Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2021

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 001-37687

EDITAS MEDICINE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**46-4097528**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
11 Hurley Street Cambridge, Massachusetts	**02141**
(Address of principal executive offices)	**(Zip Code)**

(617) 401-9000
(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.0001 par value per share	EDIT	The Nasdaq Stock Market LLC

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 ☒

The number of shares of Common Stock outstanding as of July 30, 2021 was 68,261,255.

Editas Medicine, Inc.
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Editas Medicine, Inc.
Condensed Consolidated Balance Sheets
(unaudited)
(amounts in thousands, except share and per share data)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 337,834	$ 139,682
Marketable securities	272,719	262,428
Accounts receivable	331	6,048
Prepaid expenses and other current assets	5,408	10,929
Total current assets	616,292	419,087
Marketable securities	87,584	109,664
Property and equipment, net	14,910	14,020
Right-of-use assets	30,314	25,128
Restricted cash and other non-current assets	6,780	4,703
Total assets	$ 755,880	$ 572,602
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,415	$ 6,408
Accrued expenses	18,627	24,046
Deferred revenue, current	34,000	20,943
Operating lease liabilities	8,974	6,811
Total current liabilities	66,016	58,208
Operating lease liabilities, net of current portion	21,282	19,324
Deferred revenue, net of current portion	55,221	73,984
Other non-current liabilities	—	27,500
Total liabilities	142,519	179,016
Stockholders' equity		
Preferred stock, $0.0001 par value per share: 5,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.0001 par value per share: 195,000,000 shares authorized; 68,249,786 and 62,689,457 shares issued, and 68,159,786 and 62,563,457 shares outstanding at June 30, 2021 and December 31, 2020, respectively	7	6
Additional paid-in capital	1,390,606	1,058,823
Accumulated other comprehensive loss	(71)	(46)
Accumulated deficit	(777,181)	(665,197)
Total stockholders' equity	613,361	393,586
Total liabilities and stockholders' equity	$ 755,880	$ 572,602

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

Editas Medicine, Inc.
Condensed Consolidated Statements of Operations
(unaudited)
(amounts in thousands, except per share and share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Collaboration and other research and development revenues	$ 379	$ 10,749	$ 6,878	$ 16,472
Operating expenses:				
Research and development	33,753	28,007	75,690	62,576
General and administrative	22,027	14,081	43,471	31,852
Total operating expenses	55,780	42,088	119,161	94,428
Operating loss	(55,401)	(31,339)	(112,283)	(77,956)
Other income, net:				
Other (expense) income, net	(1)	7,175	19	14,509
Interest income, net	146	592	280	2,151
Total other income, net	145	7,767	299	16,660
Net loss	$ (55,256)	$ (23,572)	$ (111,984)	$ (61,296)
Net loss per share, basic and diluted	$ (0.81)	$ (0.43)	$ (1.67)	$ (1.12)
Weighted-average common shares outstanding, basic and diluted	67,877,126	55,346,052	66,939,967	54,968,123

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

Editas Medicine, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(unaudited)
(amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss	$ (55,256)	$ (23,572)	$ (111,984)	$ (61,296)
Other comprehensive loss:				
Unrealized gain (loss) on marketable debt securities	2	(511)	(25)	76
Comprehensive loss	$ (55,254)	$ (24,083)	$ (112,009)	$ (61,220)

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

Editas Medicine, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(unaudited)
(amounts in thousands, except share data)

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Other Accumulated	Total Stockholders'
	Shares	Amount	Capital	Loss	Deficit	Equity
Balance at December 31, 2020	62,563,457	$ 6	$ 1,058,823	$ (46)	$ (665,197)	$ 393,586
Issuance of common stock for public offering	4,025,000	1	249,458	—	—	249,459
Issuance of common stock for success payment	303,599	—	27,500	—	—	27,500
Exercise of stock options	501,162	—	12,002	—	—	12,002
Vesting of restricted common stock awards	79,397	—	—	—	—	—
Stock-based compensation expense	—	—	12,204	—	—	12,204
Unrealized loss on marketable debt securities	—	—	—	(27)	—	(27)
Net loss	—	—	—	—	(56,728)	(56,728)
Balance at March 31, 2021	67,472,615	$ 7	$ 1,359,987	$ (73)	$ (721,925)	$ 637,996
Exercise of stock options	629,973	—	16,567	—	—	16,567
Stock-based compensation expense	—	—	13,526	—	—	13,526
Vesting of restricted common stock awards	37,790	—	—	—	—	—
Purchase of common stock under benefit plans	19,408	—	526	—	—	526
Unrealized gain on marketable debt securities	—	—	—	2	—	2
Net loss	—	—	—	—	(55,256)	(55,256)
Balance at June 30, 2021	68,159,786	$ 7	$1,390,606	$ (71)	$ (777,181)	$ 613,361

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Other Accumulated	Total Stockholders'
	Shares	Amount	Capital	Income	Deficit	Equity
Balance at December 31, 2019	54,355,798	$ 5	$ 811,546	$ 107	$ (549,221)	$ 262,437
Exercise of stock options	233,208	—	3,047	—	—	3,047
Vesting of restricted common stock awards	213,393	—	—	—	—	—
Stock-based compensation expense	—	—	6,220	—	—	6,220
Unrealized gain on marketable debt securities	—	—	—	587	—	587
Net loss	—	—	—	—	(37,724)	(37,724)
Balance at March 31, 2020	54,802,399	$ 5	$ 820,813	$ 694	$ (586,945)	$ 234,567
Exercise of stock options	355,812	—	6,839	—	—	6,839
Issuance of common stock for public offering	6,900,000	1	203,681	—	—	203,682
Stock-based compensation expense	—	—	5,417	—	—	5,417
Vesting of restricted common stock awards	30,194	—	—	—	—	—
Purchase of common stock under benefit plans	15,244	—	350	—	—	350
Unrealized loss on marketable debt securities	—	—	—	(511)	—	(511)
Net loss	—	—	—	—	(23,572)	(23,572)
Balance at June 30, 2020	62,103,649	$ 6	$1,037,100	$ 183	$ (610,517)	$ 426,772

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

Editas Medicine, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)
(amounts in thousands)

	Six Months Ended June 30,	
	2021	**2020**
Cash flow from operating activities		
Net loss	$ (111,984)	$ (61,296)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	25,730	11,637
Depreciation	2,352	1,669
Unrealized gain on corporate equity securities	—	(14,525)
Other non-cash items, net	910	(289)
Changes in operating assets and liabilities:		
Accounts receivable	5,717	(1,447)
Prepaid expenses and other current assets	5,521	(3,254)
Right-of-use assets	4,567	192
Other non-current assets	(2,077)	93
Accounts payable	(1,818)	1,026
Accrued expenses	(6,016)	(12,439)
Deferred revenue	(5,706)	(7,375)
Operating lease liabilities	(5,632)	(278)
Other current and non-current liabilities	—	1,344
Net cash used in operating activities	(88,436)	(84,942)
Cash flow from investing activities		
Purchases of property and equipment	(2,788)	(3,993)
Proceeds from the sale of equipment	—	14
Purchases of marketable securities	(194,127)	(66,384)
Proceeds from maturities of marketable securities	204,950	191,000
Net cash provided by investing activities	8,035	120,637
Cash flow from financing activities		
Proceeds from offering of common stock, net of issuance costs	249,458	203,964
Proceeds from exercise of stock options	28,569	9,886
Issuance of common stock under benefit plans	526	350
Net cash provided by financing activities	278,553	214,200
Net increase in cash, cash equivalents, and restricted cash	198,152	249,895
Cash, cash equivalents, and restricted cash, beginning of period	143,559	239,802
Cash, cash equivalents, and restricted cash, end of period	$ 341,711	$ 489,697
Supplemental disclosure of cash and non-cash activities:		
Fixed asset additions included in accounts payable and accrued expenses	$ 1,079	$ 429
Cash paid in connection with operating lease liabilities	6,731	5,125
Offering costs included in accounts payable and accrued expenses	—	282
Right-of-use assets obtained in exchange of operating lease obligations	9,753	3,319

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

Editas Medicine, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Nature of Business

Editas Medicine, Inc. (the "Company") is a leading, clinical stage genome editing company dedicated to developing potentially transformative genomic medicines to treat a broad range of serious diseases. The Company was incorporated in the state of Delaware in September 2013. Its principal offices are in Cambridge, Massachusetts.

Since its inception, the Company has devoted substantially all of its efforts to business planning, research and development, recruiting management and technical staff, and raising capital. The Company has primarily financed its operations through various equity financings, payments received under a research collaboration with Juno Therapeutics, a wholly-owned subsidiary of the Bristol-Myers Squibb Company ("Juno Therapeutics"), and payments received under a strategic alliance and option agreement with Allergan Pharmaceuticals International Limited (together with its affiliates, "Allergan"), which was terminated in August 2020.

The Company is subject to risks common to companies in the biotechnology industry, including but not limited to, risks of failure of preclinical studies and clinical trials, the need to obtain marketing approval for any drug product candidate that it may identify and develop, the need to successfully commercialize and gain market acceptance of its product candidates, dependence on key personnel, protection of proprietary technology, compliance with government regulations, development by competitors of technological innovations and ability to transition from pilot-scale manufacturing to large-scale production of products.

Liquidity

In May 2021, the Company entered into a common stock sales agreement with Cowen and Company, LLC ("Cowen"), under which the Company from time to time can issue and sell shares of its common stock through Cowen in at-the-market offerings for aggregate gross sale proceeds of up to $300.0 million (the "ATM Facility"). As of June 30, 2021, the Company has not sold any shares of our common stock under the ATM Facility.

In January 2021, the Company completed a public offering whereby it sold 3,500,000 shares of its common stock and received net proceeds of approximately $216.9 million. In February 2021, the underwriters in the public offering exercised their option to purchase an additional 525,000 shares, resulting in additional net proceeds to the Company of approximately $32.6 million.

The Company has incurred annual net operating losses in every year since its inception. The Company expects that its existing cash, cash equivalents and marketable securities at June 30, 2021 and anticipated interest income will enable it to fund its operating expenses and capital expenditure requirements well into 2023. The Company had an accumulated deficit of $777.2 million at June 30, 2021, and will require substantial additional capital to fund its operations. The Company has never generated any product revenue. There can be no assurance that the Company will be able to obtain additional debt or equity financing or generate product revenue or revenues from collaborative partners, on terms acceptable to the Company, on a timely basis or at all. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's business, results of operations, and financial condition.

2. Summary of Significant Accounting Policies

Unaudited Interim Financial Information

The condensed consolidated financial statements of the Company included herein have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") have been condensed or omitted from this report, as is permitted by such rules and regulations. Accordingly, these condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the "Annual Report").

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Editas Securities Corporation. All intercompany transactions and balances of the subsidiary have been eliminated in consolidation. In the opinion of management, the information furnished reflects all adjustments, all of which are of a normal and recurring nature, necessary for a fair presentation of the results for the reported interim periods. The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. The three months ended June 30, 2021 and 2020 are referred to as the second quarter of 2021 and 2020, respectively. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year or any other interim period.

Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 2, "Summary of significant accounting policies," to the consolidated financial statements included in the Annual Report. There have been no material changes to the significant accounting policies previously disclosed in the Annual Report.

3. Cash Equivalents and Marketable Securities

Cash equivalents and marketable securities consisted of the following at June 30, 2021 (in thousands):

June 30, 2021	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash equivalents and marketable securities:					
Money market funds	$ 337,834	$ —	$ —	$ —	$ 337,834
U.S. Treasuries	55,119	—	3	(10)	55,112
Government agency securities	142,367	—	4	(48)	142,323
Commercial Paper	100,659	—	4	—	100,663
Corporate notes/bonds	62,229	—	2	(26)	62,205
Total	$ 698,208	$ —	$ 13	$ (84)	$ 698,137

Cash equivalents and marketable securities consisted of the following at December 31, 2020 (in thousands):

December 31, 2020	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash equivalents and marketable securities:					
Money market funds	$ 139,682	$ —	$ —	$ —	$ 139,682
U.S. Treasuries	180,376	—	8	(11)	180,373
Government agency securities	107,665	—	—	(20)	107,645
Commercial paper	41,912	—	—	(8)	41,904
Corporate notes/bonds	42,185	—	10	(25)	42,170
Total	$ 511,820	$ —	$ 18	$ (64)	$ 511,774

As of June 30, 2021, the Company did not hold any marketable securities that had been in an unrealized loss position for more than twelve months. Furthermore, the Company has determined that there were no material changes in the credit risk of the debt securities. As of June 30, 2021, the Company holds 30 securities with an aggregate fair value of $87.6 million that had remaining maturities between one and two years.

There were no realized gains or losses on available-for-sale securities during the six months ended June 30, 2021 or 2020.

4. Fair Value Measurements

Assets measured at fair value on a recurring basis as of June 30, 2021 were as follows (in thousands):

Financial Assets	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$ 337,834	$ 337,834	$ —	$ —
Marketable securities:				
U.S. Treasuries	55,112	55,112	—	—
Government agency securities	142,323	—	142,323	—
Commercial paper	100,663	—	100,663	—
Corporate notes/bonds	62,205	—	62,205	—
Restricted cash and other non-current assets:				
Money market funds	3,877	3,877	—	—
Total financial assets	$ 702,014	$ 396,823	$ 305,191	$ —

Assets measured at fair value on a recurring basis as of December 31, 2020 were as follows (in thousands):

Financial Assets	December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$ 139,682	$ 139,682	$ —	$ —
Marketable securities:				
U.S. Treasuries	180,373	180,373	—	—
Government agency securities	107,645	—	107,645	—
Commercial paper	41,904	—	41,904	
Corporate notes/bonds	42,170	—	42,170	
Restricted cash and other non-current assets:				
Money market funds	3,877	3,877	—	—
Total financial assets	$ 515,651	$ 323,932	$ 191,719	$ —

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	As of	
	June 30, 2021	December 31, 2020
External research and development expenses	$ 6,510	$ 12,820
Employee related expenses	5,546	5,323
Intellectual property and patent related fees	5,116	4,240
Other expenses	914	359
Professional service expenses	541	533
Sublicensing expenses	—	771
Total accrued expenses	$ 18,627	$ 24,046

6. Property and Equipment, net

Property and equipment, net consisted of the following (in thousands):

	As of	
	June 30, 2021	December 31, 2020
Laboratory equipment	$ 19,431	$ 18,433
Leasehold improvements	5,400	4,967
Construction-in-progress	2,040	500
Computer equipment	858	858
Furniture and office equipment	239	239
Software	118	118
Total property and equipment	28,086	25,115
Less: accumulated depreciation	(13,176)	(11,095)
Property and equipment, net	$ 14,910	$ 14,020

7. Commitments and Contingencies

The Company is a party to a number of license agreements under which the Company licenses patents, patent applications and other intellectual property from third parties. As such, the Company is obligated to pay licensors for various costs including upfront licenses fees, annual license fees, certain licensor expense reimbursements, success payments, research funding payments, and milestones triggerable upon certain development, regulatory, and commercial events as well as royalties on future products. These contracts are generally cancellable, with notice, at the Company's option and do not have significant cancellation penalties. The terms and conditions as well as the accounting analysis for the Company's significant commitments and contingencies are described in Note 8, "Commitments and Contingencies" to the consolidated financial statements included in the Annual Report. There have been no material changes to the terms and conditions, or the accounting conclusions previously disclosed in the Annual Report.

Licensor Expense Reimbursement

The Company is obligated to reimburse The Broad Institute, Inc. ("Broad") and the President and Fellows of Harvard College ("Harvard") for expenses incurred by each of them associated with the prosecution and maintenance of the patent rights that the Company licenses from them pursuant to the license agreement by and among the Company, Broad and Harvard, including the interference and opposition proceedings involving patents licensed to the Company under the license agreement, and other license agreements between the Company and Broad. As such, the Company anticipates that it has a substantial commitment in connection with these proceedings until such time as these proceedings have been resolved, but the amount of such commitment is not determinable. The Company incurred an aggregate of $3.4 million and $7.2 million in expense during the three and six months ended June 30, 2021, respectively, for such reimbursement. The Company incurred an aggregate of $2.8 million and $6.6 million in expense during the three and six months ended June 30, 2020, respectively, for such reimbursement.

8. Collaboration and Profit-Sharing Agreements

The Company has entered into multiple collaborations, out-licenses and strategic alliances with third parties that typically involve payments to or from the Company, including up-front payments, payments for research and development services, option payments, milestone payments and royalty payments to or from the Company. The terms and conditions as well as the accounting analysis for the Company's significant collaborations, out-licenses and strategic alliances are described in Note 9, "Collaboration and Profit-Sharing Agreements" to the consolidated financial statements included in the Annual Report. There have been no material changes to the terms and conditions, or the accounting conclusions previously disclosed in the Annual Report.

Collaboration Revenue

As of June 30, 2021, the Company's contract liabilities were primarily related to the Company's collaboration with Juno Therapeutics. The following table presents changes in the Company's accounts receivable and contract liabilities for the six months ended June 30, 2021 (in thousands):

For the six months ended June 30, 2021	Balance at December 31, 2020	Additions	Deductions	Balance at June 30, 2021
Accounts receivable	$ 6,048	$ 360	$ (6,077)	$ 331
Contract liabilities:				
Deferred revenue	$ 94,927	$ —	$ (5,706)	$ 89,221

During the three and six months ended June 30, 2021, the Company recognized the following collaboration revenue (in thousands):

	Three Months Ended	Six Months Ended
Revenue recognized in the period from:	June 30, 2021	
Amounts included in deferred revenue at the beginning of the period	$ —	$ 5,706
Performance obligations satisfied in previous periods	$ —	$ —

9. Stock-based Compensation

Total compensation cost recognized for all stock-based compensation awards in the condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Research and development	$ 4,171	$ 2,673	$ 8,137	$ 5,730
General and administrative	9,355	2,744	17,593	5,907
Total stock-based compensation expense	$ 13,526	$ 5,417	$ 25,730	$ 11,637

Restricted Stock and Restricted Stock Unit Awards

The following is a summary of restricted stock and restricted stock unit awards activity for the six months ended June 30, 2021:

	Shares	Weighted Average Grant Date Fair Value Per Share
Unvested restricted stock and restricted stock unit awards as of December 31, 2020	507,450	$ 27.35
Issued	601,767	$ 47.84
Vested	(117,187)	$ 27.42
Forfeited	(131,434)	$ 38.40
Unvested restricted stock and restricted stock unit awards as of June 30, 2021	860,596	$ 40.54

The restricted stock and restricted stock units granted in the six months ended June 30, 2021 include 226,747 units granted to certain employees that contain performance-based vesting provisions. The Company recognizes the fair value of the performance-based units through the expected achievement date if the performance-based vesting provisions are deemed probable.

As of June 30, 2021, total unrecognized compensation expense related to unvested restricted stock and restricted stock unit awards was $23.3 million, which the Company expects to recognize over a remaining weighted-average period of 2.3 years.

Stock Options

The following is a summary of stock option activity for the six months ended June 30, 2021:

	Shares	Weighted Average Exercise Price	Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2020	3,912,257	$ 27.26	7.9	$ 167,640
Granted	1,133,470	$ 44.48		
Exercised	(1,131,135)	$ 25.26		
Cancelled	(661,719)	$ 28.82		
Outstanding at June 30, 2021	3,252,873	$ 33.64	8.1	$ 75,413
Exercisable at June 30, 2021	1,254,471	$ 28.17	7.2	$ 35,714

The stock options granted in the six months ended June 30, 2021 include option grants to the Company's Chief Executive Officer to purchase 196,637 and 341,978 shares of the Company's common stock that contained market-based vesting provisions and performance-based vesting provisions, respectively. The Company recognizes the fair value of the market-based options over the earlier of the derived service period, valued using the Monte-Carlo simulation model, or when the market-based vesting conditions are met. The Company recognizes the fair value of the performance-based options through the expected achievement date if the performance-based vesting provisions are deemed probable.

As of June 30, 2021, total unrecognized compensation expense related to stock options was $38.8 million, which the Company expects to recognize over a remaining weighted-average period of 2.6 years.

10. Net Loss per Share

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock and potentially dilutive securities outstanding for the period determined using the treasury stock and if converted methods. Contingently issuable shares are included in the calculation of basic loss per share as of the beginning of the period in which all the necessary conditions have been satisfied. Contingently issuable shares are included in diluted loss per share based on the number of shares, if any, that would be issuable under the terms of the arrangement if the end of the reporting period was the end of the contingency period, if the results are dilutive.

For purposes of the diluted net loss per share calculation, stock options are considered to be common stock equivalents, but they were excluded from the Company's calculation of diluted net loss per share allocable to common stockholders because their inclusion would have been anti-dilutive. Therefore, basic and diluted net loss per share applicable to common stockholders were the same for all periods presented.

The following common stock equivalents were excluded from the calculation of diluted net loss per share allocable to common stockholders because their inclusion would have been anti-dilutive:

	For the three and six months ended June 30,	
	2021	2020
Unvested restricted stock and restricted stock unit awards	860,596	516,131
Outstanding stock options	3,252,873	3,979,725
Total	4,113,469	4,495,856

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

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the Securities and Exchange Commission ("SEC") on February 26, 2021 (the "Annual Report").

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. All statements addressing our future operating performance and clinical development and regulatory timelines that we expect or anticipate will occur in the future, are forward-looking statements. There are a number of important risks and uncertainties that could cause our actual results to differ materially from those indicated by forward-looking statements, including uncertainties inherent in the initiation and completion of pre-clinical studies and clinical trials and clinical development of our product candidates; availability and timing of results from pre-clinical studies and clinical trials; whether interim results from a clinical trial will be predictive of the final results of the trial or the results of future trials; expectations for regulatory approvals to conduct trials or to market products and availability of funding sufficient for our foreseeable and unforeseeable operating expenses and capital expenditure requirements. These and other risks are described in greater detail in our Annual Report under the captions "Risk Factor Summary" and "Risk Factors," in this Quarterly Report on Form 10-Q under the caption "Risk Factors," and in other filings that we may make with the SEC in the future. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we may make.

You should read this Quarterly Report on Form 10-Q and the documents that we have filed as exhibits to this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made as of the date of this Quarterly Report on Form 10-Q, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Overview

We are a leading, clinical stage genome editing company dedicated to developing potentially transformative gene-editing medicines to treat a broad range of serious diseases. We have developed a proprietary gene-editing platform based on CRISPR technology and we continue to expand its capabilities. Our product development strategy is to target diseases of high unmet need where we aim to make differentiated, transformational medicines using our gene-editing platform. We are advancing *in vivo* gene-editing medicines, in which the medicine is injected or infused into the patient to edit the cells inside their body, *ex vivo* gene-edited cell medicines, in which cells collected from a patient are edited with our technology and then administered back to that same patient, and cellular therapy medicines, in which we use our technology to edit cells collected from a donor to develop medicines that can be administered to a separate patient. While our discovery efforts have ranged across several diseases and therapeutic areas, the areas where our programs are more mature are in our *in vivo* gene-editing medicines to treat ocular diseases, our *ex vivo* gene-edited cell medicines to treat hemoglobinopathies, and our cellular therapy medicines to treat cancer.

In ocular diseases, our most advanced program is designed to address a specific genetic form of retinal degeneration called Leber congenital amaurosis 10 ("LCA10"), a disease for which we are not aware of any available therapies and only one other potential treatment is in clinical trials in the United States and Europe. In mid-2019, we initiated our Phase 1/2 BRILLIANCE clinical trial for EDIT-101, an experimental gene-editing medicine to treat LCA10. We plan to enroll approximately 18 patients in the United States and Europe in up to five cohorts. We have completed dosing of the first two cohorts, the adult low-dose and mid-dose cohorts. In the second quarter of 2021, we

began enrolling patients in the adult high-dose cohort and, following the endorsement by an independent data monitoring committee, the first of two planned pediatric cohorts. We expect to complete dosing of both the adult high-dose cohort and the pediatric mid-dose cohort in the first half of 2022. Initial clinical data from the first two cohorts is planned for presentation in September 2021.

For our *ex vivo* gene-edited cell medicines, our lead program is EDIT-301, an experimental medicine to treat sickle cell disease, a severe inherited blood disease that causes premature death, and beta-thalassemia, another inherited blood disorder characterized by severe anemia. In December 2020, we submitted an investigational new drug application ("IND") to the U.S. Food and Drug Administration ("FDA") for the initiation of a Phase 1/2 clinical trial of EDIT-301, which we refer to as our RUBY trial, for the treatment of sickle cell disease. In January 2021, the FDA cleared the start of enrollment and dosing of patients in the first phase of the trial (which is designed to validate the safety and beneficial effects of the cell editing process). In parallel, the FDA imposed a partial clinical hold and requested we develop a potency assay to ensure that the characteristics of the product released are as expected and confirmed by clinical data collected in the first patients treated. The RUBY trial is currently screening patients for enrollment, and we expect to begin dosing in the trial by the end of 2021. We remain on track to submit an IND for EDIT-301 for the treatment of beta-thalassemia by the end of 2021.

In cellular therapy medicines, we continue to develop our capabilities to generate cells from induced pluripotent stem cells to develop engineered cell medicines to treat cancer and are also advancing alpha-beta T cell experimental medicines. In May 2015, we entered into a collaboration with Juno Therapeutics, Inc., a wholly-owned subsidiary of Bristol-Myers Squibb Company ("Juno Therapeutics"), a leader in the emerging field of immuno-oncology, to develop novel engineered alpha-beta T cell therapies for cancer and autoimmune diseases, which was amended and restated in each of May 2018 and November 2019, at which time we also entered into a related license agreement with Juno Therapeutics, which we collectively refer to as our collaboration with them.

In March 2017, we entered into a strategic alliance and option agreement with Allergan Pharmaceuticals International Limited (together with its affiliates, "Allergan") to discover, develop, and commercialize new gene editing medicines for a range of ocular disorders. We received an aggregate of $130.0 million in payments under this agreement, which consisted of the initial upfront payment, an option exercise payment, and a milestone payment. We and Allergan subsequently entered into a co-development and commercialization agreement under which we agreed to co-develop and equally split profits and losses for EDIT-101 in the United States. In August 2020, we and Allergan terminated the strategic alliance and option agreement and the co-development and commercialization agreement, and we assumed full rights to EDIT-101 and responsibility for conducting the clinical trial. In connection with such termination, we and Allergan entered into a termination agreement, pursuant to which we made a one-time aggregate payment of $20.0 million to Allergan.

Since our inception in September 2013, our operations have focused on organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio, assembling our core capabilities in gene editing, seeking to identify potential product candidates, and undertaking preclinical studies. Except for EDIT-101 and EDIT-301, all of our research programs are still in the preclinical or research stage of development and the risk of failure of all of our research programs is high. We have not generated any revenue from product sales. We have primarily financed our operations through various equity financings and payments received under our research collaboration with Juno Therapeutics and our strategic alliance with Allergan.

Since inception, we have incurred significant operating losses. Our net losses were $112.0 million and $61.3 million for the six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021, we had an accumulated deficit of $777.2 million. We expect to continue to incur significant expenses and operating losses for the foreseeable future. Our net losses may fluctuate significantly from quarter to quarter and from year to year. We anticipate that our expenses will increase substantially as we continue our current research programs and our preclinical development activities; progress the clinical development of EDIT-101 for the treatment of LCA10 and EDIT-301 for the treatment of sickle cell disease; seek to identify additional research programs and additional product candidates; initiate preclinical testing and clinical trials for other product candidates we identify and develop, including EDIT-301 for the treatment of beta-thalassemia; maintain, expand, and protect our intellectual property portfolio, including reimbursing our licensors for such expenses related to the intellectual property that we in-license from such licensors; further develop our genome

editing platform; hire additional clinical, quality control, and scientific personnel; and incur costs associated with operating as a public company. We do not expect to be profitable for the year ending December 31, 2021 or the foreseeable future.

Although we did not experience any significant impact on our financial condition, results of operations or liquidity due to the ongoing COVID-19 pandemic during the six months ended June 30, 2021, the pandemic continues to be dynamic and near-term risks to our business remain. Vaccines are being distributed and administered, but utilization of the vaccines has been varied and new variants of the virus are emerging that have shown to be more contagious, which has resulted in increased infection rates and may result in re-imposed governmental restrictions to reduce the spread of COVID-19. As a result, the ultimate impact of the COVID-19 pandemic continues to be highly uncertain and we do not yet know the full extent of potential delays or impacts on our business, our ability to continue to raise additional capital, the EDIT-101 or EDIT-301 clinical trials, ongoing preclinical activities, or the global economy as a whole. In March 2020, we implemented a work from home policy, and restricted on-site activities at our facilities in Massachusetts and Colorado to certain manufacturing, laboratory and related support activities in light of the COVID-19 pandemic. Under our return to onsite work plans, we have gradually resumed manufacturing, laboratory and related support activities at our facilities in Massachusetts and Colorado, and anticipate a full reopening of our facilities in the third quarter of 2021 using a hybrid work model. We will continue to monitor and respond to the changing conditions created by the pandemic, with focus on prioritizing the health and safety of our employees and maintaining safe and reliable operations of our facilities.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from product sales and we do not expect to generate any revenue from product sales for the foreseeable future. In connection with our collaboration with Juno Therapeutics, we have received an aggregate of $126.0 million in payments, which have primarily consisted of the initial upfront and amendment payments, development milestone payments, research funding support and certain opt-in fees. We no longer receive research funding support. As of June 30, 2021, we recorded $85.0 million of deferred revenue in relation to our collaboration with Juno Therapeutics, of which $51.0 million is classified as long-term on our condensed consolidated balance sheet. During the six months ended June 30, 2021, we recognized $5.7 million of previously deferred revenue related to our collaboration with Juno Therapeutics. Under this collaboration, we will recognize revenue upon delivery of option packages to Juno Therapeutics or upon receipt of development milestone payments. We expect that our revenue will fluctuate from quarter-to-quarter and year-to-year as a result of the timing of when we deliver such option packages or receive such milestone payments.

For additional information about our revenue recognition policy related to the Juno Therapeutics collaboration, see “—Critical Accounting Policies and Estimates—Revenue Recognition” included in our Annual Report.

For the foreseeable future we expect substantially all of our revenue will be generated from our collaboration with Juno Therapeutics, and any other collaborations or agreements we may enter into.

Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research and development activities, including our drug discovery efforts and preclinical studies and clinical trials under our research programs, which include:

- employee-related expenses including salaries, benefits, and stock-based compensation expense;
- costs of funding research performed by third parties that conduct research and development and preclinical and clinical activities on our behalf;

- costs of purchasing lab supplies and non-capital equipment used in our preclinical activities and in manufacturing preclinical study materials;
- consultant fees;
- facility costs, including rent, depreciation, and maintenance expenses; and
- fees for acquiring and maintaining licenses under our third-party licensing agreements, including any sublicensing or success payments made to our licensors.

Research and development costs are expensed as incurred. At this time, we cannot reasonably estimate or know the nature, timing, and estimated costs of the efforts that will be necessary to complete the development of any product candidates we may identify and develop. This is due to the numerous risks and uncertainties associated with developing such product candidates, including the uncertainty of:

- successful completion of preclinical studies, IND-enabling studies and natural history studies;
- successful enrollment in, and completion of, clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing clinical, commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and non-patent exclusivity;
- launching commercial sales of a product, if and when approved, whether alone or in collaboration with others;
- acceptance of a product, if and when approved, by patients, the medical community, and third-party payors;
- effectively competing with other therapies and treatment options;
- a continued acceptable safety profile following approval;
- enforcing and defending intellectual property and proprietary rights and claims; and
- achieving desirable medicinal properties for the intended indications.

A change in the outcome of any of these variables with respect to the development of any product candidates we develop would significantly change the costs, timing, and viability associated with the development of that product candidate.

Research and development activities are central to our business model. We expect research and development costs to increase significantly for the foreseeable future as our development programs progress, including as we continue to progress the clinical development of EDIT-101 and EDIT-301 as well as supporting preclinical studies for our other research programs.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation for personnel in executive, finance, investor relations, business development, legal, corporate affairs, information technology, facilities and human resource functions. Other significant costs include corporate facility costs

not otherwise included in research and development expenses, legal fees related to intellectual property and corporate matters, and fees for accounting and consulting services.

We anticipate that our general and administrative expenses will increase in the future to support continued research and development activities and potential commercialization of any product candidates we identify and develop. These increases will include increased costs related to the hiring of additional personnel and fees to outside consultants. We also anticipate increased expenses related to reimbursement of third-party patent-related expenses and expenses associated with operating as a public company, including costs for audit, legal, regulatory, and tax-related services, director and officer insurance premiums, and investor relations costs. With respect to reimbursement of third-party intellectual property-related expenses specifically, given the ongoing nature of the opposition and interference proceedings involving the patents licensed to us under our license agreements with The Broad Institute, Inc. (“Broad”) and the President and Fellows of Harvard College (“Harvard”), we anticipate general and administrative expenses will continue to be significant.

Other Income, Net

For the six months ended June 30, 2021, other income, net consisted primarily of interest income and accretion of discounts associated with other marketable securities.

For the six months ended June 30, 2020, other income, net consisted primarily of changes in the fair value of equity securities, interest income and accretion of discounts associated with other marketable securities.

Critical Accounting Policies and Estimates

Our management’s discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of our condensed consolidated financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities in our condensed consolidated financial statements. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts, and experience. The effects of material revisions in estimates, if any, will be reflected in the condensed consolidated financial statements prospectively from the date of change in estimates.

There have been no material changes to our critical accounting policies from those described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report.

Results of Operations

Comparison of the Three Months ended June 30, 2021 and 2020

The following table summarizes our results of operations for the three months ended June 30, 2021 and 2020, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Three Months Ended June 30,			
	2021	2020	Dollar Change	Percentage Change
Collaboration and other research and development revenues	$ 379	$ 10,749	$ (10,370)	(96) %
Operating expenses:				
Research and development	33,753	28,007	5,746	21 %
General and administrative	22,027	14,081	7,946	56 %
Total operating expenses	55,780	42,088	13,692	33 %
Other income, net:				
Other (expense) income, net	(1)	7,175	(7,176)	n/m
Interest income, net	146	592	(446)	(75) %
Total other income, net	145	7,767	(7,622)	(98) %
Net loss	$ (55,256)	$ (23,572)	$ (31,684)	n/m

For our results of operations, we have included the respective percentage of changes, unless greater than 100% or less than (100)%, in which case we have denoted such changes as not meaningful (n/m).

Collaboration and other research and development revenues

Collaboration and other research and development revenues decreased by $10.3 million, to $0.4 million, for the three months ended June 30, 2021 from $10.7 million for three months ended June 30, 2020. This decrease was primarily attributable to $7.6 million in revenue recognized pursuant to an out-license agreement we entered into during the second quarter of 2020 and a $0.8 million increase in revenue recognized in the second quarter of 2020 related to our strategic alliance with Allergan for which there was no similar revenue recognized in the second quarter 2021.

Research and development expenses

Research and development expenses increased by $5.8 million, to $33.8 million, for the three months ended June 30, 2021 from $28.0 million for the three months ended June 30, 2020. The following table summarizes our research and development expenses for the three months ended June 30, 2021 and 2020, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Three Months Ended June 30,			
	2021	2020	Dollar Change	Percentage Change
External research and development expenses	$ 13,852	$ 9,076	$ 4,776	53 %
Employee related expenses	9,748	7,919	1,829	23 %
Facility expenses	4,185	3,394	791	23 %
Stock-based compensation expenses	4,171	2,673	1,498	56 %
Sublicense and license fees	648	3,730	(3,082)	(83) %
Other expenses	1,149	1,215	(66)	(5) %
Total research and development expenses	$ 33,753	$ 28,007	$ 5,746	21 %

The increase in research and development expenses for the three months ended June 30, 2021 compared to the three months ended June 30, 2020 was primarily attributable to:

- approximately $4.8 million in increased external research and development expenses related primarily to the clinical and manufacturing development of EDIT-101, EDIT-301, and our other programs;
- approximately $1.8 million in increased employee related expenses primarily due to an increase in the size of our workforce, including the expansion of our research and development organization;
- approximately $1.5 million in increased stock-based compensation expenses primarily due to the hiring of our new Chief Scientific Officer and Chief Regulatory Officer in the second quarter 2021; and
- approximately $0.8 million in increased facility related expenses.

These increases were partially offset by approximately $3.1 million in decreased sublicense and license fees related to fees owed to our licensors in connection with an out-license agreement entered into during the second quarter of 2020 and for which there was no similar fees owed in the second quarter 2021.

General and administrative expenses

General and administrative expenses increased by $7.9 million, to $22.0 million, for the three months ended June 30, 2021 from $14.1 million for the three months ended June 30, 2020. The following table summarizes our general and administrative expenses for the three months ended June 30, 2021 and 2020, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Three Months Ended June 30,			
	2021	2020	Dollar Change	Percentage Change
Stock-based compensation expenses	$ 9,355	$ 2,744	$ 6,611	n/m
Intellectual property and patent related fees	4,754	3,640	1,114	31 %
Employee related expenses	4,371	3,766	605	16 %
Other expenses	2,232	1,950	282	14 %
Professional service expenses	1,315	1,981	(666)	(34) %
Total general and administrative expenses	$ 22,027	$ 14,081	$ 7,946	56 %

The increase in general and administrative expenses for the three months ended June 30, 2021 compared to the three months ended June 30, 2020 was primarily attributable to:

- approximately $6.6 million in increased stock-based compensation expenses related primarily to the performance awards granted in 2021 to our Chief Executive Officer that were achieved or deemed probable in the second quarter of 2021;
- approximately $1.1 million in increased intellectual property and patent related fees;
- approximately $0.6 million in increased employee related expenses primarily attributable to the separation of our former Chief Executive Officer from our company in February 2021 as well as the hiring of our new Chief Executive Officer in 2021; and
- approximately $0.3 million in increased other expenses.

These increases were partially offset by approximately $0.7 million in decreased professional service expenses primarily due to decreased use of consulting services.

Other income, net

For the three months ended June 30, 2021, other income, net was $0.1 million, which was primarily attributable to interest income offset by accretion of discounts associated with other marketable securities.

For the three months ended June 30, 2020, other income, net was $7.8 million, which was primarily attributable to the unrealized gains related to corporate equity securities, interest income and accretion of discounts associated with marketable securities.

Comparison of the Six Months ended June 30, 2021 and 2020

The following table summarizes our results of operations for the six months ended June 30, 2021 and 2020, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Six Months Ended June 30,			
	2021	2020	Dollar Change	Percentage Change
Collaboration and other research and development revenues	$ 6,878	$ 16,472	$ (9,594)	(58) %
Operating expenses:				
Research and development	75,690	62,576	13,114	21 %
General and administrative	43,471	31,852	11,619	36 %
Total operating expenses	119,161	94,428	24,733	26 %
Other income, net				
Other (expense) income, net	19	14,509	(14,490)	n/m
Interest income, net	280	2,151	(1,871)	(87) %
Total other income, net	299	16,660	(16,361)	(98) %
Net loss	$ (111,984)	$ (61,296)	$ (50,688)	83 %

Collaboration and other research and development revenues

Collaboration and other research and development revenues decreased by $9.6 million, to $6.9 million, for the six months ended June 30, 2021 from $16.5 million for six months ended June 30, 2020. This decrease was primarily attributable to $7.6 million in revenue recognized pursuant to an out-license agreement we entered into during the second quarter 2020 and $7.4 million in revenue recognized related to our strategic alliance with Allergan during the six months ended June 30, 2020, for which there was no similar revenue recognized during 2021. This was partially offset by $6.3 million in revenue recognized pursuant to our research collaboration with Juno Therapeutics during the six months ended June 30, 2021.

Research and development expenses

Research and development expenses increased by $13.1 million, to $75.7 million, for the six months ended June 30, 2021 from $62.6 million for the six months ended June 30, 2020. The following table summarizes our research and development expenses for the six months ended June 30, 2021 and 2020, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Six Months Ended June 30,			
	2021	2020	Dollar Change	Percentage Change
External research and development expenses	$ 27,513	$ 27,958	$ (445)	(2) %
Employee related expenses	19,749	16,517	3,232	20 %
Sublicense and license fees	9,629	3,940	5,689	n/m
Stock-based compensation expenses	8,137	5,730	2,407	42 %
Facility expenses	7,957	6,292	1,665	26 %
Other expenses	2,705	2,139	566	26 %

Total research and development expenses	$ 75,690	$ 62,576	$ 13,114	21 %

The increase in research and development expenses for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 was primarily attributable to:

- approximately $5.7 million in increased sublicense and license fees primarily related to the triggering of success payments under certain of our license agreements upon the achievement of market capitalization-based milestones in the first quarter of 2021;
- approximately $3.2 million in increased employee related expenses primarily due to an increase in the size of our workforce, including the expansion of our research and development organization;
- approximately $2.4 million in increased stock-based compensation expenses primarily due to the hiring of our new Chief Scientific Officer and Chief Regulatory Officer in the second quarter 2021;
- approximately $1.7 million in increased facility related expenses primarily related to increased lab and manufacturing space; and
- approximately $0.6 million in increased other expenses.

These increases were partially offset by approximately $0.4 million in decreased external research and development expenses related to expenses incurred in the six months ended June 30, 2020 under our profit-sharing arrangement with Allergan and expenses incurred related to an in-license arrangement entered into during the first quarter of 2020 for which there were no similar expenses in the six months ended June 30, 2021.

General and administrative expenses

General and administrative expenses increased by $11.6 million, to $43.5 million, for the six months ended June 30, 2021 from $31.9 million for the six months ended June 30, 2020. The following table summarizes our general and administrative expenses for the six months ended June 30, 2021 and 2020, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Six Months Ended June 30,			
	2021	2020	Dollar Change	Percentage Change
Stock-based compensation expenses	$ 17,593	$ 5,907	$ 11,686	n/m
Intellectual property and patent related fees	9,869	9,012	857	10 %
Employee related expenses	9,065	8,451	614	7 %
Other expenses	4,252	3,992	260	7 %
Professional service expenses	2,692	4,490	(1,798)	(40) %
Total general and administrative expenses	$ 43,471	$ 31,852	$ 11,619	36 %

The increase in general and administrative expenses for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 was primarily attributable to:

- approximately $11.7 million in increased stock-based compensation expenses related to the acceleration of vesting of certain equity awards held by our former Chief Executive Officer in connection with her separation from our company in February 2021, as well as stock-based compensation expense recognized

on the market and performance-based awards that were granted to our new Chief Executive Officer and other certain employees in 2021;

- approximately $0.9 million in increased intellectual property and patent related fees;
- approximately $0.6 million in increased employee related expenses primarily attributable to the separation of our former Chief Executive Officer from our company in February 2021 as well as the hiring of our new Chief Executive Officer in 2021; and
- approximately $0.3 million in increased other expenses.

These increases were partially offset by approximately $1.8 million in decreased professional service expenses primarily due to decreased use of consulting services.

Other income, net

For the six months ended June 30, 2021, other income, net was $0.3 million, which was primarily attributable to interest income offset by accretion of discounts associated with other marketable securities.

For the six months ended June 30, 2020, other income, net was $16.7 million, which was primarily attributable to the unrealized gains related to corporate equity securities, interest income and accretion of discounts associated with marketable securities.

Liquidity and Capital Resources

Sources of Liquidity

In May 2021, we entered into a common stock sales agreement with Cowen and Company, LLC (“Cowen”), under which we from time to time can issue and sell shares of our common stock through Cowen in at-the-market offerings for aggregate gross sale proceeds of up to $300.0 million (the “ATM Facility”). As of June 30, 2021, we have not sold any shares of our common stock under the ATM Facility.

In January 2021, we completed a public offering whereby we sold 3,500,000 shares of our common stock and received net proceeds of approximately $216.9 million. In February 2021, the underwriters in the public offering exercised their option to purchase an additional 525,000 shares, resulting in additional net proceeds to us of approximately $32.6 million. As of June 30, 2021, we have raised an aggregate of $898.0 million in net proceeds through the sale of shares of our common stock in public offerings and at-the-market offerings. We also have funded our business from payments received under our research collaboration with Juno Therapeutics and our strategic alliance with Allergan, which was terminated in August 2020. As of June 30, 2021, we had cash, cash equivalents and marketable securities of $698.1 million.

In addition to our existing cash, cash equivalents and marketable securities, we are eligible to earn milestone and other payments under our collaboration agreement with Juno Therapeutics. Our ability to earn the milestone payments and the timing of earning these amounts are dependent upon the timing and outcome of our development, regulatory and commercial activities and, as such, are uncertain at this time. As of June 30, 2021, our right to contingent payments under our collaboration agreement with Juno Therapeutics is our only significant committed potential external source of funds.

Cash Flows

The following table provides information regarding our cash flows for the three months ended June 30, 2021 and 2020 (in thousands):

	Six Months Ended June 30,	
	2021	2020
Net cash (used in) provided by:		
Operating activities	$ (88,436)	$ (84,942)
Investing activities	8,035	120,637
Financing activities	278,553	214,200
Net increase in cash, cash equivalents, and restricted cash	$ 198,152	$ 249,895

Net Cash Used in Operating Activities

The use of cash in all periods resulted primarily from our net losses adjusted for non-cash charges and changes in components of working capital.

Net cash used in operating activities was approximately $88.4 million for the six months ended June 30, 2021, which primarily consisted of operating expenses that relate to our on-going preclinical and clinical activities, patent costs and license fees, and increased costs as a result of staffing needs due to our expanding operations. These expenses were partially offset by cash inflows from license fees received in the period.

Net cash used in operating activities was approximately $84.9 million for the six months ended June 30, 2020, which primarily consisted of operating expenses that relate to our on-going preclinical and clinical activities, patent costs and license fees, and increased costs as a result of staffing needs due to our expanding operations. These expenses were partially offset by cash inflows from license fees received in the period.

Net Cash Provided by Investing Activities

Net cash provided by investing activities was approximately $8.0 million for the six months ended June 30, 2021, primarily related to proceeds from maturities of marketable securities of $205.0 million, partially offset by costs used to acquire marketable securities of $194.2 million and purchases of property and equipment of $2.8 million.

Net cash provided by investing activities was approximately $120.6 million for the six months ended June 30, 2020, primarily related to proceeds from maturities of marketable securities of $191.0 million, partially offset by costs to acquire marketable securities of $66.4 million and costs to acquire property and equipment of $4.0 million.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was approximately $278.6 million for the six months ended June 30, 2021 and consisted of $249.5 million in net proceeds received from the offering of our common stock and $28.6 million in proceeds received from exercises of options for our common stock.

Net cash provided by financing activities was approximately $214.2 million for the six months ended June 30, 2020 and consisted of $204.0 million in net proceeds received from offerings of common stock, of which $0.3 million in offering expenses was unpaid at June 30, 2020, and $9.9 million in proceeds received from exercises of options for our common stock.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we progress the clinical development of EDIT-101 and EDIT-301; further advance our current research programs and our preclinical development activities; seek to identify product candidates and additional research programs; initiate preclinical testing

and clinical trials for other product candidates we identify and develop, including EDIT-301 for the treatment of beta-thalassemia; maintain, expand, and protect our intellectual property portfolio, including reimbursing our licensors for expenses related to the intellectual property that we in-license from such licensors; hire additional clinical, quality control, and scientific personnel; and incur costs associated with operating as a public company. In addition, if we obtain marketing approval for any product candidate that we identify and develop, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution to the extent that such sales, marketing, and distribution are not the responsibility of a collaborator. We do not expect to generate significant recurring revenue unless and until we obtain regulatory approval for and commercialize a product candidate. Furthermore, since 2016 we have incurred, and in future years we expect to continue to incur, significant costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce, or eliminate our research and development programs or future commercialization efforts.

We expect that our existing cash, cash equivalents and marketable securities as of June 30, 2021 and anticipated interest income will enable us to fund our operating expenses and capital expenditure requirements well into 2023. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- the scope, progress, results, and costs of drug discovery, preclinical development, laboratory testing, and clinical or natural history study trials for the product candidates we develop;
- the costs of progressing the clinical development of EDIT-101 to treat LCA10;
- the costs of progressing the clinical development of EDIT-301 to treat sickle cell disease;
- the costs of IND-enabling studies and initiating any clinical trial for EDIT-301 to treat beta-thalassemia;
- the costs of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property and proprietary rights, and defending intellectual property-related claims;
- the costs, timing, and outcome of regulatory review of the product candidates we develop;
- the costs of future activities, including product sales, medical affairs, marketing, manufacturing, and distribution, for any product candidates for which we receive regulatory approval;
- the success of our collaboration with Juno Therapeutics;
- whether Juno Therapeutics exercises any of its options to extend the research program term and/or to additional research programs under our collaboration;
- our ability to establish and maintain additional collaborations on favorable terms, if at all;
- the extent to which we acquire or in-license other medicines and technologies;
- the costs of reimbursing our licensors for the prosecution and maintenance of the patent rights in-licensed by us; and
- the costs of operating as a public company.

Identifying potential product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive, and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, any product

candidate that we identify and develop, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of genomic medicines that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. Further, our ability to continue to raise additional capital may be adversely impacted by potential worsening global economic conditions and potential disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, our stockholders' ownership interests will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends.

If we raise funds through additional collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce, or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations

The following table summarizes our significant contractual obligations as of payment due date by period at June 30, 2021 (in thousands):

	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Operating lease obligations [1]	$ 35,735	$ 12,760	$ 20,513	$ 2,462	$ —
Total	$ 35,735	$ 12,760	$ 20,513	$ 2,462	$ —

(1) Represents future minimum lease payments under our non-cancelable operating leases. The minimum lease payments above exclude our share of the facility operating expenses and other costs that are reimbursable to the landlord under the leases.

The table above does not include potential milestone and success fees, sublicense fees, royalty fees, licensing maintenance fees, and reimbursement of patent maintenance costs that we may be required to pay under agreements we have entered into with certain institutions to license intellectual property. Our agreements to license intellectual property include potential milestone payments that are dependent upon the development of products using the intellectual property licensed under the agreements and contingent upon the achievement of development or regulatory approval milestones, as well as commercial milestones. We have not included such potential obligations in the table above because they are contingent upon the occurrence of future events and the timing and likelihood of such potential obligations are not known with certainty. For further information regarding these agreements, please see "Business—Our Collaborations and Licensing Strategy" in our Annual Report.

We enter into contracts in the normal course of business with contract research organizations and other vendors to assist in the performance of our research and development activities and other services and products for operating purposes. These contracts generally provide for termination on notice, and therefore are cancelable contracts and not included in the table of contractual obligations and commitments.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any off-balance sheet

arrangements, as defined under applicable SEC rules.

Effects of Inflation

Inflation would generally affect our business by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the six months ended June 30, 2021 or 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk related to changes in interest rates. As of June 30, 2021, we had cash and cash equivalents of $337.8 million, primarily held in money market mutual funds consisting of U.S. government-backed securities, and marketable securities of $272.7 million, primarily consisting of U.S. government-backed securities and corporate debt securities. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments, including cash equivalents, are in the form, or may be in the form of, money market funds or marketable securities and are or may be invested in U.S. Treasury and U.S. government agency obligations. Due to the short-term maturities and low risk profiles of our investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our investments.

While we contract with certain vendors and institutions internationally, substantially all of our total liabilities as of June 30, 2021 were denominated in the United States dollar and we believe that we do not have any material exposure to foreign currency exchange rate risk.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2021. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2021, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in litigation or other legal proceedings relating to claims arising from the ordinary course of business. There can be no assurance that any proceedings that result from these third-party actions will be resolved in our favor. In addition, if they are not resolved in our favor, there can be no assurance that the result will not have a material adverse effect on our business, financial condition, results of operations, or prospects. Certain of our intellectual property rights, including ones licensed to us under our licensing agreements, are subject to, and from time to time may be subject to, priority and validity disputes. For additional information regarding these matters, see Part I, "Item 1A. Risk Factors—Risks Related to Our Intellectual Property" in our Annual Report and Part II, "Item 1A. Risk Factors" in this Quarterly Report on Form 10-Q. Regardless of outcome, litigation or other legal proceedings can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors.

You should carefully consider the information set forth in this Quarterly Report on Form 10-Q and the risk factors discussed below and in the sections entitled "Summary of Risk Factors" and "Risk Factors" in our Annual Report, which could materially affect our business, financial condition, results of operations, or prospects. These risks, as well as other risks and uncertainties, could materially and adversely affect our business, results of operations and financial condition, which in turn could materially and adversely affect the trading price of shares of our common stock. Additional risks not currently known to us or that we currently deem to be immaterial may also harm our business.

Some of our in-licensed patents are subject to priority and validity disputes. In addition, our owned and in-licensed patents, patent applications and other intellectual property may be subject to further priority and validity disputes, and other similar intellectual property proceedings including inventorship disputes. If we or our licensors are unsuccessful in any of these proceedings, we may be required to obtain licenses from third parties, which may not be available on commercially reasonable terms or at all, or to cease the development, manufacture, and commercialization of one or more of the product candidates we develop, which could have a material adverse impact on our business.

Certain U.S. patents and a U.S. patent application directed to CRISPR/Cas9 that are co-owned by the Broad and the Massachusetts Institute of Technology ("MIT"), and in some cases Harvard (collectively referred to as "Broad"), and in-licensed by us were involved in a first interference with a U.S. patent application that is co-owned by the University of California, the University of Vienna, and Emmanuelle Charpentier (collectively referred to "CVC"). An interference is a proceeding in the USPTO before the Patent Trial and Appeal Board of the USPTO ("PTAB") to determine priority of invention of the subject matter of patent claims filed by different parties. In this first interference, the PTAB made a judgment of no interference-in-fact in favor of the Broad, which was upheld on appeal. This decision was final and bars any further interference between the same parties for claims to the same invention that was considered in the interference. As a result of this decision, the U.S. patents and application that we in-license from the Broad and others were not modified or revoked.

On June 24, 2019, the PTAB declared a second interference between certain pending U.S. patent applications that are co-owned by CVC and certain U.S. patents and a U.S. patent application that are co-owned by Broad and in-licensed by us. Most of the Broad U.S. patents and the patent application that are involved in the second interference were also part of the first interference. The invention that was considered in the first interference related to a method involving contacting a target DNA in a eukaryotic cell with certain defined CRISPR/Cas9 components for the purpose of cleaving or editing that target DNA molecule or modulating transcription of at least one gene encoded thereon. The second interference is directed to a different invention, namely a eukaryotic cell comprising a target DNA and certain defined CRISPR/Cas9 components including a single molecule guide RNA that are capable of cleaving or editing the target DNA molecule.

On September 10, 2020, the PTAB granted Broad's motion for priority benefit while denying CVC priority benefit to their two earliest provisional patent applications. As a result, Broad entered the priority phase of the interference as "Senior Party" while CVC remained the "Junior Party" for purposes of determining which entity was the first to invent the inventions at issue. We cannot predict with any certainty how long it will take before the PTAB issues a decision at the conclusion of the priority phase.

On December 14, 2020, the PTAB, declared two new interferences involving a pending U.S. patent application that is owned by ToolGen, Inc. (the "ToolGen application"). One of the two interferences is between the ToolGen application and certain U.S. patents and U.S. patent applications that are co-owned by Broad and in-licensed by us. Most of the Broad U.S. patents and patent applications that are involved in the interference with ToolGen are also part of the second interference with CVC. The other ToolGen interference is between the same ToolGen application and the U.S. patent applications that are co-owned by CVC and involved in the second interference with Broad. The claims in ToolGen's patent application relate to a mammalian cell with a CRISPR/Cas system comprising a codon optimized nucleic acid encoding a Cas9 polypeptide with a nuclear localization signal and a single-molecule guide RNA that, together, are capable of forming a Cas9/RNA complex that mediates double stranded cleavage of a target nucleic acid sequence.

On June 21, 2021, the PTAB declared two new patent interferences involving a pending U.S. patent application owned by Sigma-Aldrich (the "Sigma-Aldrich application"). One of the two new patent interferences is between the Sigma-Aldrich application and certain U.S. patents and U.S. patent applications that are co-owned by Broad and in-licensed by us. The second new patent interference is between the same Sigma-Aldrich application and the U.S. patent applications that are co-owned by CVC. Most of the Broad U.S. patents and patent applications that are involved in the interference with Sigma-Aldrich are also part of the concurrent interferences with CVC and ToolGen. The claims in Sigma-Aldrich's application relate to a method for modifying a chromosomal sequence in a eukaryotic cell by integrating a donor sequence into that chromosomal sequence. These methods use a CRISPR/Cas9 system comprising a Cas9 polypeptide with a nuclear localization signal, a guide RNA, and a donor sequence that, together, are capable of mediating double stranded cleavage and repair of a target nucleic acid sequence leading to integration of the donor sequence into the chromosomal sequence.

As a result of these declarations of interference, five parallel adversarial proceedings in the USPTO before the PTAB have been initiated – the patent interferences between Broad and CVC, Broad and ToolGen, CVC and ToolGen, Broad and Sigma-Aldrich, and CVC and Sigma-Aldrich. We cannot predict with any certainty how long each interference proceeding will take. It is also possible that other third parties may seek to become a party to these interferences.

Our owned and in-licensed patents and patent applications are, or may in the future become, subject to validity disputes in the USPTO and other foreign patent offices. For example, a request for *ex parte* re-examination was filed with the USPTO on February 16, 2016 against a U.S. patent that we have in-licensed from Broad, which is involved in certain of the interferences. The request for *ex parte* re-examination was granted on May 9, 2016 thereby initiating a re-examination procedure between the USPTO and The Broad Institute, acting on behalf of itself and MIT. The PTAB has suspended the re-examination noting that it has jurisdiction over any file that involves a patent involved in an interference. It is uncertain when the PTAB will lift the suspension. If The Broad Institute is unsuccessful during the re-examination, the patent in question may be revoked or narrowed, which could have a material adverse effect on the scope of our rights under such patent.

We or our licensors may also be subject to claims that former employees, collaborators, or other third parties have an interest in our owned or in-licensed patents or patent applications, or other intellectual property rights as an inventor or co-inventor. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents, patent applications or other intellectual property rights, such co-owners may be able to license their rights to other third parties, including our competitors. In addition, we may need the cooperation of any such co-owners to enforce any patents, including any patents that issue from patent applications, against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on the conduct of our business,

financial condition, results of operations, and prospects.

We or our licensors are subject to and may in the future become a party to similar proceedings or priority disputes in Europe or other foreign jurisdictions. For example, certain European patents that we have in-licensed from Broad have been revoked in their entirety by the European Patent Office Opposition Division (the "Opposition Division"). Certain other European patents that we have in-licensed from Broad were maintained with amended patent claims. Certain of these decisions have been appealed by both Broad and the opposing party(s), and it is uncertain when or in what manner the Boards of Appeal will act on these appeals. The Opposition Division has also initiated opposition proceedings against certain other European patents that we have in-licensed from Broad. The EPO opposition proceedings may involve issues including, but not limited to, procedural formalities related to filing the European patent application, priority, and the patentability of the involved claims. In view of certain arguments made by the third parties against the revoked patents and similar arguments made by the third parties against other in-licensed European patents under opposition, the opposition proceedings may lead to the revocation of certain additional in-licensed European patents. The loss of priority for, or the loss of, these European patents could have a material adverse effect on the conduct of our business. One or more of the third parties that have filed oppositions against these European patents or other third parties may file future oppositions against other European patents that we in-license or own. There may be other oppositions against these European patents that have not yet been filed or that have not yet been made available to the public.

If we or our licensors are unsuccessful in any patent related disputes, including interference proceedings, patent oppositions, re-examinations, or other priority, inventorship, or validity disputes to which we or they are subject (including any of the proceedings discussed above), we may lose valuable intellectual property rights through the loss of one or more patents owned or licensed or our owned or licensed patent claims may be narrowed, invalidated, or held unenforceable. In addition, if we or our licensors are unsuccessful in any inventorship disputes to which we or they are subject, we may lose valuable intellectual property rights, such as exclusive ownership of, or the exclusive right to use, our owned or in-licensed patents and patent applications. If we or our licensors are unsuccessful in any interference proceeding or other priority or inventorship dispute, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or may be non-exclusive or may not be available at all. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture, and commercialization of one or more of the product candidates we develop. The loss of exclusivity or the narrowing of our owned and in-licensed patent claims could limit our ability to stop others from using or commercializing similar or identical technology and products. Any of the foregoing could result in a material adverse effect on our business, financial condition, results of operations, or prospects. Even if we are successful in any interference proceeding or other priority, inventorship, or validity disputes, it could result in substantial costs and be a distraction to our management and other employees.

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

On June 14, 2021, we granted our Chief Scientific Officer an option to purchase 52,718 shares of our common stock and a restricted stock unit award of 32,701 shares and granted our Chief Regulatory Officer an option to purchase 44,202 shares of our common stock and a restricted stock unit award of 14,144 shares, as inducements to employment in accordance with Nasdaq Listing Rule 5635(c)(4). No underwriters were involved in the foregoing issuances of securities. The securities were issued pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended, relating to transactions by an issuer not involving any public offering. The recipients either received adequate information about us or had access, through other relationships, to such information.

Each stock option is scheduled to become exercisable as to 25% of the shares underlying the option on the first anniversary of the date of grant, and as to an additional 2.0833% of the shares underlying the option at the end of each successive month following such date, subject to the recipient's continued service. The options have an exercise price of $38.53 per share. Each restricted stock unit award is scheduled to vest as to one-fourth of the shares on each anniversary of the date of grant until the fourth anniversary of the date of grant, subject to the recipient's continued service.

.

Item 6. Exhibits

Exhibit Index

Exhibit Number	Description of Exhibit
10.1	Common Stock Sales Agreement, dated as of May 14, 2021, by and between the Company and Cowen and Company, LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K (File No. 001-37687) filed with the Securities and Exchange Commission on May 14, 2021)
10.2*	Employment Offer Letter, dated April 19, 2021, between the Registrant and Mark S. Shearman
10.3*	Summary of Non-Employee Director Compensation Program
31.1*	Rule 13a-14(a) Certification of Principal Executive Officer
31.2*	Rule 13a-14(a) Certification of Principal Financial Officer
32.1+	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. §1350
101*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Comprehensive Loss (unaudited), (iv) Consolidated Statements of Stockholders' Equity (unaudited), (v) Consolidated Statements of Cash Flows (unaudited) and (vi) Notes to Condensed Consolidated Financial Statements (unaudited), tagged as blocks of text and including detailed tags.
104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in Inline XBRL.

*Filed herewith

+ The certifications furnished in Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications are not to be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates them by reference.

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.

EDITAS MEDICINE, INC.

Dated: August 5, 2021

By: /s/ Michelle Robertson
Michelle Robertson
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.2

11 Hurley Street
Cambridge, MA 02141

P 617-401-9000

April 19, 2021

Dr. Mark Shearman

Re: Offer of Employment

Dear Mark,

On behalf of Editas Medicine, Inc. (the "**Company**"), I am pleased to offer you employment with the Company. The purpose of this letter (the "**Offer Letter**") is to set forth the terms of your employment with the Company, should you accept our offer.

I am pleased to offer you the position of Executive Vice President, Chief Scientific Officer at the Company, reporting to the Chief Executive Officer. Your base salary will be at the rate of $18,076.92 per biweekly pay period (equivalent to an annualized base salary of $470,000.00), subject to tax and other withholdings as required by law. Such base salary may be adjusted from time to time in accordance with normal business practice and in the sole discretion of the Company. You will be employed on a full-time basis. Your effective date of hire as an employee (the "**Start Date**") will be June 14, 2021. You shall work out of the Company's office at 11 Hurley Street, Cambridge, MA 02141 and shall travel as required by your job duties.

Following the end of each calendar year and subject to the approval of the Company's Board of Directors (the "**Board**"), or a duly authorized committee thereof, you will be eligible for a retention and performance bonus, targeted at 45% of your annualized base salary, based on your and the Company's performance during the applicable calendar year as determined by the Board (or such committee) and in accordance with certain corporate goals determined by the Board (or such committee), in each case, in its sole discretion. Such bonus shall be pro-rated for any partial year and shall not be payable if your Start Date is within the last quarter of the calendar year. You must be an active employee of the Company on the date such bonus is distributed in order to be eligible for and to earn a bonus award, as it also serves as an incentive to remain employed by the Company, provided that the Company will award and pay any bonus for the prior calendar year on or before March 15th of the next succeeding calendar year.

You will receive a one-time sign on bonus of $247,500.00, less applicable taxes and withholdings (the "**Signing Bonus**"), which will be paid to you in the first regular payroll following your Start Date. If, within one (1) year after your Start Date, either (i) you voluntarily terminate your employment with the Company for any reason other than for Good Reason (as defined in the Company's Severance Benefits Plan (as the same may be amended or restated from time to time, the "**Severance Benefits Plan**")) or (ii) the Company terminates your employment because (a) you are convicted of, or pled guilty or nolo contendere to, any crime involving dishonesty or moral turpitude or any felony; (b) you have engaged in dishonesty, willful misconduct or gross negligence that has a material adverse effect on the Company, (c) you have committed an act that materially injures or would reasonably be expected to materially injure the reputation, business or business relationships of the Company, (d) you have materially breached the terms of any restrictive covenants or confidentiality agreement with the Company; (e) you have failed or refused to comply in any material respect with the Company's material policies or procedures and in a manner that materially injures or would reasonably be expected to materially injure the reputation, business or business relationships of the Company; or (f) failed to perform your duties and/or responsibilities to the Company's satisfaction, you agree to repay the Company within thirty (30) days of your separation from employment with the Company, the entire Signing Bonus paid by the Company. You further acknowledge and agree that the Company may deduct from any amounts due to you from the Company (including without limitation any salary, bonuses, severance or separation pay, and expense reimbursements) up to the full amount of the Signing Bonus or Cash Bonus owed to the Company, subject to applicable law. If such deduction does not fully satisfy the amount of reimbursement due, or if the Company elects not to take such deduction, you agree to repay the remaining unpaid balance to the Company within thirty (30) days of your separation from employment with the Company. By signing and returning this Offer Letter, you agree to repayment of the Signing Bonus as provided for in this paragraph, and you further agree to execute any documents that may be requested by the Company to memorialize any deductions that you have authorized herein.

Subject to approval of the Board or a duly authorized committee thereof, you shall be awarded (i) a stock option having an aggregate value of $1,300,000.00, as calculated by the Company on the date of grant (the "**Option**") and such Option will have an exercise or purchase price equal to the fair market value of the Company's common stock on the date of grant and (ii) restricted stock units ("**RSU**," together with the Option, the "**Time-Based Equity Awards**") having an aggregate value of $1,260,000.00, as calculated by the Company on the date of grant. The Option will vest over four (4) years at the rate of 25% on the first anniversary of the Start Date, and an additional 2.0833% of the original number of shares at the end of each successive month following the first anniversary of the Start Date until the fourth anniversary of such date, provided you remain employed by the Company on the vesting dates. The RSU will vest over four (4) years at the rate of 25% of the original number of RSUs on the first anniversary of the Start Date, and an additional 25% of the original number of RSUs will vest at the end of each successive anniversary date of your Start Date until the fourth anniversary of such date, provided you remain employed with the Company on the vesting dates. The Time-Based Equity Awards are being granted pursuant to Nasdaq Listing Rule 5635(c)(4) as an inducement for you to enter into employment with the Company. The Equity Awards will be brought to the Board of Directors (or a duly authorized committee thereof) for approval on or after the date you begin employment with the Company. The Time -Based Equity Awards will be evidenced in writing by, and subject to the terms of an inducement stock option agreement and an inducement

restricted stock unit agreement, as applicable.

In addition, subject to approval of the Board or a duly authorized committee thereof, you shall be awarded performance-based RSUs having an aggregate value of $1,050,000, as calculated by the Company on the date of grant (the "**Performance-Based Equity,**" together with the Time-Based Equity Awards, the "**Equity Awards**"). The Performance-Based Equity will be granted at the same time that annual performance-based RSU grants are made to the other Executive Officers and will vest upon the achievement of pre-established performance goals as determined by the Organization, Leadership and Compensation Committee (but no sooner than the first anniversary of the date of the grant), provided that you remain employed with the Company on the vesting dates.

You may participate in any benefit programs that the Company establishes and makes available to its employees from time to time, provided you are eligible under (and subject to all provisions of) the plan documents governing those programs. Additionally, you will be eligible for paid vacation and holidays in accordance with Company policy. Please see the enclosed "2021 Benefits Overview" for detailed information on our benefits and related policies, which currently include 13 paid holidays and a flexible time-off program. The benefit programs made available by the Company, and the rules, terms and conditions for participation in such benefit plans, may be changed by the Company at any time without advance notice.

You will be required to execute a Non-Solicitation, Non-Competition, Confidentiality and Assignment Agreement in the form attached hereto as Exhibit A (the "**Agreement**") and, prior to your Start Date, a Durable Automatic Sale Instruction Letter in the form attached hereto as Exhibit B. You acknowledge that your eligibility for the Signing Bonus and the Equity Awards referenced herein are contingent upon your agreement to the non-competition provisions set forth in the Agreement. You further acknowledge that such consideration was mutually agreed upon by you and the Company, is fair and reasonable, and is in exchange for your compliance with such non-competition obligations.

In making this offer, the Company understands, based on representations made by you, that you are not under any obligation to any former employer or any person or entity which would prevent, limit, or impair in any way your acceptance of this offer or employment or the performance by you of your duties as an employee of the Company. In accepting this offer you represent and warrant the foregoing to be true and correct (i) that in connection with providing services to the Company you will not use any confidential and/or proprietary information of any third party, including, without limitation, any former employer, or bring any biological or other materials to the Company and (ii) the Agreement was provided to you by the earlier of (A) the date we sent you this Offer Letter and (B) ten (10) business days before your Start Date.

You agree to provide to the Company, within three days of your hire date, documentation of your eligibility to work in the United States, as required by the Immigration Reform and Control Act of 1986. You may need to obtain a work visa in order to be eligible to work in the United States. If that is the case, your employment with the Company will be conditioned upon your obtaining a work visa in a timely manner as determined by the Company.

It is understood that you are an "at-will" employee. You are not being offered employment for a definite period of time or pursuant to an employment contract, and either you or the Company may terminate the employment relationship at any time and for any reason, with or without cause, or prior notice and without additional compensation to you, except as provided under the Severance Benefits Plan.

You will be eligible to participate in the Company's Severance Benefits Plan, as amended, a copy of which is attached hereto as Exhibit C (the "**Severance Benefits Plan**"), at the applicable level referenced in such plan. Your eligibility under the Severance Benefits Plan is subject to the terms and conditions thereof. For clarification purposes, under the Severance Benefits Plan, as an Executive Vice President, you are eligible to receive benefits as defined for the role of "Other C-Level Officer."

This Offer Letter and the Agreement referenced above constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (formal or informal, whether written, oral or implied) between you and the Company. This Offer Letter may not be amended or modified except by an express written agreement signed by both you and a duly authorized officer of the Company, although your job duties, title, reporting relationship, compensation and benefits may change from time to time in the Company's sole discretion and provided that the "at-will" nature of your employment may only be changed by a written agreement signed by you and the Company's Chief Executive Officer, which expressly states the intention to modify the at-will nature of your employment. Nothing in this Offer Letter shall be construed as an agreement, either express or implied, to pay you any compensation or grant you any benefit beyond the end of your employment with the Company, except to the extent you are eligible for post-employment benefits under the Severance Benefits Plan.

As an employee of the Company, you will be required to familiarize yourself and comply with all Company policies and procedures. Violations of the Company's policies may lead to immediate termination of your employment. Further, the Company's premises, including all workspaces, furniture, documents and other tangible materials, together with all information technology resources of the Company (including computers, portable devices, data and other electronic files (whether in hard copy or electronic form), and all internet and email communications) are subject to oversight and inspection by the Company at any time. Company employees shall have no expectation of privacy with regard to any Company premises, materials, resources or information.

The Company's offer of at-will employment is contingent upon your authorization and successful completion of background and reference checks as may be requested by the Company. If requested by the Company, you will be required to execute authorizations for the Company to obtain consumer reports and/or investigative consumer reports and use them in conducting background checks as a condition to your employment. The Company may obtain background reports both pre-employment and from time to time during your employment with the Company, as necessary.

Please indicate your acceptance of this offer by signing the enclosed copy of this Offer Letter and the Agreement via the electronic signature tool, no later than April 23, 2021.

Mark, please know that we are truly excited at the prospect of your becoming part of the Editas team and your leadership in helping to build what we hope will be an exceptional organization, one that is both a scientific pioneer and that delivers transformative medicines to many patients. We believe that you will be a fundamental part of turning that aspiration into reality.

Very truly yours,

Signature: Clare Carmichael /s/ Clare Carmichael Date: April 19, 2021
Chief Human Resources Officer
Editas Medicine, Inc.

The foregoing correctly sets forth the terms of my employment by the Company. I am not relying on any other representation, except as set forth in this Offer Letter.

Signature: Mark S. Shearman /s/ Mark S. Shearman Date: April 19, 2021

Exhibit A

Non-Solicitation, Non-Competition, Confidentiality and Assignment Agreement

Exhibit 10.3

SUMMARY OF NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Effective: June 15, 2021

The board of directors (the "**Board**") of Editas Medicine, Inc. (the "**Company**") has approved a non-employee director compensation program. Under this non-employee director compensation program, the Company pays its non-employee directors retainers in cash. Each non-employee director receives a cash retainer for service on the Board and for service on each committee of which the director is a member. The chairmen of the Board and of each committee receives higher retainers for such service. The amounts of the fees paid to each non-employee director for service on the board of directors and for service on each committee of the board of directors on which the director is a member are as follows:

	Member Annual Fee	Chairman Annual Fee
Board of Directors	$ 40,000	$ 75,000
Audit Committee	$ 7,500	$ 15,000
Organization, Leadership and Compensation Committee	$ 5,000	$ 12,000
Nominating and Corporate Governance Committee	$ 5,000	$ 10,000
Science and Technology Committee	$ 5,000	$ 10,000

Any non-employee director serving as the Board-appointed lead independent director also receives an annual fee of $25,000, in addition to any fees such director receives for his or her service on the Board or any committees thereof.

These fees are payable in arrears in four equal quarterly installments on the last day of each quarter, provided that the amount of such payment shall be prorated for any portion of such quarter during which the director was not serving. The Company also reimburses its non-employee directors for reasonable travel and other expenses incurred in connection with attending Board and committee meetings. Additionally, the Board may establish other committees from time to time that include fees for both members and chairpersons, as well as per meeting fees.

Under the Company's non-employee director compensation program, each non-employee director shall be granted automatically and without the need for further Board action, under the Company's 2015 Stock Incentive Plan, on the date of his or her initial election to the Board, a stock option having a grant date fair value of $600,000, as calculated by the Company in accordance with Accounting Standards Codification Topic No. 718 ("**ASC 718**") with the terms of such option as set forth in this paragraph; provided that in no event shall such option be granted with respect to more than 50,000 shares of Company common stock (the "**Initial Option Grant**"). The Initial Option Grant shall vest as to one-third of the shares of the Company's common stock underlying such option on each anniversary of the grant date until the third anniversary of the grant date, subject to the non-employee director's continued service as a director through such vesting date. Further, on the date of the first Board meeting held after each annual meeting of stockholders, each non-employee director that has served on the Board

for at least four months shall be granted automatically and without the need for further Board action, under the 2015 Stock Incentive Plan, a stock option having a grant date fair value of $300,000, as calculated by the Company in accordance with ASC 718 with the terms of such option as set forth in this paragraph, provided that in no event shall such option be granted with respect to more than 25,000 shares of the Company's common stock (the "**Annual Option Grant**). The Annual Option Grant shall vest in full on the one-year anniversary of the grant date, subject to the non-employee director's continued service as a director through such date. Each of the Initial Option Grant and the Annual Option Grant shall have an exercise price equal to the closing trading price of the Company's common stock on the date of grant (or most recent preceding trading date if the grant date is not a trading day) and shall become exercisable in full upon a change in control of the Company.

Exhibit 31.1

CERTIFICATIONS

I, James C. Mullen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Editas Medicine, Inc.;
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 5, 2021

By: /s/ James C. Mullen
James C. Mullen
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Michelle Robertson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Editas Medicine, Inc.;
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 5, 2021

By: /s/ Michelle Robertson
Michelle Robertson
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATIONS OF CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report on Form 10-Q of Editas Medicine, Inc. (the "Company") for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to (section) 906 of the Sarbanes-Oxley Act of 2002, that to the best of her or his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2021

By: /s/ James C. Mullen
James C. Mullen
Chief Executive Officer

Date: August 5, 2021

By: /s/ Michelle Robertson
Michelle Robertson
Chief Financial Officer