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

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**FORM 10-Q**

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(Mark One)

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

For the quarterly period ended September 30, 2022

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

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

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Delaware  
(State or other jurisdiction of  
incorporation or organization)

11 Hurley Street  
Cambridge, Massachusetts  
(Address of principal executive offices)

46-4097528  
(I.R.S. Employer  
Identification No.)

02141  
(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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 October 28, 2022 was 68,762,960.

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**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)**

	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 210,704	\$ 203,519
Marketable securities	208,913	296,326
Accounts receivable	120	267
Prepaid expenses and other current assets	6,892	7,198
Total current assets	<u>426,629</u>	<u>507,310</u>
Marketable securities	58,844	120,071
Property and equipment, net	15,494	17,118
Right-of-use assets	22,532	26,173
Restricted cash and other non-current assets	7,530	6,811
Total assets	<u>\$ 531,029</u>	<u>\$ 677,483</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 6,836	\$ 5,050
Accrued expenses	19,259	20,192
Deferred revenue, current	4,221	11,333
Operating lease liabilities	11,973	10,309
Total current liabilities	<u>42,289</u>	<u>46,884</u>
Operating lease liabilities, net of current portion	9,328	16,069
Deferred revenue, net of current portion	64,667	60,888
Total liabilities	<u>116,284</u>	<u>123,841</u>
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; 68,761,729 and 68,489,257 shares issued, and 68,761,729 and 68,435,257 shares outstanding at September 30, 2022 and December 31, 2021, respectively	7	7
Additional paid-in capital	1,436,422	1,411,827
Accumulated other comprehensive loss	(4,291)	(493)
Accumulated deficit	(1,017,393)	(857,699)
Total stockholders' equity	<u>414,745</u>	<u>553,642</u>
Total liabilities and stockholders' equity	<u>\$ 531,029</u>	<u>\$ 677,483</u>

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 share and per share data)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Collaboration and other research and development revenues	\$ 42	\$ 6,197	\$ 13,176	\$ 13,075
Operating expenses:				
Research and development	41,326	29,265	122,960	104,954
General and administrative	16,236	16,185	52,720	59,657
Total operating expenses	<u>57,562</u>	<u>45,450</u>	<u>175,680</u>	<u>164,611</u>
Operating loss	(57,520)	(39,253)	(162,504)	(151,536)
Other income, net:				
Other income, net	1	19	4	38
Interest income, net	1,793	152	2,806	432
Total other income, net	<u>1,794</u>	<u>171</u>	<u>2,810</u>	<u>470</u>
Net loss	<u>\$ (55,726)</u>	<u>\$ (39,082)</u>	<u>\$ (159,694)</u>	<u>\$ (151,066)</u>
Net loss per share, basic and diluted	\$ (0.81)	\$ (0.57)	\$ (2.33)	\$ (2.24)
Weighted-average common shares outstanding, basic and diluted	68,736,125	68,219,742	68,621,574	67,371,246

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	\$ (55,726)	\$ (39,082)	\$ (159,694)	\$ (151,066)
Other comprehensive (loss) income:				
Unrealized (loss) gain on marketable debt securities	(904)	7	(3,798)	(18)
Comprehensive loss	<u>\$ (56,630)</u>	<u>\$ (39,075)</u>	<u>\$ (163,492)</u>	<u>\$ (151,084)</u>

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 Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balance at December 31, 2021</b>	68,435,257	\$ 7	\$ 1,411,827	\$ (493)	\$ (857,699)	\$ 553,642
Exercise of stock options	12,573	—	218	—	—	218
Vesting of restricted common stock awards	154,834	—	—	—	—	—
Stock-based compensation expense	—	—	11,431	—	—	11,431
Unrealized loss on marketable debt securities	—	—	—	(2,016)	—	(2,016)
Net loss	—	—	—	—	(50,515)	(50,515)
<b>Balance at March 31, 2022</b>	68,602,664	\$ 7	\$ 1,423,476	\$ (2,509)	\$ (908,214)	\$ 512,760
Exercise of stock options	20	—	—	—	—	—
Vesting of restricted common stock awards	77,884	—	—	—	—	—
Stock-based compensation expense	—	—	6,618	—	—	6,618
Purchase of common stock under benefit plans	37,866	—	367	—	—	367
Unrealized loss on marketable debt securities	—	—	—	(878)	—	(878)
Net loss	—	—	—	—	(53,453)	(53,453)
<b>Balance at June 30, 2022</b>	68,718,434	\$ 7	\$ 1,430,461	\$ (3,387)	\$ (961,667)	\$ 465,414
Exercise of stock options	4,976	—	80	—	—	80
Vesting of restricted common stock awards	38,319	—	—	—	—	—
Stock-based compensation expense	—	—	5,881	—	—	5,881
Unrealized loss on marketable debt securities	—	—	—	(904)	—	(904)
Net loss	—	—	—	—	(55,726)	(55,726)
<b>Balance at September 30, 2022</b>	68,761,729	\$ 7	\$ 1,436,422	\$ (4,291)	\$ (1,017,393)	\$ 414,745

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	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Gain	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balance at December 31, 2020</b>	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)
<b>Balance at March 31, 2021</b>	<u>67,472,615</u>	<u>\$ 7</u>	<u>\$ 1,359,987</u>	<u>\$ (73)</u>	<u>\$ (721,925)</u>	<u>\$ 637,996</u>
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)
<b>Balance at June 30, 2021</b>	<u>68,159,786</u>	<u>\$ 7</u>	<u>\$ 1,390,606</u>	<u>\$ (71)</u>	<u>\$ (777,181)</u>	<u>\$ 613,361</u>
Exercise of stock options	86,985	—	2,496	—	—	2,496
Vesting of restricted common stock awards	73,888	—	—	—	—	—
Stock-based compensation expense	—	—	10,012	—	—	10,012
Purchase of common stock under benefit plans	—	—	—	—	—	—
Unrealized gain on marketable debt securities	—	—	—	7	—	7
Net loss	—	—	—	—	(39,082)	(39,082)
<b>Balance at September 30, 2021</b>	<u>68,320,659</u>	<u>\$ 7</u>	<u>\$ 1,403,114</u>	<u>\$ (64)</u>	<u>\$ (816,263)</u>	<u>\$ 586,794</u>

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)**

	Nine Months Ended September 30,	
	2022	2021
<b>Cash flow from operating activities</b>		
Net loss	\$ (159,694)	\$ (151,066)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	23,930	35,742
Depreciation	4,760	3,542
Other non-cash items, net	(226)	1,332
Changes in operating assets and liabilities:		
Accounts receivable	147	5,797
Prepaid expenses and other current assets	307	1,414
Right-of-use assets	3,641	7,080
Other non-current assets	(719)	(2,077)
Accounts payable	1,674	(2,978)
Accrued expenses	(485)	(9,439)
Deferred revenue	(3,333)	(11,372)
Operating lease liabilities	(5,078)	(7,196)
Net cash used in operating activities	<u>(135,076)</u>	<u>(129,221)</u>
<b>Cash flow from investing activities</b>		
Purchases of property and equipment	(3,494)	(5,132)
Proceeds from the sale of equipment	18	—
Purchases of marketable securities	(209,782)	(304,570)
Proceeds from maturities of marketable securities	354,854	278,076
Net cash provided by (used in) investing activities	<u>141,596</u>	<u>(31,626)</u>
<b>Cash flow from financing activities</b>		
Proceeds from offering of common stock, net of issuance costs	—	249,458
Proceeds from exercise of stock options	298	31,065
Issuance of common stock under benefit plans	367	526
Net cash provided by financing activities	<u>665</u>	<u>281,049</u>
Net increase in cash, cash equivalents, and restricted cash	7,185	120,202
Cash, cash equivalents, and restricted cash, beginning of period	207,396	143,559
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 214,581</u>	<u>\$ 263,761</u>
<b>Supplemental disclosure of cash and non-cash activities:</b>		
Fixed asset additions included in accounts payable and accrued expenses	\$ 413	\$ 597
Cash paid in connection with operating lease liabilities	11,894	8,918
Right-of-use assets obtained in exchange of operating lease obligations	4,708	9,753

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 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, Inc., a wholly-owned subsidiary of the Bristol-Myers Squibb Company (“BMS”), and payments received under a strategic alliance and option agreement with Allergan Pharmaceuticals International Limited, 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 September 30, 2022, the Company has not sold any shares of its 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 September 30, 2022 will enable it to fund its operating expenses and capital expenditure requirements into 2024. The Company had an accumulated deficit of \$1.0 billion at September 30, 2022, 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, 2021 (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 September 30, 2022 and 2021 are referred to as the third quarter of 2022 and 2021, 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 September 30, 2022 (in thousands):

September 30, 2022	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>Cash equivalents and marketable securities:</b>					
Money market funds	\$ 210,705	\$ —	\$ —	\$ —	\$ 210,705
Government agency securities	126,455	—	2	(2,911)	123,546
U.S. Treasuries	68,568	—	9	(425)	68,152
Commercial paper	42,134	—	—	(100)	42,034
Corporate notes/bonds	34,890	—	—	(866)	34,024
Total	<u>\$ 482,752</u>	<u>\$ —</u>	<u>\$ 11</u>	<u>\$ (4,302)</u>	<u>\$ 478,461</u>

Cash equivalents and marketable securities consisted of the following at December 31, 2021 (in thousands):

December 31, 2021	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>Cash equivalents and marketable securities:</b>					
Money market funds	\$ 203,519	\$ —	\$ —	\$ —	\$ 203,519
U.S. Treasuries	124,016	—	1	(84)	123,933
Government agency securities	126,927	—	—	(228)	126,699
Commercial paper	89,699	—	1	(13)	89,687
Corporate notes/bonds	76,248	—	—	(170)	76,078
Total	<u>\$ 620,409</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ (495)</u>	<u>\$ 619,916</u>

As of September 30, 2022, the Company held three marketable securities that were in a continuous unrealized loss position. The Company neither intends to sell these marketable securities, nor does it believe that it is more-likely-than-not to conclude it will have to sell them before recovery of their carrying values. The Company also believes that it will be able to collect both principal and interest amounts due to it at maturity. Furthermore, the Company has determined that there were no material changes in the credit risk of the debt securities. As of September 30, 2022, the Company holds 25 securities with an aggregate fair value of \$58.8 million that had remaining maturities between one and two years.

There were no realized gains or losses on available-for-sale securities during the nine months ended September 30, 2022 or 2021.

#### 4. Fair Value Measurements

Assets measured at fair value on a recurring basis as of September 30, 2022 were as follows (in thousands):

Financial Assets	September 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Cash equivalents:</b>				
Money market funds	\$ 210,705	\$ 210,705	\$ —	\$ —
<b>Marketable securities:</b>				
Government agency securities	123,546	—	123,546	—
U.S. Treasuries	68,152	68,152	—	—
Commercial paper	42,034	—	42,034	—
Corporate notes/bonds	34,024	—	34,024	—
<b>Restricted cash and other non-current assets:</b>				
Money market funds	3,877	3,877	—	—
Total financial assets	<u>\$ 482,338</u>	<u>\$ 282,734</u>	<u>\$ 199,604</u>	<u>\$ —</u>

Assets measured at fair value on a recurring basis as of December 31, 2021 were as follows (in thousands):

Financial Assets	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Cash equivalents:</b>				
Money market funds	\$ 203,519	\$ 203,519	\$ —	\$ —
<b>Marketable securities:</b>				
U.S. Treasuries	123,933	123,933	—	—
Government agency securities	126,699	—	126,699	—
Commercial paper	89,687	—	89,687	—
Corporate bonds	76,078	—	76,078	—
<b>Restricted cash and other non-current assets:</b>				
Money market funds	3,877	3,877	—	—
Total financial assets	<u>\$ 623,793</u>	<u>\$ 331,329</u>	<u>\$ 292,464</u>	<u>\$ —</u>

## 5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	As of	
	September 30, 2022	December 31, 2021
Employee related expenses	\$ 9,388	\$ 10,159
External research and development expenses	7,176	5,614
Intellectual property and patent related fees	1,304	1,408
Professional service expenses	1,098	2,345
Other expenses	293	666
Total accrued expenses	<u>\$ 19,259</u>	<u>\$ 20,192</u>

## 6. Property and Equipment, net

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

	As of	
	September 30, 2022	December 31, 2021
Laboratory equipment	\$ 24,223	\$ 21,579
Leasehold improvements	8,834	8,162
Construction-in-progress	1,202	1,529
Computer equipment	875	876
Furniture and office equipment	264	264
Software	215	215
Total property and equipment	<u>35,613</u>	<u>32,625</u>
Less: accumulated depreciation	<u>(20,119)</u>	<u>(15,507)</u>
Property and equipment, net	<u>\$ 15,494</u>	<u>\$ 17,118</u>

## 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 \$2.2 million and \$6.1 million in expense during the three and nine months ended September 30, 2022, respectively, for such reimbursement. The Company incurred an aggregate of \$1.8 million and \$9.0 million in expense during the three and nine months ended September 30, 2021, 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 September 30, 2022, the Company's contract liabilities were primarily related to the Company's collaboration with BMS. The following table presents changes in the Company's accounts receivable and contract liabilities for the nine months ended September 30, 2022 (in thousands):

<b>For the nine months ended September 30, 2022</b>	<b>Balance at December 31, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at September 30, 2022</b>
Accounts receivable	\$ 267	\$ 1,694	\$ (1,841)	\$ 120
Contract liabilities:				
Deferred revenue	\$ 72,221	\$ 8,150	\$ (11,483)	\$ 68,888

During the three and nine months ended September 30, 2022, the Company recognized the following collaboration revenue (in thousands):

<b>Revenue recognized in the period from:</b>	<b>Three Months Ended</b>	<b>Nine Months Ended</b>
	<b>September 30, 2022</b>	
Amounts included in deferred revenue at the beginning of the period	\$ —	\$ 11,483
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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Research and development	\$ 3,045	\$ 4,552	\$ 9,803	\$ 12,689
General and administrative	2,836	5,460	14,127	23,053
Total stock-based compensation expense	<u>\$ 5,881</u>	<u>\$ 10,012</u>	<u>\$ 23,930</u>	<u>\$ 35,742</u>

### Restricted Stock and Restricted Stock Unit Awards

The following is a summary of restricted stock and restricted stock unit awards activity for the nine months ended September 30, 2022:

	Shares	Weighted Average Grant Date Fair Value Per Share
<b>Unvested restricted stock and restricted stock unit awards as of December 31, 2021</b>	628,732	\$ 41.28
Issued	1,334,826	\$ 15.57
Vested	(271,037)	\$ 44.69
Forfeited	(188,839)	\$ 31.88
<b>Unvested restricted stock and restricted stock unit awards as of September 30, 2022</b>	<u>1,503,682</u>	<u>\$ 19.02</u>

The restricted stock and restricted stock units issued in the nine months ended September 30, 2022 include 563,294 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 September 30, 2022, total unrecognized compensation expense related to unvested restricted stock and restricted stock unit awards was \$16.0 million, which the Company expects to recognize over a remaining weighted-average period of 2.79 years.

### Stock Options

The following is a summary of stock option activity for the nine months ended September 30, 2022:

	Shares	Weighted Average Exercise Price	Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
<b>Outstanding at December 31, 2021</b>	3,016,085	\$ 34.24	7.5	\$ 5,052,469
Granted	2,749,534	\$ 14.64		
Exercised	(17,569)	\$ 16.97		
Cancelled	(531,926)	\$ 30.78		
<b>Outstanding at September 30, 2022</b>	<u>5,216,124</u>	\$ 24.32	8.2	\$ 1,534,373
Exercisable at September 30, 2022	<u>1,906,975</u>	\$ 30.80	6.8	\$ 807,066

As of September 30, 2022, total unrecognized compensation expense related to stock options was \$37.0 million, which the Company expects to recognize over a remaining weighted-average period of 3.1 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 Nine Months Ended	
	September 30,	
	2022	2021
Unvested restricted stock and restricted stock unit awards	1,503,682	750,456
Outstanding stock options	5,216,124	3,083,415
Total	6,719,806	3,833,871

## **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, 2021, which was filed with the Securities and Exchange Commission (“SEC”) on February 24, 2022 (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, as well as expectations for cash runway, 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 the Annual Report under the captions “Risk Factor Summary” and Part I, “Item 1A. Risk Factors,” as updated by our subsequent filings with the SEC. 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 clinical stage genome editing company dedicated to developing potentially transformative genomic 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 induced human pluripotent stem cells that are subsequently differentiated into effector cells, such as natural killer (“NK”) cells, to develop medicines that can be administered to a 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 CEP290-related retinal degenerative disorder for which we are not aware of any available therapies. In mid-2019, we initiated our Phase 1/2 BRILLIANCE clinical trial of EDIT-101, an experimental gene editing medicine to treat LCA10. The BRILLIANCE trial is designed to assess the safety, tolerability, and efficacy of EDIT-101 in up to five cohorts of patients. We completed dosing of the first of the



three initially planned cohorts, the adult low-, mid- and high-dose cohorts in 2021, and earlier this year commenced dosing of the pediatric mid-dose cohort.

In the third quarter of 2021, we released preliminary clinical data from the first six patients with LCA10 treated with EDIT-101 demonstrating a favorable safety profile and encouraging signals of clinical benefit. For additional information regarding these clinical data, please see Part I, “Item 1. Business—Our Gene Editing Medicine Programs—In Vivo Gene Editing Medicines - Ocular—Leber Congenital Amaurosis 10” in the Annual Report. We remain on track to provide an update on the Phase 1/2 BRILLIANCE clinical trial in November 2022, including safety data on all dosed adult and pediatric patients and efficacy data on the adult mid- and high-dose cohorts.

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 transfusion-dependent beta-thalassemia (“TDT”), the most severe form of beta-thalassemia, another inherited blood disorder characterized by severe anemia. In January 2021, the U.S. Food and Drug Administration (the “FDA”) cleared the start of enrollment and dosing of patients in the first phase of our Phase 1/2 clinical trial of EDIT-301, which we refer to as our RUBY trial, for the treatment of severe sickle cell disease. This study is designed to validate the safety and beneficial effects of the cell editing process. We recently dosed the second patient in the RUBY trial and continue to enroll study participants. We remain on track to present initial preliminary clinical data for the RUBY trial by the end of 2022, which will include efficacy data from the first treated patient, as well as safety data from the first two treated patients. In July 2022, the FDA removed the previously disclosed partial clinical hold on the RUBY trial, enabling us to include efficacy data from patients in a marketing application for EDIT-301 in the future. In December 2021, the FDA cleared our Investigational New Drug (“IND”) application for a Phase 1/2 clinical trial of EDIT-301 for the treatment of TDT. This trial, referred to as our EDITHAL trial, is designed to assess the safety, tolerability, and preliminary efficacy of EDIT-301 for the treatment of TDT. We have completed editing CD34+ hematopoietic stem cells for the first enrolled patient and are scheduling dosing.

In cellular therapy medicines, we continue to develop our capabilities to generate cells from induced human pluripotent stem cells to develop engineered cell medicines to treat cancer. We have advanced development of engineered iPSC-derived NK (“iNK”) cell medicines for solid tumors and generated edited NK cells from iPSCs with significantly increased anti-cancer activity. In December 2021, we declared a development candidate, referred to as EDIT-202, a highly differentiated iNK investigational medicine currently in preclinical development with double knock-in and double knock-out gene edits that are intended to enhance adaptive immune response and improve cell proliferation, cytolytic activity and persistence, as well as overcome suppressive tumor microenvironments. We are advancing EDIT-202 towards IND-enabling studies. We are also advancing alpha-beta T cell experimental medicines in collaboration with Bristol-Myers Squibb Company (“BMS”). In May 2015, we entered into a collaboration with Juno Therapeutics, Inc., a wholly-owned subsidiary of BMS (“Juno Therapeutics”), 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 BMS.

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 BMS and our former strategic alliance with Allergan Pharmaceuticals International Limited (together with its affiliates, “Allergan”), which was terminated in August 2020.

Since inception, we have incurred significant operating losses. Our net losses were \$159.7 million and \$151.1 million for the nine months ended September 30, 2022 and 2021, respectively. As of September 30, 2022, we had an accumulated deficit of \$1.0 billion. 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 our clinical trials; seek to identify additional research programs and additional product candidates; initiate preclinical testing and clinical trials for other product candidates we identify and develop; 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; hire additional clinical, quality control, and scientific personnel; and incur additional costs associated with operating as a public company. We do not expect to be profitable for the year ending December 31, 2022 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 nine months ended September 30, 2022, the pandemic has continuously evolved with new, more contagious, variants emerging from time to time, and near-term risks to our business remain. In response to COVID-19 and these variants, governments have implemented a variety of responses, including government-imposed quarantines, travel restrictions and other public health safety measures. We have taken steps in line with guidance from the U.S. Centers for Disease Control and Prevention and the Commonwealth of Massachusetts and the State of Colorado, the jurisdictions in which we primarily operate our business, to protect the health and safety of our employees and the community. After previously implementing a work from home policy and restricting on-site activities at our facilities in Massachusetts and Colorado, we fully reopened these facilities in the third quarter of 2021 using a hybrid work model. We have when needed reimposed the work from home policy and on-site activity restrictions in response to local increases in COVID-19 cases, and may do so again in the future as appropriate. 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 BMS, we have received an aggregate of \$128.5 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 from BMS. As of September 30, 2022, we recorded \$56.7 million of deferred revenue in relation to our collaboration with BMS, all of which is classified as long-term on our condensed consolidated balance sheet. Under this collaboration, we will recognize revenue upon delivery of option packages to BMS 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 BMS collaboration, see Part II, “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Revenue Recognition” included in the Annual Report.

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

### ***Expenses***

#### ***Research and Development Expenses***

Research and development expenses consist primarily of costs incurred for our research, preclinical development, process and scale-up development, manufacture and clinical development of our product candidates, and development activities under our collaboration agreements. These costs are expensed as incurred and include:

- employee-related expenses including salaries, benefits, and stock-based compensation expense;
- costs under clinical trial agreements with investigative sites;

- costs associated with conducting our preclinical, process and scale-up development, manufacturing, clinical and regulatory activities, including fees paid to third-party professional consultants, service providers and suppliers;
- costs of purchasing lab supplies and non-capital equipment used in our preclinical activities and in manufacturing preclinical and clinical study materials;
- costs for research and development activities under our collaboration agreements;
- 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.

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 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 our clinical trials as well as support 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 agreement with The Broad Institute, Inc. and the President and Fellows of Harvard College, we anticipate general and administrative expenses will continue to be significant.

#### *Other Income, Net*

For the nine months ended September 30, 2022, other income, net consisted primarily of interest income and accretion of discounts associated with marketable securities.

For the nine months ended September 30, 2021, other income, net consisted primarily of interest income, partially offset by accretion of discounts associated with 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 Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" in the Annual Report.

## Results of Operations

### Comparison of the Three Months ended September 30, 2022 and 2021

The following table summarizes our results of operations for the three months ended September 30, 2022 and 2021, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Three Months Ended September 30,		Dollar Change	Percentage Change
	2022	2021		
Collaboration and other research and development revenues	\$ 42	\$ 6,197	\$ (6,155)	(99) %
Operating expenses:				
Research and development	41,326	29,265	12,061	41 %
General and administrative	16,236	16,185	51	n/m
Total operating expenses	57,562	45,450	12,112	27 %
Other income, net:				
Other income, net	1	19	(18)	(95) %
Interest income, net	1,793	152	1,641	n/m
Total other income, net	1,794	171	1,623	n/m
Net loss	\$ (55,726)	\$ (39,082)	\$ (16,644)	43 %

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 \$6.1 million, to \$42 thousand for the three months ended September 30, 2022, compared to \$6.2 million for three months ended September 30, 2021. This decrease was primarily attributable to BMS's exercise in the third quarter of 2021 of its option for an additional program under our collaboration with BMS, for which there was no corresponding revenue in the third quarter of 2022.

#### Research and development expenses

Research and development expenses increased by \$12.1 million, to \$41.3 million for the three months ended September 30, 2022, compared to \$29.2 million for the three months ended September 30, 2021. The following table summarizes our research and development expenses for the three months ended September 30, 2022 and 2021, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Three Months Ended September 30,		Dollar Change	Percentage Change
	2022	2021		
External research and development expenses	\$ 17,449	\$ 10,777	\$ 6,672	62 %
Employee related expenses	11,768	10,177	1,591	16 %
Facility expenses	5,414	4,085	1,329	33 %
Stock-based compensation expenses	3,045	4,552	(1,507)	(33) %
Other expenses	2,612	(1,371)	3,983	n/m
Sublicense and license fees	1,038	1,045	(7)	(1) %
Total research and development expenses	\$ 41,326	\$ 29,265	\$ 12,061	41 %

The increase in research and development expenses for the three months ended September 30, 2022 compared to the three months ended September 30, 2021 was primarily attributable to:

- approximately \$6.7 million in increased external research and development expenses related primarily to the clinical and manufacturing development of EDIT-301, EDIT-101 and our other programs;
- approximately \$4.0 million in increased other expenses related primarily to a COVID-19 employee retention tax credit recognized in the third quarter of 2021 and increased consulting expenses;
- approximately \$1.6 million in increased employee-related expenses primarily due to an increase in the size of our workforce, including a new Chief Medical Officer and the expansion of our research and development organization; and
- approximately \$1.3 million in increased facility related expenses primarily related to increased lab and manufacturing space.

These increases were partially offset by approximately \$1.5 million in decreased stock-based compensation expenses primarily due to one-time equity awards granted in 2021, for which there were no similar awards in 2022.

*General and administrative expenses*

General and administrative expenses remained flat at \$16.2 million for the three months ended September 30, 2022, and 2021. The following table summarizes our general and administrative expenses for the three months ended September 30, 2022 and 2021, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	<b>Three Months Ended September 30,</b>		<b>Dollar Change</b>	<b>Percentage Change</b>
	<b>2022</b>	<b>2021</b>		
Employee related expenses	\$ 4,709	\$ 4,163	\$ 546	13 %
Intellectual property and patent related fees	3,630	3,378	252	7 %
Stock-based compensation expenses	2,836	5,460	(2,624)	(48)%
Facility and other expenses	2,548	1,641	907	55 %
Professional service expenses	2,513	1,543	970	63 %
Total general and administrative expenses	<u>\$ 16,236</u>	<u>\$ 16,185</u>	<u>\$ 51</u>	n/m

The increase in general and administrative expenses for the three months ended September 30, 2022 compared to the three months ended September 30, 2021 was primarily attributable to:

- approximately \$1.0 million in increased professional service expenses;
- approximately \$0.9 million in increased facility and other expenses;
- approximately \$0.5 million in increased employee related expenses; and
- approximately \$0.2 million in increased intellectual property and patent related fees.

These increases were partially offset by approximately \$2.6 million in decreased stock-based compensation expense primarily related to performance awards granted in 2021 to our former Chief Executive Officer that were achieved or deemed probable in the third quarter of 2021, for which there was no similar expense in the third quarter of 2022.

*Other income, net*

For the three months ended September 30, 2022, other income, net was \$1.8 million, which was primarily attributable to interest income and accretion of discounts associated with marketable securities.

For the three months ended September 30, 2021, other income, net was \$0.2 million, which was primarily attributable to interest income partially offset by accretion of discounts associated with marketable securities.

***Comparison of the Nine Months ended September 30, 2022 and 2021***

The following table summarizes our results of operations for the nine months ended September 30, 2022 and 2021, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Nine Months Ended September 30,		Dollar Change	Percentage Change
	2022	2021		
Collaboration and other research and development revenues	\$ 13,176	\$ 13,075	\$ 101	1 %
Operating expenses:				
Research and development	122,960	104,954	18,006	17 %
General and administrative	52,720	59,657	(6,937)	(12) %
Total operating expenses	175,680	164,611	11,069	7 %
Other income, net				
Other income, net	4	38	(34)	(89) %
Interest income, net	2,806	432	2,374	n/m
Total other income, net	2,810	470	2,340	n/m
Net loss	<u>\$ (159,694)</u>	<u>\$ (151,066)</u>	<u>\$ (8,628)</u>	6 %

*Collaboration and other research and development revenues*

Collaboration and other research and development revenues increased by \$0.1 million, to \$13.2 million, for the nine months ended September 30, 2022 from \$13.1 million for nine months ended September 30, 2021. This increase was primarily attributable to a milestone payment received under one of our license agreements in the nine months ended September 30, 2022.

*Research and development expenses*

Research and development expenses increased by \$18.0 million, to \$123.0 million, for the nine months ended September 30, 2022 from \$105.0 million for the nine months ended September 30, 2021. The following table summarizes our research and development expenses for the nine months ended September 30, 2022 and 2021, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Nine Months Ended September 30,		Dollar Change	Percentage Change
	2022	2021		
External research and development expenses	\$ 52,073	\$ 38,290	\$ 13,783	36 %
Employee related expenses	35,502	29,926	5,576	19 %
Facility expenses	14,476	12,042	2,434	20 %
Stock-based compensation expenses	9,803	12,689	(2,886)	(23) %
Other expenses	6,580	1,334	5,246	n/m
Sublicense and license fees	4,526	10,673	(6,147)	(58) %
Total research and development expenses	<u>\$ 122,960</u>	<u>\$ 104,954</u>	<u>\$ 18,006</u>	17 %

The increase in research and development expenses for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 was primarily attributable to:

- approximately \$13.8 million in increased external research and development expenses primarily attributable to the clinical and manufacturing development of EDIT-301, EDIT-101 and our other programs;
- approximately \$5.6 million in increased employee related expenses primarily due to an increase in the size of our workforce, including a new Chief Medical Officer and the expansion of our research and development organization;
- approximately \$5.2 million in increased other expenses related primarily to a COVID-19 employee retention tax credit recognized in the third quarter of 2021 and increased consulting expenses; and
- approximately \$2.4 million in increased facility related expenses primarily related to increased lab and manufacturing space.

These increases were partially offset by:

- approximately \$6.1 million in decreased 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 for which there were no similar fees in 2022; and
- approximately \$2.9 million in decreased stock-based compensation expenses primarily due to one-time equity awards granted in 2021, for which there were no similar awards in 2022.

#### *General and administrative expenses*

General and administrative expenses decreased by \$6.9 million, to \$52.7 million, for the nine months ended September 30, 2022 from \$59.7 million for the nine months ended September 30, 2021. The following table summarizes our general and administrative expenses for the nine months ended September 30, 2022 and 2021, together with the changes in those items in dollars (in thousands) and the respective percentages of change:

	Nine Months Ended September 30,		Dollar Change	Percentage Change
	2022	2021		
Stock-based compensation expenses	\$ 14,127	\$ 23,053	\$ (8,926)	(39) %
Employee related expenses	13,067	13,228	(161)	(1) %
Intellectual property and patent related fees	10,535	13,247	(2,712)	(20) %
Facility and other expenses	7,916	5,894	2,022	34 %
Professional service expenses	7,075	4,235	2,840	67 %
Total general and administrative expenses	<u>\$ 52,720</u>	<u>\$ 59,657</u>	<u>\$ (6,937)</u>	(12) %



The decrease in general and administrative expenses for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 was primarily attributable to:

- approximately \$8.9 million in decreased 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 related to the performance-based awards that were granted to the next Chief Executive Officer and other certain employees in 2021, under which a single performance obligation was achieved and fully recognized in 2021, for which there were no similar expenses recognized in 2022;
- approximately \$2.7 million in decreased intellectual property and patent related fees primarily resulting from decreased legal fees related to the prosecution and maintenance of our patents; and
- approximately \$0.2 million in decreased employee related expenses.

These decreases were partially offset by:

- approximately \$2.8 million in increased professional service expenses; and
- approximately \$2.0 million in increased facility and other expenses.

#### *Other income, net*

For the nine months ended September 30, 2022, other income, net was \$2.8 million, which was primarily attributable to interest income and accretion of discounts associated with marketable securities.

For the nine months ended September 30, 2021, other income, net was \$0.5 million, which was primarily attributable to interest income partially offset by accretion of discounts associated with marketable securities.

### **Liquidity and Capital Resources**

#### ***Sources of Liquidity***

As of September 30, 2022, 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 BMS and our strategic alliance with Allergan, which was terminated in August 2020. As of September 30, 2022, we had cash, cash equivalents and marketable securities of \$478.5 million.

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 September 30, 2022, we have not sold any shares of our common stock under the ATM Facility.

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 BMS. 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 September 30, 2022, our right to contingent payments under our collaboration agreement with BMS is our only significant committed potential external source of funds.

### Cash Flows

The following table provides information regarding our cash flows for the nine months ended September 30, 2022 and 2021 (in thousands):

	Nine Months Ended September 30,	
	2022	2021
Net cash (used in) provided by:		
Operating activities	\$ (135,076)	\$ (129,221)
Investing activities	141,596	(31,626)
Financing activities	665	281,049
Net increase in cash, cash equivalents, and restricted cash	\$ 7,185	\$ 120,202

#### 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 \$135.1 million for the nine months ended September 30, 2022, which primarily consisted of operating expenses that relate to our on-going preclinical and clinical activities, sublicense and license fees, and increased costs as a result of staffing needs due to our expanding operations.

Net cash used in operating activities was approximately \$129.2 million for the nine months ended September 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 Provided by (Used in) Investing Activities

Net cash provided by investing activities was approximately \$141.6 million for the nine months ended September 30, 2022, primarily related to proceeds from maturities of marketable securities of \$354.8 million, partially offset by costs used to acquire marketable securities of \$209.8 million and purchases of property and equipment of \$3.5 million.

Net cash used in investing activities was approximately \$31.6 million for the nine months ended September 30, 2021, primarily related to costs to acquire marketable securities of \$304.6 million and purchases of property and equipment of \$5.1 million, partially offset by proceeds from maturities of marketable securities of \$278.1 million.

#### Net Cash Provided by Financing Activities

Net cash provided by financing activities was approximately \$0.7 million for the nine months ended September 30, 2022, primarily related to proceeds received from issuance of common stock under our employee stock purchase plan and exercises of options for our common stock.

Net cash provided by financing activities was approximately \$281.0 million for the nine months ended September 30, 2021 and consisted of \$249.5 million in net proceeds received from a public offering of our common stock and \$31.1 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 our clinical trials; 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; 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, 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 at September 30, 2022 will enable us to fund our operating expenses and capital expenditure requirements into 2024. Our forecast of the period of time through which our existing cash, cash equivalents and marketable securities will be adequate to support our operations is a forward-looking statement and involves significant risks and uncertainties. We have based this forecast on assumptions that may prove to be wrong, and actual results could vary materially from our expectations, which may adversely affect our capital resources and liquidity. We could utilize our available capital resources sooner than we currently expect. The amount and timing of future funding requirements, both near- and long-term, will depend on many factors, including, but not limited to:

- 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 our clinical trials;
- 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 BMS;
- whether BMS 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.

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**

As of September 30, 2022, we had non-cancelable operating leases with future minimum lease payments for a total of \$23.0 million, of which \$1.6 million will be payable in 2022. These minimum lease payments exclude our share of the facility operating expenses, real-estate taxes and other costs that are reimbursable to the landlord under the leases.

Our agreements with certain institutions to license intellectual property include potential milestone payments and success fees, sublicense fees, royalty fees, licensing maintenance fees, and reimbursement of patent maintenance costs that we may be required to pay. 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. These potential obligations are contingent upon future events and the timing and likelihood of such potential obligations are not known with certainty. For further information regarding these agreements, please see Part I, "Item 1. Business—Our Collaborations and Licensing Strategy" in the Annual Report.

We also enter into contracts in the normal course of business with contract research organizations, contract manufacturing 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 at any time upon prior notice.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

We are exposed to market risk related to changes in interest rates. As of September 30, 2022, we had cash and cash equivalents of \$210.7 million, primarily held in money market mutual funds consisting of U.S. government-backed securities, and marketable securities of \$267.8 million, primarily consisting of U.S. government-backed securities, commercial paper 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 September 30, 2022 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 September 30, 2022. 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 September 30, 2022, 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 the 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.

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 Part I, “Item 1A. Risk Factors” in the Annual Report, includes risks 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 The Broad Institute 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 United States Patent and Trademark Office (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. On February 28, 2022, the PTAB issued a decision regarding the priority phase of the interference determining that Broad was the first entity to invent the claims at issue. This decision has been appealed by CVC and the Broad has cross-appealed. It is uncertain when or in what manner the U.S. Court of Appeals for the Federal Circuit will act on these appeals.

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 September 28, 2022, the PTAB suspended both of these interferences until the U.S. Court of Appeals for the Federal Circuit issues a mandate in the pending appeals related to the second interference between Broad and CVC.

On June 21, 2021, the PTAB declared two new interferences involving a pending U.S. patent application owned by Sigma-Aldrich (the "Sigma-Aldrich application"). One of the two new 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 other Sigma 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 European Patent Office 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 July 18, 2022, we granted our Chief Medical Officer an option to purchase 171,602 shares of our common stock as an inducement to employment in accordance with Nasdaq Listing Rule 5635(c)(4). No underwriters were involved in the foregoing issuance 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 recipient either received adequate information about us or had access, through other relationships, to such information.

The stock option is scheduled to become exercisable as to 25% of the shares underlying the options 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 option has an exercise price of \$14.99 per share.



**Item 6. Exhibits**

Exhibit Index

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
31.1*	<a href="#">Rule 13a-14(a) Certification of Principal Executive Officer</a>
31.2*	<a href="#">Rule 13a-14(a) Certification of Principal Financial Officer</a>
32.1+	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. §1350</a>
101*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets (unaudited), (ii) Condensed Consolidated Statements of Operations (unaudited), (iii) Condensed Consolidated Statements of Comprehensive Loss (unaudited), (iv) Condensed Consolidated Statements of Stockholders' Equity (unaudited), (v) Condensed 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 September 30, 2022, 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: November 2, 2022

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

## CERTIFICATIONS

I, Gilmore O'Neill, 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: November 2, 2022

By: /s/ Gilmore O'Neill

Gilmore O'Neill

Chief Executive Officer

(Principal Executive Officer)

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## 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: November 2, 2022

By: /s/ Michelle Robertson

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Michelle Robertson  
Chief Financial Officer  
(Principal Financial Officer)

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**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 September 30, 2022, 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: November 2, 2022

By: /s/ Gilmore O'Neill

Gilmore O'Neill  
Chief Executive Officer

Date: November 2, 2022

By: /s/ Michelle Robertson

Michelle Robertson  
Chief Financial Officer

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