time such other enrollment requirements as it determines in its sole and absolute discretion are necessary.

ARTICLE 3
Vesting and Earnings Crediting

3.1 Withholding of Compensation; Conversion into Deferred Stock Units. Compensation shall be withheld as elected by the Participant at the time the Compensation otherwise would have been paid to the Participant. The dollar value of the amount withheld will be converted into Deferred Stock Units (including fractions thereof) by dividing the amount withheld by the Fair Market Value of a share of Common Stock as of the date such Compensation would otherwise have been paid to the Director; and such Deferred Stock Units will be credited to the Participant's Account Balance at such time.

3.2 Crediting of Dividends and Distributions. Dividend equivalents shall be credited to each Deferred Stock Unit on each dividend payment date (based on Deferred Stock Units held as of the dividend record date) to the extent of any dividends issued on Common Stock. Such dividend

equivalents shall themselves be converted into Deferred Stock Units as of the dividend payment date by dividing the amount of the dividend equivalents by the Fair Market Value of the Common Stock as of the applicable dividend payment date. Any such additional Deferred Stock Units (or fraction thereof) resulting from dividend equivalent credits shall be treated as Deferred Stock Units and credited to the Participant's Account Balance. The right to credits for dividend equivalents shall survive the termination of this Plan and the termination of the Stock and Option Plan until the Deferred Stock Units have been distributed pursuant to Section 4.1.

3.3 **Substitution of Cash.** If the Administrator determines that Deferred Stock Units are not available for issuance under the Stock and Option Plan for any reason, the Administrator shall credit the Participant's Account Balance with cash in lieu of the Deferred Stock Units that the Participant would otherwise be entitled to. Cash credited to a Participant's Account Balance shall be credited with interest on a monthly basis at the prime rate plus one percent (1%) per annum. Such credits shall continue until the Account Balance has been distributed pursuant to Section 4.1 or until such cash is converted to Deferred Stock Units in accordance with the last sentence of this Section 3.3. If additional Deferred Stock Units subsequently become available for issuance under the Stock and Option Plan, the Administrator shall, as of the date the additional Deferred Stock Units become available for issuance, automatically convert any cash in the Participant's Account Balance into Deferred Stock Units by dividing the amount of cash in the Participant's Account Balance by the Fair Market Value of a share of Common Stock as of the date the additional Deferred Stock Units become available for issuance; and such Deferred Stock Units will be credited to the Participant's Account Balance at such time.

3.4 **Vesting.** A Participant shall at all times be one hundred percent (100%) vested in his or her Account Balance.

ARTICLE 4
Distribution of Benefits

4.1 **Distribution Events.** Upon the earliest to occur of (a) the Termination of the Director's service on the Board, (b) a Change in Control, (c) the Director's Disability or (d) the Director's death, the Participant (or his or her Beneficiary in the event of the Participant's death) shall receive a lump sum distribution of whole shares of Common Stock equal to the sum of (i) the number of Deferred Stock Units in his or her Account Balance plus (ii) such number of shares of Common Stock as is equal to the amount of cash in the Account Balance on the date of distribution divided by the Fair Market Value of a share of Common Stock as of such date. The distribution shall be made no later than the 15th day of the third month after the event described above that results in the distribution.

4.2 **Form of Benefit.** A Participant or his or her Beneficiary entitled to a distribution under Section 4.1 shall receive his or her Account Balance as a lump sum payable in whole shares of Common Stock. No fractional shares of Common Stock will be issued under the Plan. If the calculation of the total number of shares of Common Stock to be issued under this Plan results in fractional shares, then the number of shares of Common Stock will be rounded up to the nearest whole share of Common Stock. Notwithstanding the foregoing, if the Administrator determines that Common Stock may not be distributed to a Participant for any reason under the Stock and Option Plan, the Administrator shall, in lieu of Common Stock, make a cash payment to the Participant in an amount equal to the aggregate Fair Market Value of the Common Stock the Participant otherwise would have received.

4.3 **Designation of Beneficiary.** A Participant may designate a Beneficiary by so notifying the Administrator in writing, in a form acceptable to the Administrator, at any time before the

Participant's death. A Participant may revoke any Beneficiary designation or designate a new Beneficiary at any time without the consent of a Beneficiary or any other person. If no Beneficiary is designated or no designated Beneficiary survives the Participant, distribution or payment shall be made to the Participant's spouse or, if the Participant does not have a surviving spouse, to his or her estate. If the Administrator has any doubt as to the proper Beneficiary to receive distribution or payments pursuant to this Plan, the Administrator shall have the right, exercisable in its sole discretion, to withhold such payments until this matter is resolved to the Administrator's satisfaction.

4.4 Delay of Distribution or Payment. A distribution or payment otherwise required to be made under the terms of the Plan may be delayed solely to the extent necessary under the following circumstances, provided that the distribution or payment is made as soon as possible within the first taxable year of the Participant after the reason for delay no longer applies:

4.4.1 Violation of Law. The Administrator reasonably determines that making the distribution or payment will violate Federal securities or other applicable laws; or

4.4.2 Other Permitted Event. Upon such other events and conditions as the Commissioner of Internal Revenue shall prescribe in generally applicable guidance.

This Section 4.4 shall be applied to similarly-situated Participants in a reasonably consistent basis.

4.5 Acceleration of Distribution or Payment. Notwithstanding the foregoing, a distribution or payment hereunder may be accelerated, with the consent of the Administrator, under the following circumstances:

4.5.1 Compliance with Domestic Relations Order. To permit distribution or payment to an individual other than the Participant as necessary to comply with the provisions of a domestic relations order (as defined in Code Section 414(p)(1)(B));

4.5.2 Conflicts of Interest. To permit distribution or payment as necessary to comply with the provisions of a Federal government ethics agreement or to avoid violation of an applicable Federal, state, local or foreign ethics law or conflicts of interest law; or

4.5.3 Tax Event. Upon a good faith, reasonable determination by the Administrator, and upon advice of counsel, that the Plan fails to meet the requirements of Code Section 409A and regulations thereunder. Such distribution or payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A.

ARTICLE 5
Administration

5.1 Administrator Duties. This Plan shall be administered by the Administrator. The Administrator also shall have the discretion and authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. All such interpretations or decisions by the Administrator shall be final, conclusive and binding on all Participants and any Beneficiary or other person claiming under or through any Participant, in the absence of clear and convincing evidence that the Administrator acted arbitrarily and capriciously. The Administrator shall have the authority to deviate from the literal terms of the

Plan to the extent it shall determine to be necessary or appropriate to operate the Plan in compliance with the provisions of applicable law. Any individual serving on the Committee, or as the Administrator, who is a Participant will not vote or act on any matter relating solely to himself or herself.

5.3 **Agents.** In the administration of this Plan, the Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit and may from time to time consult with counsel, including counsel to Vertex.

5.2 **Indemnity of Administrator.** Vertex shall indemnify and hold harmless the Administrator (including the members of the Board to the extent serving in such capacity) against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Administrator (or any member of the Board serving in such capacity).

ARTICLE 6
Miscellaneous

6.1 **Unsecured General Creditor.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable right, interest or claim in any property or assets of Vertex. Vertex's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money or issue Common Stock in the future with respect to its Participants.

6.2 **Vertex's Liability.** Vertex's liability for the distribution or payment of benefits shall be defined only by the Plan. Vertex shall have no obligation to a Participant or Beneficiary under the Plan except as expressly provided in the Plan.

6.3 **Taxes.** It shall be the sole responsibility of the Participant to properly account for and to pay any income and self-employment tax payable on amounts deferred or benefits paid under this Plan

6.4 **No Rights as a Shareholder.** No Participant shall have rights as a shareholder, including voting rights, with respect to any Deferred Stock Units that are held for his or her benefit under the Plan.

6.5 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which amounts are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to distribution or payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency. Notwithstanding the foregoing, Vertex shall comply with the terms of a domestic relations order applicable to a Participant's interest in the Plan, provided that such order does not require the distribution or payment of benefits in a manner or amount, or at a time, inconsistent with the terms of the Plan. Vertex shall have no liability to any Participant or Beneficiary to the extent that his or her benefit is reduced in accordance with the terms of a domestic relations order that Vertex applies in good faith.

6.6 **Adjustments**. Upon the occurrence of any of the following events, a Participant's rights with respect to any Deferred Stock Units shall be adjusted as hereinafter provided:

6.6.1 Stock Splits. If the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares, the number of Deferred Stock Units shall be appropriately increased or decreased.

6.6.2 Consolidations or Mergers. In the event of a consolidation or merger in which Vertex is not the surviving corporation or which results in the acquisition of substantially all Vertex's outstanding stock by a single person or entity or by a group of persons and/or entities acting in concert, or in the event of the sale or transfer of substantially all Vertex's assets (any of the foregoing, an "Acquisition"), if such Acquisition does not result in a Change in Control, all outstanding Deferred Stock Units at the time of the Acquisition shall be assumed by the surviving or acquiring entity or an affiliate thereof or replaced with rights with a value immediately after the Acquisition equivalent to the aggregate value of the Deferred Stock Units immediately before such Acquisition. If the Acquisition results in a Change in Control, Deferred Stock Units shall be payable pursuant to Section 4.1.

6.6.3 Recapitalization or Reorganization. In the event of a recapitalization or reorganization of Vertex that does not result in a Change in Control, pursuant to which securities of Vertex or of another corporation are issued with respect to the outstanding shares of Common Stock, a Participant shall be entitled to replacement rights with an aggregate value equivalent to that of the Deferred Stock Units that constituted the Participant's Account Balance immediately prior to such recapitalization or reorganization. If the recapitalization or reorganization results in a Change in Control, Deferred Stock Units shall be payable pursuant to Section 4.1.

6.6.4 Adjustments to Deferred Stock Units. Upon the happening of any of the events described in Sections 6.6.1, 6.6.2 or 6.6.3, any outstanding Deferred Stock Units shall be appropriately adjusted to reflect the events described in such Sections. The Administrator shall determine the specific adjustments to be made under this Section 6.6.4.

6.7 Issuances of Securities. Except as expressly provided herein, no issuance by Vertex of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Deferred Stock Units to which a Participant or Beneficiary is entitled. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of Vertex.

6.8 Dissolution or Liquidation of Vertex. Upon the dissolution or liquidation of Vertex (other than in connection with a transaction subject to the provisions of Section 6.6.2), all Deferred Stock Units under this Plan shall be liquidated and paid in cash to Participants based upon the Fair Market Value of the Common Stock as of the date of such liquidation or dissolution to the extent permitted under Code Section 409A and the regulations thereunder.

6.9 Coordination with Other Benefits. The benefits provided for a Participant or Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program of Vertex. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as expressly may be provided otherwise.

6.10 Amendment and Termination. The Plan may at any time or from time to time be amended, modified, or terminated by the Board. No amendment, modification, or termination shall, without the consent of a Participant, adversely affect the amount of the Participant's (or Beneficiary's) benefit. Upon termination of the Plan, the Committee may elect to (a) treat each Participant's

Account Balance, and make payments or distribution thereon, as if the Plan had not terminated; or (b) to the extent permitted by Code Section 409A and regulations thereunder, make a lump sum distribution or payment on each Participant's Account Balance in accordance with Article 4 of this Plan.

6.11 **Distributions or Payments to Minors or Persons Under Legal Disability.** If any Participant or Beneficiary is determined by the Administrator to be incompetent by reason of physical or mental disability (including minority), the Administrator may cause a distribution or payment due to such person to be made to another person for his or her benefit without responsibility on the part of the Administrator or Vertex to follow the application of such funds.

6.12 **No Special Rights.** Nothing contained in this Plan shall confer upon any Participant any right with respect to the continuation of his or her service with on the Board.

6.13 **Claims Procedure.** Any Participant, contingent annuitant or beneficiary under the Plan (a "Claimant") who believes that he or she is entitled to receive a benefit under the Plan, including one greater than that initially determined by the Administrator or its delegate, may file a claim in writing with the Administrator.

A Claimant (or his or her duly authorized representative) whose claim is denied may, within 60 days after receipt of denial of the claim submit a written request to the Administrator for review of the decision.

Claimants shall not be entitled to challenge the Administrator's determinations in judicial or administrative proceedings without first complying with the procedures in the Plan. The decisions made pursuant to this Section 6.13 are final and binding on Claimants and any other party; provided, however, that a Claimant who has exhausted the administrative claims procedure set forth in the Plan may seek review of his or her claim before a court of competent jurisdiction within 12 months of the date such claim is finally denied.

6.14 **Furnishing Information.** A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the distribution or payment of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

6.15 **Captions.** The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

6.16 **Governing Law.** The Plan will be administered in accordance with the laws of The Commonwealth of Massachusetts, without reference to its principles of conflicts of laws.

6.17 **Notice.** Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to:

Vertex Pharmaceuticals Incorporated
Attn: Employee Benefits
50 Northern Ave.
Boston, MA 02210

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

6.18 Successors. The provisions of this Plan shall bind and inure to the benefit of Vertex and its successors and assigns, and the Participant, the Participant's Beneficiaries, and their permitted successors and assigns.

6.19 Validity. In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision never had been inserted herein

6.20 Sub-Plan. This Plan is a sub-plan of the Stock and Option Plan, and the Deferred Stock Units provided in this Plan shall be Stock Rights that are subject to the Stock and Option Plan.

6.21 Unfunded Status of the Plan. The Plan is unfunded. The Plan, together with the applicable Election Form, shall represent at all times an unfunded and unsecured contractual obligation of Vertex. Each Participant and Beneficiary will be an unsecured creditor of Vertex with respect to all obligations owed to them under the Plan. Amounts payable under the Plan will be satisfied solely out of the general assets of Vertex subject to the claims of its creditors. No Participant or Beneficiary will have any interest in any fund or in any specific asset of Vertex of any kind, nor shall such Participant or Beneficiary or any other person have any right to receive any payment or distribution under the Plan except as, and to the extent, expressly provided in the Plan and the applicable Election Form. Any reserve or other asset that Vertex may establish or acquire to assure itself of the funds to provide payments required under the Plan shall not serve in any way as security to any Participant or Beneficiary for Vertex's performance under the Plan.

6.22 Errors in Account Statements, Deferrals or Distributions.

6.22.1 In the event an error is made in a statement of an Account Balance under the Plan, such error shall be corrected on the next statement following the date such error is discovered.

6.22.2 In the event of an operational error, including, but not limited to, errors involving deferral amounts, overpayments or underpayments, such operational error shall be corrected in a manner consistent with and as permitted by any correction procedures established under Code Section 409A. If any portion of a Participant or Beneficiary's Account Balance under this Plan is required to be included in income by the Participant or Beneficiary prior to receipt due to a failure of this Plan to comply with the requirements of Code Section 409A, the Administrator may determine that such Participant or Beneficiary shall receive a distribution from the Plan in an amount equal to the lesser of (a) the portion of his or her Account Balance required to be included in income as a result of the failure of the Plan to comply with the requirements of Code Section 409A, or (b) the unpaid Account Balance.

6.22.3 To the extent any payment issued to a Participant, a Beneficiary or an alternate payee under a domestic relations order (each a "payee") is in excess of the proper benefit amount payable to the payee (an "excess benefit amount"), then (a) an equitable lien will arise in favor of the Plan in such excess benefit amount, and (b) the payee will be obligated to reimburse the Plan in the amount of the excess benefit amount plus, in the sole discretion of the Administrator, a reasonable amount of interest with regard to the excess benefit amount, and will promptly do so. The equitable lien will exist with regard to the funds received by the payee from the Plan, regardless of whether such funds

remain identifiable or segregated from the payee's other assets. An excess benefit amount is not a benefit payable under the Plan. Therefore, if a payee receives an excess benefit amount, the payee will be indebted to the Plan in the amount of the excess benefit amount. The Plan will have, in addition to recovery rights under federal law, a right to recover the excess benefit amount under state law. In addition, the Plan will have a right to secure repayment of the excess benefit amount through a security interest in all assets of the payee. By accepting an excess benefit amount, a payee grants to the Plan a right to establish such security interest. The rights described in this paragraph are in addition to, and will exist independent of, any equitable right of recovery and will be enforceable in a court of law. A payee will, at the request of the Administrator, enter into a security agreement establishing such security interest pursuant to procedures established by the Administrator. The obligation to repay an excess benefit amount, and the security interest, will be enforceable in any court of competent jurisdiction, including a state court. The rights and obligations created by this paragraph are not part of the Plan, but, rather, are established by contract under, and governed by, state law.

Exhibit 31.1

CERTIFICATION

I, Reshma Kewalramani, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vertex Pharmaceuticals Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ Reshma Kewalramani

Reshma Kewalramani

Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION

I, Charles F. Wagner, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vertex Pharmaceuticals Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ Charles F. Wagner, Jr.

Charles F. Wagner, Jr.

Executive Vice President and Chief Operating & Financial Officer

Exhibit 32.1

SECTION 906 CEO/CFO CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) each of the undersigned officers of Vertex Pharmaceuticals Incorporated, a Massachusetts corporation (the "Company"), does hereby certify, to such officer's knowledge, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2026

/s/ Reshma Kewalramani

Reshma Kewalramani
Chief Executive Officer and President

Date: August 4, 2026

/s/ Charles F. Wagner, Jr.

Charles F. Wagner, Jr.
Executive Vice President and Chief Operating & Financial Officer