

## **MG Client Spotlight – Valuation Plays a Role in Supporting Big Scientific Strides**

Medical help on the way thanks to the powerful gene editing technology CRISPR

Many of our worldwide MG Valuation clients have an amazing story to tell and we are honored to share the work of one of them who is developing CRISPR technology, an exciting scientific advance.

This technology involves the clinical potential of altering genes in organisms to delete undesirable traits, and add new ones, and is being explored with new technologies. Included is Clustered Regularly Interspaced Short Palindromic Repeats (CRISPR) Cas-9. CRISPR is a genome-editing tool that can selectively delete, modify or correct a disease-causing abnormality in a specific DNA segment, and refers to an occurrence in the genome of certain bacteria. In a quote by Jennifer Doudna of the University of California Berkely, one of the leading CRISPR researchers, “This has become such a fast-moving field that I even have trouble keeping up now. We’re getting to the point where the efficiencies of gene editing are at levels that are clearly going to be useful therapeutically, as well as for a vast number of other applications.”

CRISPR technology is being used to develop tools to fight genetic diseases such as Huntington’s disease, cystic fibrosis, and breast and ovarian cancers; to produce powerful new antibiotics and antivirals; to alter species such as mosquitos carrying malaria; to research crop enhancing techniques; and for xenotransplantation, the transfer of living cells from one organism to another to meet the huge unmet demand for transplant organs. Companies worldwide are rapidly adapting this technology and pioneering new breakthroughs. As discussed in a recent article in *The Bench*, “This incredibly powerful repurposing of the bacterial immune system has created an outpouring of financial backing for small companies with revolutionary technological advancement in genome engineering-base ventures.”

Private equity and venture capital firms are investing in CRISPR technology firms, and it’s anticipated these firms will be involved in significant merger and acquisition activity in the next few years, as these technologies go through clinical testing.

MG Valuation recently assisted our client by performing a valuation of the firm’s common and preferred shares using back-solve option pricing analysis, calibrating the enterprise valuation to the terms of the latest round of financing, in compliance with U.S. tax reporting requirements.

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