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To the General Meeting of
CRISPR Therapeutics Ltd, Zug

Basle, February 12, 2026

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of CRISPR Therapeutics Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive loss, of shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles (US GAAP) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, Swiss Standards on Auditing (SA-CH) and the standards of the Public Company Accounting Oversight Board (United States) (PCAOB standards). Our responsibility is to express an opinion on these consolidated financial statements based on our audit and our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are a public accounting firm and are independent of the Group in accordance with the provisions of Swiss law, U.S. federal securities law, as well as the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, the U.S. Securities and Exchange Commission and the PCAOB. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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Critical audit matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Collaboration Expense, Net, Related to Vertex Hemoglobinopathies Collaboration

Description of the Matter	As discussed in Note 8 to the consolidated financial statements, the Company accounts for elements of its Vertex Hemoglobinopathy Agreements with Vertex Pharmaceuticals, Inc. (or "Vertex") under ASC 808. The Company records its share of the net profits and net losses, as applicable, for elements of such agreements as collaboration expense, net on the consolidated statement of operations and comprehensive loss. For the year ended December 31, 2025, the Company reported $213.5 million of collaboration expense, net related to the Vertex Hemoglobinopathy Agreements. Auditing the recognition of collaboration expense, net required a greater extent of audit effort to evaluate the costs recorded, given the material impact of net expense incurred during the year and payable to Vertex as of December 31, 2025.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to record collaboration expense, net. For example, we tested controls over management's review and assessment of the completeness and accuracy of the information used to record collaboration expense, net. Our audit procedures included, among others, inspecting reported information provided by Vertex to the Company related to collaboration expense, net. We performed analytical procedures surrounding period-over-period changes in activity. We also tested settled payments made by the Company throughout the year. In addition, we confirmed directly with Vertex the total shared costs incurred under the Vertex Hemoglobinopathy Agreements for the year, the amount allocated to the Company, and the amount due from the Company to Vertex as of December 31, 2025.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the section 3.1.1 to 4.0 in the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, SA-CH and PCAOB standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with Swiss law, SA-CH and PCAOB standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters arising from the audit of the consolidated financial statements that were communicated or required to be communicated to the Board of Directors and the Audit Committee, we determine those matters that related to accounts or disclosures that are material to the consolidated financial statements and involved especially challenging, subjective, or complex auditor judgment in the current period and are therefore critical audit matters.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

We have served as the Group's auditor since 2013.

Ernst & Young Ltd

Marco Casal
(Qualified Signature)
Licensed audit expert
(Auditor in charge)

Dominique Frutiger
(Qualified Signature)
Licensed audit expert

Enclosures

- Consolidated financial statements (consolidated balance sheets, consolidated statements of operations and comprehensive loss, consolidated statements of shareholders' equity, consolidated statements of cash flows and notes to consolidated financial statements)

CRISPR Therapeutics AG
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 347,559	$ 298,257
Marketable securities	1,628,269	1,605,569
Accounts receivable	—	25,000
Prepaid expenses and other current assets	9,843	8,306
Total current assets	1,985,671	1,937,132
Property and equipment, net	115,851	134,093
Restricted cash	7,629	11,519
Operating lease assets	131,724	143,461
Other non-current assets	24,368	15,829
Total assets	$ 2,265,243	$ 2,242,034
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 11,138	$ 14,709
Accrued expenses	89,407	41,072
Deferred revenue, current	15,771	3,845
Accrued tax liabilities	1,113	451
Operating lease liabilities	18,578	17,288
Other current liabilities	13,113	10,417
Total current liabilities	149,120	87,782
Deferred revenue, non-current	—	12,323
Operating lease liabilities, net of current portion	188,168	206,405
Other non-current liabilities	6,142	3,444
Total liabilities	343,430	309,954
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Common shares, CHF 0.03 nominal value, 132,477,166 shares authorized at December 31, 2025 and December 31, 2024, 96,009,657 and 85,912,297 shares issued at December 31, 2025 and December 31, 2024, respectively, 95,894,341 and 85,741,981 shares outstanding at December 31, 2025 and December 31, 2024, respectively	3,087	2,698
Treasury shares, at cost, 115,316 and 170,316 shares at December 31, 2025 and December 31, 2024, respectively	(60)	(62)
Additional paid-in capital	3,861,516	3,293,556
Accumulated deficit	(1,947,551)	(1,365,952)
Accumulated other comprehensive income	4,821	1,840
Total shareholders' equity	1,921,813	1,932,080
Total liabilities and shareholders' equity	$ 2,265,243	$ 2,242,034

See accompanying notes to these consolidated financial statements.

CRISPR Therapeutics AG
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)

	Years Ended December 31,		
	2025	2024	2023
Revenue:			
Collaboration revenue	$ —	$ 35,000	$ 370,000
Grant revenue	3,510	2,314	1,206
Total revenue	3,510	37,314	371,206
Operating expenses:			
Research and development	284,806	310,236	387,332
Acquired in-process research and development	96,253	—	—
General and administrative	73,542	72,977	76,162
Collaboration expense, net	213,480	120,667	130,250
Total operating expenses	668,081	503,880	593,744
Loss from operations	(664,571)	(466,566)	(222,538)
Other income:			
Other income, net	86,606	103,901	71,816
Total other income, net	86,606	103,901	71,816
Net loss before income taxes	(577,965)	(362,665)	(150,722)
Provision for income taxes	(3,634)	(3,587)	(2,888)
Net loss	(581,599)	(366,252)	(153,610)
Foreign currency translation adjustment	95	(21)	73
Unrealized gain (loss) on marketable securities	2,886	(52)	17,487
Comprehensive loss	$ (578,618)	$ (366,325)	$ (136,050)
Net loss per common share — basic	$ (6.47)	$ (4.34)	$ (1.94)
Basic weighted-average common shares outstanding	89,925,109	84,359,126	79,220,930
Net loss per common share — diluted	$ (6.47)	$ (4.34)	$ (1.94)
Diluted weighted-average common shares outstanding	89,925,109	84,359,126	79,220,930

See accompanying notes to these consolidated financial statements.

CRISPR Therapeutics AG
Consolidated Statements of Shareholders' Equity
(In thousands, except share and per share data)

	Common Shares		Treasury Shares					
	Shares	CHF 0.03 Par Value	Shares	Amount, at cost	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
Balance at December 31, 2022	78,512,450	$ 2,441	180,316	$ (63)	$ 2,734,838	$ (846,090)	$ (15,647)	$ 1,875,479
Issuance of common shares, net of issuance costs of $2.9 million	458,547	15	—	—	32,379	—	—	32,394
Vesting of restricted shares	277,808	10	—	—	—	—	—	10
Exercise of vested options, net of issuance costs of $0.5 million	742,291	31	(10,000)	1	28,071	—	—	28,103
Purchase of common stock under ESPP	53,282	—	—	—	1,839	—	—	1,839
Stock-based compensation expense	—	—	—	—	81,028	—	—	81,028
Other comprehensive income	—	—	—	—	—	—	17,560	17,560
Net loss	—	—	—	—	—	(153,610)	—	(153,610)
Balance at December 31, 2023	80,044,378	$ 2,497	170,316	$ (62)	$ 2,878,155	$ (999,700)	$ 1,913	$ 1,882,803
Issuance of common shares, net of issuance costs of $4.0 million	4,309,521	145	—	—	297,557	—	—	297,702
Vesting of restricted shares	450,701	16	—	—	—	—	—	16
Exercise of vested options, net of issuance costs of $0.8 million	900,136	40	—	—	29,539	—	—	29,579
Purchase of common stock under ESPP	37,245	—	—	—	1,738	—	—	1,738
Stock-based compensation expense	—	—	—	—	86,567	—	—	86,567
Other comprehensive loss	—	—	—	—	—	—	(73)	(73)
Net loss	—	—	—	—	—	(366,252)	—	(366,252)
Balance at December 31, 2024	85,741,981	$ 2,698	170,316	$ (62)	$ 3,293,556	$ (1,365,952)	$ 1,840	$ 1,932,080
Issuance of common shares, net of issuance costs of $9.9 million	8,645,598	332	—	—	467,711	—	—	468,043
Vesting of restricted shares	736,238	28	—	—	—	—	—	28
Exercise of vested options, net of issuance costs of $0.7 million	726,396	29	(55,000)	2	26,275	—	—	26,306
Purchase of common stock under ESPP	44,128	—	—	—	1,475	—	—	1,475
Stock-based compensation expense	—	—	—	—	72,499	—	—	72,499
Other comprehensive loss	—	—	—	—	—	—	2,981	2,981
Net loss	—	—	—	—	—	(581,599)	—	(581,599)
Balance at December 31, 2025	95,894,341	3,087	115,316	(60)	3,861,516	(1,947,551)	4,821	1,921,813

See accompanying notes to these consolidated financial statements.

CRISPR Therapeutics AG
Consolidated Statements of Cash Flows
(In thousands)

	Years Ended December 31,		
	2025	**2024**	**2023**
Operating activities			
Net loss	$ (581,599)	$ (366,252)	$ (153,610)
Reconciliation of net loss to net cash used in operating activities:			
Depreciation and amortization	19,479	19,259	19,837
Stock-based compensation expense	72,499	86,567	81,028
Other non-cash items, net	(23,528)	(38,618)	(16,545)
Acquired in-process research and development	96,253	—	2,500
Changes in:			
Accounts receivable	25,000	175,000	(200,000)
Prepaid expenses and other assets	3,337	5,285	23,219
Accounts payable and accrued expenses	44,894	(27,283)	(20,247)
Deferred revenue	(397)	(1,949)	5,794
Operating lease assets and liabilities	(5,210)	(4,407)	(2,461)
Other liabilities, net	4,258	9,624	110
Net cash used in operating activities	(345,014)	(142,774)	(260,375)
Investing activities			
Purchase of property, plant and equipment	(914)	(1,901)	(9,470)
Purchase of in-process research and development	(25,000)	—	(2,500)
Investment in equity securities	(9,700)	(23,183)	—
Sale of equity securities	702	—	—
Purchases of marketable debt securities	(1,008,170)	(1,463,196)	(1,065,911)
Maturities of marketable debt securities	1,011,277	1,207,799	1,452,528
Net cash used in (provided by) investing activities	(31,805)	(280,481)	374,647
Financing activities			
Proceeds from issuance of common shares, net of issuance costs	398,090	300,695	32,721
Proceeds from exercise of options and ESPP contributions, net of issuance costs	27,936	31,289	29,943
Net cash provided by financing activities	426,026	331,984	62,664
Effect of exchange rate changes on cash	95	(21)	73
Increase (decrease) in cash	49,302	(91,292)	177,009
Cash, cash equivalents and restricted cash, beginning of period	309,776	401,068	224,060
Cash, cash equivalents and restricted cash, end of period	$ 359,078	$ 309,776	$ 401,068
Supplemental disclosure of non-cash investing and financing activities			
Property and equipment purchases in accounts payable and accrued expenses	$ 394	$ 154	$ 725
Equity issuance costs in accounts payable and accrued expenses	$ 4,799	$ 3,371	$ 417
Acquired in-process research and development expense related to issuance of common shares	$ 71,253	$ —	$ —

Reconciliation to amounts within the consolidated balance sheets	As of December 31,		
	2025	**2024**	**2023**
Cash and cash equivalents	347,559	298,257	389,477
Restricted cash included in prepaid expenses and other current assets	3,890	—	—
Restricted cash	7,629	11,519	11,591
Total	$ 359,078	$ 309,776	$ 401,068

See accompanying notes to these consolidated financial statements.

1. Organization and Operations

CRISPR Therapeutics AG ("CRISPR" or the "Company") was incorporated on October 31, 2013 in Basel, Switzerland. The Company was established to translate CRISPR/Cas9, a genome editing technology, into transformative gene-based medicines for the treatment of serious human diseases. The foundational intellectual property underlying the Company's operations was licensed to the Company in April 2014. The Company devotes substantially all of its efforts to product research and development activities, initial market development and raising capital. The Company's principal offices are in Zug, Switzerland, with the U.S. headquarters for research and development in Boston, Massachusetts, additional research and development based in San Francisco, California, and a cell therapy manufacturing facility in Framingham, Massachusetts.

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, third party collaborations, 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.

The Company had an accumulated deficit of $1,947.6 million as of December 31, 2025 and has financed its operations to date from a series of preferred shares and convertible loan issuances, proceeds obtained from its initial public offering, or IPO, subsequent public offerings of its common shares, at-the-market offerings, as well as upfront fees and milestones received under its collaboration, license and joint venture arrangements. The Company will require additional capital to fund its research and development and ongoing operating expenses.

As of December 31, 2025, the Company had cash, cash equivalents and marketable securities of $1,975.8 million. While the Company was in a net income position in certain previous years due to upfront payments associated with the Company's collaborations and license agreements with Vertex Pharmaceuticals Incorporated and certain of its subsidiaries, or Vertex, the Company has a history of recurring losses and expects to continue to incur losses for the foreseeable future. The Company expects its cash and cash equivalents and marketable securities will be sufficient to fund current planned operations for at least the next twenty-four months.

2. Summary of Significant Accounting Policies and Basis of Presentation

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or GAAP, and include the accounts of the Company and its wholly-owned subsidiaries as of December 31, 2025. All intercompany accounts and transactions have been eliminated. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification, or ASC, and Accounting Standards Updates, or ASUs, of the Financial Accounting Standards Board, or FASB.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, the Company's management evaluates its estimates, which include, but are not limited to, revenue recognition, equity-based compensation expense and reported amounts of research and development expenses during the period. The Company bases its estimates on historical experience and other market-specific or other relevant assumptions that it believes to be reasonable under the circumstances. Actual results may differ from those estimates or assumptions.

Certain items in the prior year's consolidated financial statements have been reclassified to conform to the current presentation. Specifically, the Company reclassified certain collaboration costs related to the Vertex Hemoglobinopathy Agreements, as defined in Note 8, which were classified in research and development expense for the year ended December 31, 2024 and reclassified to collaboration expense, net in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2025. As a result, no subtotals in the prior year consolidated financial statements were impacted.

Segment Information

Operating segments are defined as components of an entity about which separate discrete information is available for evaluation by the chief operating decision maker, or CODM, in deciding how to allocate resources and in assessing performance. The CODM is the Company's Chief Executive Officer. The Company views its operations as and manages its business in one operating segment, which is the business of discovering, developing and commercializing therapies derived from or incorporating genome-editing technology. Segment information is further described in Note 15 of the notes to the consolidated financial statements included in this

Annual Report on Form 10-K.

Foreign Currency Translation and Transactions

The majority of the Company's operations occur in entities that have the U.S. dollar as their functional currency. Non-U.S. dollar denominated functional currency subsidiaries have assets and liabilities translated into U.S. dollars at rates of exchange in effect at the end of the year. Revenue and expense amounts are translated using the average exchange rates for the period. Net unrealized gains and losses resulting from foreign currency translation are included in "Accumulated other comprehensive income" on the Company's consolidated balance sheets. Net foreign currency exchange transaction gains or losses are included in "Other income, net" on the Company's consolidated statement of operations, the impact of which is not significant.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less from the purchase date to be cash equivalents. As of December 31, 2025 and 2024, the Company had $347.6 million and $298.3 million in cash and cash equivalents, respectively.

Restricted Cash

As of December 31, 2025, the Company had $11.5 million in restricted cash, which was unchanged from December 31, 2024, representing letters of credit securing the Company's obligations under certain leased facilities. The letters of credit are secured by cash held in a restricted depository account, with $3.9 million included in prepaid expenses and other current assets and $7.6 million included in restricted cash in the accompanying consolidated balance sheets as of December 31, 2025.

Marketable Securities

As of December 31, 2025 and 2024, the Company had $1,628.3 million and $1,605.6 million, respectively, in marketable securities. The Company's investment strategy is focused on capital preservation. The Company invests in instruments that meet the credit quality standards outlined in the Company's investment policy. The Company classifies marketable securities with a remaining maturity, when purchased, of greater than three months as available-for-sale. Marketable securities are classified as current assets on the consolidated balance sheets if the marketable securities are available to be converted into cash to fund current operations. Marketable securities in an unrealized loss position for greater than one year with a remaining maturity date greater than one year are classified as non-current assets.

Marketable securities classified as Level 1 within the valuation hierarchy consist of corporate equity securities with quoted prices in active markets. Marketable securities classified as Level 2 within the valuation hierarchy generally consist of U.S. Treasury securities and government agency securities, corporate bonds, commercial paper and prefunded warrants. Debt securities are carried at fair value with the unrealized gains and losses included in other comprehensive loss as a component of stockholders' equity until realized. Any premium arising at purchase is amortized to interest expense over the period of the earliest call date, and any discount arising at purchase is accreted to interest income over the life of the instrument. Realized gains and losses on debt securities are determined using the specific identification method and are included in other income, net.

The Company assesses its available-for-sale debt securities under the available-for-sale debt security impairment model in ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements*, or ASC 326, as of each reporting date in order to determine if a portion of any decline in fair value below carrying value recognized on its available-for-sale debt securities is the result of a credit loss. The Company records credit losses in the consolidated statements of operations and comprehensive loss as credit loss expense within other income, net, which is limited to the difference between the fair value and the amortized cost of the security. To date, the Company has not recorded any credit losses on its available-for-sale debt securities.

Concentrations of Credit Risk and Off-balance Sheet Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash, cash equivalents and marketable securities. The Company's cash is held in accounts with financial institutions that management believes are creditworthy. The Company has not experienced any credit losses in such accounts and does not believe it is exposed to any significant credit risk on these funds. The Company has no financial instruments with off-balance sheet risk of loss.

Fair Value of Financial Instruments

The Company has certain financial assets and liabilities recorded at fair value which have been classified as Level 1, 2 or 3 within the fair value hierarchy as described in the accounting standards for fair value measurements:

Level 1 — Quoted prices in active markets that are accessible at the market date for identical unrestricted assets or liabilities.

Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs for which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Items measured at fair value on a recurring basis include marketable securities (see Note 3, *Marketable Securities*, and Note 4, *Fair Value Measurement*). The carrying amount of accounts receivable, other receivables, accounts payable and accrued expenses as reported on the consolidated balance sheets as of December 31, 2025 and 2024 approximate fair value, due to the short-term duration of these instruments.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Maintenance and repairs that do not improve or extend the lives of the respective assets are expensed to operations as incurred. Upon disposal, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in the results of operations. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

Asset	Estimated useful life
Computer equipment	3 years
Furniture, fixtures and other	5 years
Laboratory equipment	5 years
Leasehold improvements	Shorter of useful life or remaining lease term

Impairment of Long-lived Assets

The Company reviews long-lived assets when events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is measured by comparison of the book values of the assets to future net undiscounted cash flows that the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the book value of the assets exceed their fair value, which is measured based on the projected discounted future net cash flows arising from the assets.

Revenue Recognition

The Company records revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, or ASC 606. ASC 606 applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases and collaboration arrangements. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps:

1) Identify the contract with the customer

A contract with a customer exists when (i) the Company enters into an enforceable contract with a customer that defines each party's rights regarding the goods or services to be transferred and identifies the related payment terms, (ii) the contract has commercial substance and (iii) the Company determines that collection of substantially all consideration for goods and services that are transferred is probable based on the customer's intent and ability to pay the promised consideration.

2) Identify the performance obligations in the contract

Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the good or service either on its own or together with other available resources, and are distinct in the context of the contract, whereby the transfer of the good or service is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised goods and services, the Company must apply judgment to determine whether promised goods and services are capable of being distinct and distinct in the context of the contract. If these criteria are not met, the promised goods and services are accounted for as a combined performance obligation.

3) Determine the transaction price

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for

transferring goods and services to the customer. To the extent the transaction price includes variable consideration such as research, development, regulatory and commercial milestones, the Company determines if it is probable that it will receive such amounts and there is no risk of a significant revenue reversal. When the Company cannot conclude that receipt of such amounts is probable, the Company constrains the related variable consideration resulting in its exclusion from transaction consideration. In determining the portion of the transaction consideration to be constrained, the Company considers the probability and uncertainty that the related research, developmental, regulatory and commercial milestones will be achieved given the nature of research and clinical development and the stage of the underlying programs. This assessment is performed at each reporting period. In making this evaluation, the Company considers both internal and external information available, including information from industry publications and other relevant factors. Changes to the constraint of variable consideration can have a material effect on the amount of revenue recognized in the period.

4) Allocate the transaction consideration to performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction consideration is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction consideration to each performance obligation on a relative standalone selling price basis unless the transaction consideration is variable and meets the criteria to be allocated entirely to a performance obligation or to a distinct service that forms part of a single performance obligation. The consideration to be received is allocated among the separate performance obligations based on relative standalone selling prices. In determining these estimated standalone selling prices, the Company makes a number of significant judgments including, for licenses, management's assumptions regarding probability weighted projected discounted cash flows for each of the collaboration development programs. The estimated standalone selling prices are sensitive to changes in assumptions, such as probabilities of scientific success, discount rate and certain assumptions that form the basis of forecasted cash flows. In developing these assumptions, management considers both internal and external information available, including information from other guideline companies within the same industry and other relevant factors. Changes to these assumptions can have a material effect on the allocation of the transaction consideration to performance obligations, as well as the amount and timing of revenue recognized.

5) Recognize revenue when or as the Company satisfies a performance obligation

The Company satisfies performance obligations over time or at a point in time, depending on the nature of the performance obligation. Revenue is recognized over time if the customer simultaneously receives and consumes the benefits provided by the entity's performance, the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. If the entity does not satisfy a performance obligation over time, the related performance obligation is satisfied at a point in time by transferring the control of a promised good or service to a customer.

Accounts Receivable

The Company's accounts receivable consists primarily of milestones due under its licensing and collaboration agreements accounted for under ASC 606. No such milestones were due as of December 31, 2025. As of December 31, 2024, accounts receivable was $25.0 million related to the achievement of milestones under the Company's license and collaboration agreements with Vertex, which was collected in 2025. Vertex is a creditworthy entity that maintains an ongoing relationship with the Company and as such, the Company does not have an allowance for estimated credit losses recorded related to these other receivables.

Contract Balances

The Company recognizes a contract asset when the Company transfers goods or services to a customer before the customer pays consideration or before payment is due, excluding any amounts presented as an accounts receivable. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. Contract liabilities, or deferred revenue, primarily relate to contracts where the Company has received payment, but the Company has not yet satisfied the related performance obligations.

Collaboration Arrangements

The Company records the elements of its collaboration agreements that represent joint operating activities in accordance with ASC 808, *Collaborative Agreements*, or ASC 808. Accordingly, the elements of the collaboration agreements that represent activities in which both parties are active participants and to which both parties are exposed to the significant risks and rewards that are dependent on the commercial success of the activities, are recorded as collaborative arrangements.

The Company evaluates the proper presentation of the commercial activities and the profit and loss sharing associated with the collaboration agreements. ASC 808 states that when payments between parties in a collaborative arrangement are not within the scope of other authoritative accounting literature, the income statement classification should be based on the nature of the arrangement, the nature of its business operations and the contractual terms of the arrangement. To the extent that these payments are not within the scope of other authoritative accounting literature, the income statement classification for the payments shall be based on an analogy to

authoritative accounting literature or if there is no appropriate analogy, a reasonable, rational and consistently applied accounting policy election.

Collaboration costs specific to the Vertex Hemoglobinopathy Agreements (as defined in Note 8) accounted for under ASC 808 are presented within "collaboration expense, net" in the consolidated statements of operations and comprehensive loss. Refer to Note 8 to these consolidated financial statements for further discussion on the Vertex Hemoglobinopathy Agreements.

Research and Development Expenses

Research and development costs are charged to expense as costs are incurred in performing research and development activities, including salaries and benefits, facilities costs, overhead costs, clinical study and related clinical manufacturing costs, license and milestone fees, contract services and other related costs. Research and development costs, including up-front fees and milestones paid to collaborators, are also expensed as incurred. In circumstances where amounts have been paid in excess of costs incurred, the Company records a prepaid expense. The Company accrues costs for clinical trial activities based upon estimates of the services received and related expenses incurred that have yet to be invoiced by the contract research organizations, clinical study sites, laboratories, consultants or other clinical trial vendors that perform the activities. The Company recognizes the reimbursement associated with collaborative activities to its collaborative partners, excluding collaboration costs under the Vertex Hemoglobinopathy Agreements accounted for under ASC 808, as a reduction to research and development expense in the period the services are provided. Costs associated with collaborative activities to collaborative partners accounted for under ASC 808 and included in research and development expense was not significant for the years ended December 31, 2025, 2024 and 2023.

Acquired In-process Research and Development Expenses

In-process research and development that is associated to a product that has not yet achieved regulatory approval and is acquired in a transaction that does not qualify as a business combination under U.S. GAAP is recorded as "Acquired in-process research and development" in the Company's consolidated statements of operations and comprehensive loss in accordance with ASC 730, *Research and development costs*, or ASC 730, as the asset acquired does not have an alternative future use. The Company classifies asset acquisitions of acquired in-process research and development as investing activities on its consolidated statements of cash flows.

Contingent Liabilities

The Company accounts for its contingent liabilities in accordance with ASC 450, *Contingencies*, or ASC 450. The Company accrues for loss contingencies when losses become probable and can be reasonably estimated. The Company recognizes contingent liabilities within accrued expenses, accrued income taxes, and other current and non-current liabilities in the consolidated balance sheets, as applicable, depending on if the contingency is expected to be resolved within one year or more. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recognized as a liability. The Company does not accrue for contingent losses that, in its judgment, are considered to be reasonably possible but not probable; however, it discloses the range of such reasonably possible losses, if material, or a statement that such an estimate cannot be made. Legal costs related to a loss contingency are expensed as incurred and are classified as general and administrative expenses in the Company's consolidated statements of operations and comprehensive loss.

Leases

The Company accounts for its leases in accordance with ASC 842, *Leases*, or ASC 842. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets and short-term and long-term lease liabilities, as applicable. The Company does not have any material financing leases.

Operating lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. Certain adjustments to the right-of-use asset may be required for items such as incentives received. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. Prospectively, the Company will adjust the right-of-use assets for straight-line rent expense or any incentives received and remeasure the lease liability at the net present value using the same incremental borrowing rate that was in effect as of the lease commencement or transition date.

The Company has elected not to recognize leases with an original term of one year or less on its consolidated balance sheets. The Company typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty of renewal.

Assumptions made by the Company at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right of

use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right of use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

Equity Based Compensation Expense

The Company's share-based compensation programs grant awards that have included stock options, restricted stock units and restricted stock awards. Grants are awarded to employees and non-employees, including directors.

The Company accounts for its stock-based compensation awards in accordance with ASC Topic 718, *Compensation—Stock Compensation*, or ASC 718. ASC 718 requires all stock-based payments to employees and non-employee directors, including grants of employee stock options and restricted stock units and modifications to existing stock options, to be recognized in the consolidated statements of operations and comprehensive loss based on their fair values. The Company uses the Black-Scholes option pricing model to determine the fair value of options granted.

The Company accounts for forfeitures as they occur instead of estimating forfeitures at the time of grant and revising those estimates in subsequent periods if actual forfeitures differ from its estimates. Stock-based compensation expense recognized in the financial statements is based on awards for which performance or service conditions are expected to be satisfied.

The Company's stock-based awards are subject to service or performance-based vesting conditions. Compensation expense related to awards to employees, directors and non-employees with service-based vesting conditions is recognized on a straight-line basis based on the grant date fair value over the associated service period of the award, which is generally the vesting term. Compensation expense related to awards to employees with performance-based vesting conditions is recognized based on the grant date fair value over the requisite service period using the accelerated attribution method to the extent achievement of the performance condition is probable.

The Company expenses restricted stock unit awards to employees based on the fair value of the award on a straight-line basis over the associated service period of the award.

The Company estimates the fair value of its option awards to employees, directors and non-employees using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including (i) the expected stock price volatility, (ii) the calculation of expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. The Company computed the historical volatility data using the daily closing prices of the Company's publicly traded stock during the equivalent period of the calculated expected term of its stock-based awards. The Company has estimated the expected term of its employee stock options using the "simplified" method, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option, due to its lack of sufficient historical data. The risk-free interest rates for periods within the expected term of the option are based on the U.S. Treasury securities with a maturity date commensurate with the expected term of the associated award. The Company has never paid, and does not expect to pay, dividends in the foreseeable future.

Patent Costs

Costs to secure and prosecute patent applications and other legal costs related to the protection of the Company's intellectual property are expensed as incurred and are classified as general and administrative expenses in the Company's consolidated statements of operations.

Income Taxes

Income taxes are recorded in accordance with ASC Topic 740, *Income Taxes*, or ASC 740, which provides for deferred taxes using an asset and liability approach. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax reporting basis of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company has evaluated available evidence and concluded that the Company may not realize all the benefit of its deferred tax assets; therefore, a valuation allowance has been established for the amount of the deferred tax assets that the Company does not believe is more likely than not to be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. As of December 31, 2025 and 2024, the Company does not have any significant uncertain tax positions. The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. Income taxes are further described in Note 14 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K.

Comprehensive Loss

Comprehensive loss consists of net loss and other comprehensive loss. Other comprehensive loss consists of foreign currency translation adjustments and unrealized gains and losses on marketable debt securities.

Net Loss Per Share Attributable to Common Shareholders

Basic net loss per share is calculated by dividing net loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted-average number of common equivalent shares outstanding for the period, including any dilutive effect from outstanding stock options and restricted stock units using the treasury stock method. See Note 12 for further details.

New and Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which requires entities, on an annual basis, to disclose disaggregated information about their effective tax rate reconciliation and income taxes paid. The disclosure requirements will be applied on a prospective basis, with the option to apply them retrospectively. The standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company has adopted ASU 2023-09 and applied the guidance prospectively to the period ended December 31, 2025 in the disclosures contained in the consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, or ASU 2024-03, and in January 2025, the FASB issued ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Clarifying the Effective Date*, or ASU 2025-01. ASU 2024-03 requires disclosure of additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03, as clarified by ASU 2025-01, is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the disclosure requirements related to this new standard.

3. Marketable Securities

A summary of the Company's cash equivalents and marketable securities as of December 31, 2025 and 2024, which are recorded at fair value (and excludes $295.4 million and $193.9 million of cash at December 31, 2025 and 2024, respectively) is shown below (in thousands):

December 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash equivalents:				
Money market funds	$ 37,255	$ —	$ —	$ 37,255
Commercial paper	14,896	—	(4)	14,892
Total cash equivalents	52,151	—	(4)	52,147
Marketable securities:				
Corporate debt securities	1,152,319	3,827	(181)	1,155,965
Certificates of deposit	101,100	—	—	101,100
Government-sponsored enterprise securities	304,259	1,054	(15)	305,298
Commercial paper	49,432	28	—	49,460
Total marketable debt securities	1,607,110	4,909	(196)	1,611,823
Corporate equity securities	7,500	8,946	—	16,446
Total marketable securities	1,614,610	13,855	(196)	1,628,269
Total cash equivalents and marketable securities	$ 1,666,761	$ 13,855	$ (200)	$ 1,680,416

December 31, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash equivalents:				
Money market funds	$ 74,155	$ —	$ —	$ 74,155
Corporate debt securities	882	—	—	882
U.S. Treasury securities	29,271	—	(9)	29,262
Total cash equivalents	104,308	—	(9)	104,299
Marketable securities:				
U.S. Treasury securities	5,936	2	—	5,938
Corporate debt securities	1,136,255	3,442	(1,592)	1,138,105
Certificates of deposit	52,372	—	—	52,372
Government-sponsored enterprise securities	266,877	482	(497)	266,862
Commercial paper	127,805	34	(39)	127,800
Total marketable debt securities	1,589,245	3,960	(2,128)	1,591,077
Corporate equity securities	10,387	4,600	(495)	14,492
Total marketable securities	1,599,632	8,560	(2,623)	1,605,569
Total cash equivalents and marketable securities	$ 1,703,940	$ 8,560	$ (2,632)	$ 1,709,868

The following table summarizes the net unrealized gain (loss) recorded on marketable debt and equity securities during year ended December 31, 2025 and 2024 (in millions):

	Years Ended December 31,		
	2025	2024	2023
Unrealized gain (loss) recorded on marketable debt securities	$ 2.9	$ (0.1)	$ 17.5
Unrealized gain (loss) recorded on marketable equity securities	4.8	4.1	—

Unrealized gains and losses on the Company's marketable debt securities are included in comprehensive loss in the consolidated statements of operations and comprehensive loss. Unrealized gains and losses due to the change in fair value of the Company's marketable equity securities are included in other income (expense), net, in the consolidated statements of operations and comprehensive loss.

The following table summarizes the net unrealized gain (loss) position of the Company's marketable debt and equity securities as of December 31, 2025 and 2024 (in millions):

	December 31, 2025	December 31, 2024
Unrealized gain position of marketable debt securities	$ 4.7	$ 1.8
Unrealized gain position of marketable equity securities	8.9	4.1

The following table summarizes the aggregate fair value of marketable debt securities that were in an unrealized loss position as of December 31, 2025 and 2024 by the length of time the security has been in a loss position (in millions):

	December 31, 2025	December 31, 2024
Debt securities in an unrealized loss position for 12 months or less	$ 193.8	$ 451.9
Debt securities in an unrealized loss position for more than 12 months	—	31.8
Total debt securities in an unrealized loss position	$ 193.8	$ 483.7

As of December 31, 2025, there were no marketable debt securities in an unrealized loss position for more than twelve months with maturities beyond one year. As of December 31, 2024, no marketable debt securities in an unrealized loss position for more than twelve months had maturities beyond one year.

The Company determined that there was no material credit risk of the above investments as of December 31, 2025 and 2024. The Company has the intent and ability to hold such securities until recovery. As a result, the Company did not record any charges for credit-related impairments for its marketable securities for the years ended December 31, 2025 and 2024. No available-for-sale debt securities held as of December 31, 2025 had remaining maturities greater than thirty months.

Equity Investments Without Readily Determinable Fair Value

The Company holds investments in privately-held companies in the form of equity securities without readily determinable fair values and in which the Company does not have a controlling interest or significant influence. These investments had a net carrying value of $22.6 million and $12.9 million as of December 31, 2025 and 2024, respectively, and are classified within other non-current assets on the consolidated balance sheets. There were no upward or downward adjustments for observable price changes or impairment charges recorded for the year ended December 31, 2025 and 2024 related to these equity securities.

4. Fair Value Measurement

The following tables present information about the Company's financial assets measured at fair value on a recurring basis and indicate the fair value hierarchy classification of such fair values as of December 31, 2025 and 2024 (in thousands):

	Fair Value Measurements at December 31, 2025			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Cash	$ 295,412	$ 295,412	$ —	$ —
Money market funds	37,255	37,255	—	—
Commercial paper	14,892	—	14,892	—
Marketable securities:				
Corporate debt securities	1,155,965	—	1,155,965	—
Certificates of deposit	101,100	—	101,100	—
Government-sponsored enterprise securities	305,298	—	305,298	—
Commercial paper	49,460	—	49,460	—
Corporate equity securities	16,446		16,446	—
Total	$ 1,975,828	$ 332,667	$ 1,643,161	$ —

	Fair Value Measurements at December 31, 2024			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Cash	$ 193,958	$ 193,958	$ —	$ —
Money market funds	74,155	74,155	—	—
Corporate debt securities	882	—	882	—
U.S. Treasury securities	29,262	—	29,262	—
Marketable securities:				
U.S. Treasury securities	5,938	—	5,938	—
Corporate debt securities	1,138,105	—	1,138,105	—
Certificates of deposit	52,372	—	52,372	—
Government-sponsored enterprise securities	266,862	—	266,862	—
Commercial paper	127,800	—	127,800	—
Corporate equity securities	14,492	2,391	12,101	—
Total	$ 1,903,826	$ 270,504	$ 1,633,322	$ —

Marketable securities classified as Level 1 within the valuation hierarchy consist of corporate equity securities with quoted prices in active markets. Marketable securities classified as Level 2 within the valuation hierarchy generally consist of U.S. Treasury securities and government agency securities, corporate bonds, commercial paper and warrants to purchase common shares of publicly traded companies. The Company estimates the fair values of these marketable securities by taking into consideration valuations obtained from third-party pricing sources.

5. Property and Equipment, net

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

	As of December 31,	
	2025	2024
Computer equipment	$ 4,152	$ 3,833
Furniture, fixtures, and other	8,554	8,554
Laboratory equipment	43,575	42,008
Leasehold improvements	146,667	145,852
Construction work in process	3,955	6,118
Total property and equipment, gross	206,903	206,365
Accumulated Depreciation	(91,052)	(72,272)
Total property and equipment, net	$ 115,851	$ 134,093

Depreciation expense for the year ended December 31, 2025, 2024 and 2023 was $19.4 million, $19.2 million, and $19.8 million, respectively.

6. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	As of December 31,	
	2025	2024
Payroll and employee-related costs	12,966	18,443
Research costs	16,247	15,549
Collaboration costs	53,567	—
Licensing fees	874	1,850
Professional fees	3,749	3,086
Intellectual property costs	1,382	1,513
Other	622	631
Total	$ 89,407	$ 41,072

7. Leases

In May 2020, the Company entered into a lease agreement for a cell therapy manufacturing facility in Framingham, Massachusetts, or the Framingham Lease, for clinical and commercial production of the Company's investigational cell therapy product candidates. The Framingham Lease expires in March 2036 and the Company has an option to extend the term of the lease for two additional seven-year periods. The right-of-use asset and corresponding lease liability does not include the additional seven-year periods under the renewal option as the Company is not reasonably certain to exercise that option.

In July 2020, the Company entered into a lease agreement for an office and laboratory facility in Boston, Massachusetts, with a commencement date of June 1, 2021, or the 2020 Lease. At lease commencement, the Company recorded a right-of-use asset of $149.8 million and a corresponding operating lease liability of $147.9 million. Tenant incentives of $49.2 million were recorded as a reduction to the operating lease asset and liability at lease commencement. The lease expires in March 2034 and the Company has an option to extend the term of the lease for two additional five-year periods. The right-of-use asset and corresponding lease liability does not include the additional five-year periods under the renewal option as the Company is not reasonably certain to exercise that option.

The Company also rents certain office space in Zug, Switzerland, on a short-term basis for which a right-of-use asset and liability are not recorded, in accordance with the practical expedient elected.

The Company has embedded leases in certain research and license agreements for which the Company has recorded a right of use asset and liability. These arrangements are not significant in comparison to the Company's total operating lease assets and liabilities.

The Company identified and assessed the following estimates in recognizing the right-of-use asset and corresponding liability:

- *Expected lease term*: The expected lease term includes noncancelable lease periods and, when applicable, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option, as well as periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

- *Incremental borrowing rate*: As the discount rates in the Company's leases are not implicit, the Company estimated the incremental borrowing rate based on the rate of interest the Company would have to pay to borrow a similar amount on a collateralized basis over a similar term.

The following table summarizes the lease assets and liabilities as of December 31, 2025 and 2024 (in thousands):

	As of December 31,	
	2025	2024
Assets		
Operating lease assets	$ 131,724	$ 143,461
Total lease assets	131,724	143,461
Liabilities		
Current		
Operating lease liabilities	18,578	17,288
Non-current		
Operating lease liabilities, net of current portion	188,168	206,405
Total lease liabilities	$ 206,746	$ 223,693

The following table summarizes operating lease costs included in research and development and general and administrative expense, as well as sublease income for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Operating lease costs	$ 23,843	$ 24,417	$ 25,870
Short-term lease costs	46	40	—
Variable lease costs	13,500	12,364	14,387
Sublease income	(930)	(573)	(137)
Net lease cost	$ 36,459	$ 36,248	$ 40,120

The following table summarizes the maturity of undiscounted payments due under lease liabilities and the present value of those liabilities as of December 31, 2025 (in thousands):

	Total
2026	29,684
2027	28,798
2028	28,206
2029	27,314
2030	28,035
Thereafter	123,535
Total	$ 265,572
Present value adjustment	(58,826)
Present value of lease liabilities	$ 206,746

The following table summarizes the lease term (in years) and discount rate for operating leases as of December 31, 2025 and 2024:

	As of December 31,	
	2025	2024
Weighted-average remaining lease term	8.9	9.8
Weighted-average discount rate	5.9%	5.9%

The following table summarizes the cash paid for amounts included in the measurement of lease liabilities for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash flows used in operating leases	$ (29,217)	$ (28,949)	$ (27,310)

Operating lease non-cash items:			
Right-of-use assets increased through lease modifications and reassessments	375	525	2,660
Right-of-use assets obtained in exchange for operating lease liabilities	—	243	7,552

8. Significant Contracts

Agreements with Vertex

For purposes of this Note 8 and Note 9, CASGEVY (exagamglogene autotemcel [exa-cel]) is referred to as "CASGEVY".

2015 collaboration

In 2015, the Company entered into a strategic collaboration, option and license agreement, or the 2015 Collaboration Agreement, with Vertex. The 2015 Collaboration Agreement is focused on the use of the Company's CRISPR/Cas9 gene editing technology to discover and develop potential new treatments aimed at the underlying genetic causes of human disease. The Company and Vertex amended the 2015 Collaboration Agreement in 2017 and 2019 with Amendment No. 1 and Amendment No. 2, respectively, namely to clarify Vertex's option rights under the 2015 Collaboration Agreement and to modify certain definitions and provisions of the 2015 Collaboration Agreement to make them consistent with the JDA (as defined below) and a strategic collaboration and license agreement from 2019 for the development and commercialization of products for the treatment of Duchenne muscular dystrophy, or DMD, and myotonic dystrophy Type 1, or DM1. In 2017, Vertex exercised an option granted to it under the 2015 Collaboration Agreement to obtain a co-exclusive license to develop and commercialize hemoglobinopathy and beta-globin targets, and in 2019, Vertex exercised the remaining options granted to it under the 2015 Collaboration Agreement to exclusively license certain collaboration targets developed under the 2015 Collaboration Agreement.

Hemoglobinopathies collaboration

In 2017, following Vertex's exercise of its option to obtain a co-exclusive license to develop and commercialize hemoglobinopathy and beta-globin targets, the Company and Vertex entered into a joint development and commercialization agreement, or the JDA, and agreed for potential hemoglobinopathy treatments, including CASGEVY, the Company and Vertex would share equally all research and development costs and worldwide revenues. In 2021, the Company and Vertex amended and restated the JDA, or the A&R Vertex JDCA (as amended and in effect, from time to time), pursuant to which the parties agreed to, among other things, (a) adjust the governance structure for the collaboration and adjust the responsibilities of each party thereunder, whereby Vertex leads and has all decision making (i.e., control) in relation to the CASGEVY program prospectively; (b) adjust the allocation of net profits and net losses between the parties with respect to CASGEVY only, which will be allocated 40% to the Company and 60% to Vertex, prospectively; and (c) exclusively license (subject to the Company's reserved rights to conduct certain activities) certain intellectual property rights to Vertex relating to the specified product candidates and products (including CASGEVY) that may be researched, developed, manufactured and commercialized on a worldwide basis under the A&R Vertex JDCA. Additionally, for 2022, 2023, and 2024, the Company had an option to defer a portion of its share of costs under the A&R Vertex JDCA if spending on the CASGEVY program exceeded specified amounts. Any deferred amounts under the A&R Vertex JDCA, as amended, are only payable to Vertex as an offset against future profitability of the CASGEVY program and the amounts payable are capped at a specified maximum amount per year.

In December 2023, the Company entered into an amendment to the A&R Vertex JDCA, or Amendment No. 1 to the A&R Vertex JDCA, with Vertex related to the global development, manufacturing, and commercialization of CASGEVY. Pursuant to Amendment No. 1 to the A&R Vertex JDCA, among other things, the Company and Vertex agreed to (a) allocate certain costs arising from a license agreement with a third party, resulting in a current payment due to Vertex by the Company of $20.0 million upon an event specified in Amendment No. 1 to the A&R Vertex JDCA, and (b) adjust, under certain specified circumstances, the timing of and portion of the Company's share of costs it is permitted to defer under the agreement.

In connection with the closing of the transaction contemplated by the A&R Vertex JDCA, the Company received a $900.0 million up-front payment from Vertex. Additionally, in December 2023, the Company and Vertex received approval of CASGEVY by the U.S. Food and Drug Administration, or the FDA. The FDA's approval of CASGEVY triggered Vertex's obligation to make a $200.0 million milestone payment to the Company.

Letter Agreement

In May 2024, Vertex and the Company entered into a letter agreement, or the Letter Agreement, with respect to the priority review voucher issued by the U.S. Food and Drug Administration to Vertex as the sponsor of the rare pediatric disease product application for CASGEVY. Vertex and the Company agreed that if Vertex utilizes or transfers the priority review voucher prior to the

first calendar year in which the CASGEVY program generates a net profit, Vertex will pay the Company $43.0 million or an amount equal to 42% of the net proceeds from such transfer, as applicable. If the CASGEVY program begins generating calendar-year net profits prior to such utilization or transfer, Vertex will instead pay the Company up to $43.0 million, set-off by deductions Vertex would otherwise be eligible to take against the CASGEVY program's net profits due to the Company related to amounts deferred previously by the Company.

Collaboration in the field of diabetes

In 2021, the Company and ViaCyte, Inc., or ViaCyte, entered into a joint development and commercialization agreement, or the ViaCyte JDCA, to jointly develop and commercialize product candidates and shared products for the diagnosis, treatment or prevention of diabetes type 1, diabetes type 2 or insulin dependent / requiring diabetes throughout the world. In the third quarter of 2022, Vertex acquired ViaCyte, and ViaCyte became a wholly-owned subsidiary of Vertex. In March 2023, (1) the Company and ViaCyte entered into an amendment to the ViaCyte JDCA, or the ViaCyte JDCA Amendment, and adjusted certain rights and obligations of the Company and ViaCyte under the ViaCyte JDCA, and (2) the Company and Vertex entered into a non-exclusive license agreement, or the Non-Ex License Agreement, pursuant to which the Company agreed to license to Vertex, on a non-exclusive basis, certain of its gene editing intellectual property to exploit certain products for the diagnosis, treatment or prevention of diabetes type 1, diabetes type 2 or insulin dependent / requiring diabetes throughout the world. Subsequently, ViaCyte elected to opt-out of the ViaCyte JDCA. Per the opt-out terms, the on-going collaboration assets are now wholly-owned by the Company, subject to a royalty on future sales owed to ViaCyte. The opt-out became effective in early February 2024.

In connection with entering into the Non-Ex License Agreement in 2023, the Company received a $100.0 million upfront payment from Vertex and subsequently received a $70.0 million research milestone achieved in the second quarter of 2023. In 2024, the Company received a $10.0 million research milestone achieved in the fourth quarter of 2024 and recorded a receivable of $25.0 million as of December 31, 2024 related to an additional research milestone achieved under the Non-Ex License Agreement in the fourth quarter of 2024. The Company is eligible to receive additional milestone payments under the Non-Ex License Agreement of $125.0 million in aggregate, which are dependent on the achievement of pre-determined research, development and commercial milestones for certain products utilizing the licensed intellectual property. Additionally, the Company is eligible to receive tiered royalties on the sales of certain products in the low to mid-single digits.

Accounting Analysis

For purposes of this Note 8, the 2015 Collaboration Agreement, Amendment No. 1, Amendment No. 2, A&R Vertex JDCA, and Amendment No. 1 to the A&R Vertex JDCA are collectively referred to as the “Vertex Hemoglobinopathy Agreements” and the Non-Ex License Agreement and ViaCyte JDCA Amendment are collectively referred to as the “March 2023 Diabetes Agreements.”

The Vertex Hemoglobinopathy Agreements and the March 2023 Diabetes Agreements include components of a customer-vendor relationship as defined under ASC 606, collaborative arrangements as defined under ASC 808, and research and development costs as defined under ASC 730. Specifically, with regards to the March 2023 Diabetes Agreements, the Company concluded that the non-exclusive license is a performance obligation under ASC 606 and the ongoing research and development services under the ViaCyte JDCA Amendment are a unit of account under ASC 808.

The Company has determined that recognition criteria for the Letter Agreement has not been met and will not be met until the priority review voucher is (i) utilized or (ii) there is sufficient profitability such that Vertex is obligated to pay the Company under the Letter Agreement.

Accounting Analysis Under ASC 606

March 2023 Diabetes Agreements

Identification of the Contract

The March 2023 Diabetes Agreements were negotiated as a package with a single commercial objective and, as such, the March 2023 Diabetes Agreements were combined for accounting purposes and treated as a single arrangement. The Company determined for accounting purposes that the combined contract terminated the original ViaCyte JDCA and created a new contract.

Identification of Performance Obligations

The Company concluded the transfer of the non-exclusive license, including certain modified rights and obligations provided as part of the ViaCyte JDCA Amendment to support the delivery of the license, was both capable of being distinct and distinct within the context of the contract.

Determination of Transaction Price

The initial transaction price was comprised of the upfront payment of $100.0 million.

In the second quarter of 2023, the Company adjusted the transaction price to include $70.0 million in previously constrained variable consideration related to a research milestone which was achieved in the second quarter of 2023. In the fourth quarter of 2024, the Company adjusted the transaction price to include $35.0 million in previously constrained variable considerations related to two research milestones that were achieved in the fourth quarter of 2024. The Company determined that all other possible variable consideration resulting from milestones and royalties discussed below was fully constrained as of December 31, 2025. The Company will re-evaluate the transaction price in each reporting period.

Allocation of Transaction Price to Performance Obligations

The Company identified one performance obligation for the March 2023 Diabetes Agreements and, as a result, no allocation of the transaction price was required.

Recognition of Revenue

The Company determined the non-exclusive license, including certain modified rights and obligations provided as part of the ViaCyte JDCA Amendment to support the delivery of the license, represented functional intellectual property, as the intellectual property provides Vertex with the ability to perform a function or task in the form of research and development in the field of diabetes.

In 2023, the Company recognized revenue of $100.0 million for the non-exclusive license at the onset of the arrangement, as this was the point in time in which the non-exclusive license was delivered, as well as revenue of $70.0 million from previously constrained variable consideration related to a research milestone achieved in the second quarter of 2023. Revenue recognized under the March 2023 Diabetes Agreements for the year ended December 31, 2023 and 2024 was $170.0 million and $35.0 million, respectively. No revenue was recognized under the March 2023 Diabetes Agreements for the year ended December 31, 2025.

Milestones under the Non-Ex License Agreement

As of December 31, 2025, the Company is eligible to receive potential future milestone payments from Vertex of up to $125.0 million in the aggregate under the Non-Ex License Agreement depending on the achievement of pre-determined research, development and commercial milestones for certain products utilizing the licensed intellectual property. Additionally, the Company is eligible to receive tiered royalties on the sales of certain products in the low to mid-single digits.

Each of the remaining milestones under the Non-Ex License Agreement are fully constrained as of December 31, 2025. There is uncertainty as to whether the events to obtain the research and developmental milestones will be achieved given the nature of clinical development and the stage of the CRISPR/Cas9 technology. The remaining research, development and regulatory milestones will be constrained until it is probable that a significant revenue reversal will not occur. Commercial milestones and royalties relate predominantly to a license of intellectual property and are determined by sales or usage-based thresholds. The commercial milestones and royalties are accounted for under the royalty recognition constraint and will be accounted for as constrained variable consideration. The Company applies the royalty recognition constraint for each commercial milestone and will not recognize revenue for each until the subsequent sale of a licensed product (achievement of each) occurs.

Accounting for the Vertex Hemoglobinopathy Agreements

Recognition of Revenue

Revenue recognized under the Vertex Hemoglobinopathy Agreements for the year ended December 31, 2023 was $200.0 million of previously constrained variable consideration related to a milestone that was achieved upon approval of CASGEVY by the Food and Drug Administration, or FDA, in December 2023. No revenue was recognized under the Vertex Hemoglobinopathy Agreements for the years ended December 31, 2024 and 2025.

Milestones under the Vertex Hemoglobinopathy Agreements

The Company has evaluated the milestones that may be received in connection with the Vertex Hemoglobinopathy Agreements.

Under the 2015 Collaboration Agreement and subsequent amendments, the Company is eligible to receive up to $410.0 million in additional development, regulatory and commercial milestones and royalties on net product sales for each of the three collaboration targets that Vertex licensed in 2019. Each milestone is payable only once per collaboration target, regardless of the number of products directed to such collaboration target that achieve the relevant milestone event.

The Company has the option to conduct research at its own cost in certain defined areas. If such research is beneficial to the CASGEVY program and CASGEVY ultimately achieves regulatory approval in such areas, the Company could be entitled to receive from Vertex certain milestone payments aggregating to high eight digits.

Each of the remaining milestones described above are fully constrained as of December 31, 2025. There is uncertainty that the events to obtain the research and developmental milestones will be achieved given the nature of clinical development and the stage of the CRISPR/Cas9 technology. The remaining research, development and regulatory milestones will be constrained until it is probable

that a significant revenue reversal will not occur. Commercial milestones and royalties relate predominantly to a license of intellectual property and are determined by sales or usage-based thresholds. The commercial milestones and royalties are accounted for under the royalty recognition constraint and will be accounted for as constrained variable consideration. The Company applies the royalty recognition constraint for each commercial milestone and will not recognize revenue for each until the subsequent sale of a licensed product (achievement of each) occurs.

Accounting Analysis under ASC 808

Vertex Hemoglobinopathy Agreements

In connection with the Vertex Hemoglobinopathy Agreements, the Company identified the following collaborative elements, which are accounted for under ASC 808: (i) development and commercialization services for shared products, including any transition services related to CASGEVY under the A&R Vertex JDCA; (ii) R&D Services for follow-on products; and (iii) committee participation. The related impact of the cost sharing is included within collaboration expense, net, in the consolidated statements of operations and comprehensive loss.

During the years ended December 31, 2025, 2024 and 2023, the Company recognized $213.5 million, $120.7 million and $130.3 million of collaboration expense, net, related to the CASGEVY program, respectively. Collaboration expense, net, for the year ended December 31, 2024 and 2023 reflects the Company's exercise of its option to defer specified costs on the CASGEVY program in excess of the deferral limit under A&R Vertex JDCA, as amended, which is further described in Note 9 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K. Collaboration expense, net, during the years ended December 31, 2025, 2024 and 2023 was net of $1.9 million, $3.2 million, and $18.0 million of reimbursements from Vertex related to the CASGEVY program, respectively.

Additional Accounting Considerations

The Company is eligible to receive potential future payments of up to $775.0 million under a strategic collaboration and license agreement from 2019 for the development and commercialization of products for the treatment of DMD and DM1. The Company is also eligible to receive tiered royalties on future net sales on any products that may result from this collaboration; however, the Company has the option to forego the DM1 milestones and royalties to co-develop and co-commercialize all DM1 products globally.

Each of the remaining milestones are fully constrained as of December 31, 2025. There is uncertainty that the events to obtain the research and developmental milestones will be achieved given the nature of clinical development and the stage of the CRISPR/Cas9 technology. The remaining research, development and regulatory milestones will be constrained until it is probable that a significant revenue reversal will not occur. Commercial milestones and royalties relate predominantly to a license of intellectual property and are determined by sales or usage-based thresholds. The commercial milestones and royalties are accounted for under the royalty recognition constraint and will be accounted for as constrained variable consideration. The Company applies the royalty recognition constraint for each commercial milestone and will not recognize revenue for each until the subsequent sale of a licensed product (achievement of each) occurs.

As of December 31, 2025, there was $12.3 million of current deferred revenue and no non-current deferred revenue related to the strategic collaboration and license agreement from Vertex from 2019 for the development and commercialization of products for the treatment of DMD and DM1. As of December 31, 2024, there was no current deferred revenue and $12.3 million of non-current deferred revenue related to the strategic collaboration and license agreement from Vertex from 2019 for the development and commercialization of products for the treatment of DMD and DM1. The transaction price allocated to the remaining performance obligations was $12.3 million.

Agreement with Sirius Therapeutics

On May 19, 2025, the Company entered into a collaboration, option and license agreement, or the Sirius Agreement, with Sirius Therapeutics and certain of its affiliates, or Sirius, pursuant to which, among other things, (1) Sirius and the Company will collaborate on the research, development, manufacture, commercialization and use of certain collaboration products utilizing Sirius' siRNA technology for targeting Factor XI, including CTX611 (formerly SRSD107), collectively, the Sirius Collaboration Products; and (2) Sirius granted to the Company options to exclusively license Sirius siRNA technology to target up to two licensed targets from a list of seven reserved targets for the research, development, manufacture and commercialization of licensed products, collectively the siRNA Licensed Products, in exchange for the potential to receive certain option fees, milestone payments and royalties.

In connection with entering into the Sirius Agreement, the Company made an upfront cash payment to Sirius of $25.0 million and also entered into a share issuance agreement with Sirius, pursuant to which the Company registered and issued to Sirius 1,842,105 common shares equal to approximately $70.0 million based on a price per common share equal to $38.00, nominal value CHF 0.03 per share, or the Sirius Shares.

With respect to Sirius Collaboration Products, the Company and Sirius will share equally all development and

commercialization costs. For the first collaboration product candidate successfully developed, the Company will be the lead party responsible for commercialization efforts in the United States and Sirius will be the lead party responsible for commercialization efforts in Greater China. The parties will determine the lead party responsible for commercialization in the rest of the world at a future date. The Company and Sirius will share equally net profits and net losses incurred under the Sirius Agreement with respect to all Sirius Collaboration Products, except in the event that a party opts out of the joint development and commercialization. The Company will pay Sirius certain specified future development and regulatory milestones of up to an aggregate of $87.5 million for the first Sirius Collaboration Products to achieve the applicable milestone events. At the Company's sole election, such milestone payments may be paid in cash, common shares of the Company, or a combination thereof.

With respect to the siRNA Licensed Products, if the Company elects to exercise its option to a licensed target to research, develop, manufacture and commercialize siRNA Licensed Products, the Company will make a one-time $10.0 million payment per option exercise, each, a Sirius Option Payment, to Sirius. The Sirius Option Payment is payable up to two times. In addition, the Company will pay Sirius certain specified future development, regulatory and sales milestones of up to an aggregate of $300.0 million for the first siRNA Licensed Product relating to each licensed target to achieve the applicable milestone events, as well as tiered royalty payments in the mid-single digits to low double digits range on future sales of a commercialized siRNA Licensed Product. The royalty payments are subject to reduction under certain specified conditions set forth in the Sirius Agreement. In addition, at the Company's sole election, such milestones may be paid in cash, common shares of the Company, or a combination thereof. The Company is solely responsible for all research, development, manufacturing and global commercialization activities and associated costs for the siRNA Licensed Products, as well as all associated costs related to Sirius activities set forth in any applicable research plan relating thereto.

Accounting for the Sirius Agreement

The Company determined that substantially all the fair value of the upfront payment under the Sirius Agreement was attributable to acquired in-process research and development for which there was no alternative future use and that no substantive processes were acquired that would constitute a business. As a result, the Company recorded $96.3 million to acquired in-process research and development in the consolidated statements of operations and comprehensive loss. The $96.3 million represented the $25.0 million upfront cash payment to Sirius, as well as $71.3 million in expense related to the issuance of the Sirius Shares at a fair value of $38.68 per share, which was the fair value of the Company's common shares on the effective date of the Sirius Agreement.

The Sirius Agreement includes components of collaborative arrangements as defined under ASC 808 and research and development costs as defined under ASC 730.

Specifically, development and commercialization costs for the Sirius Collaboration Products contain collaborative elements accounted for under ASC 808, and the related impact of cost sharing for the Sirius Collaboration Products under the Sirius Agreement is included within research and development expenses in the consolidated statements of operations and comprehensive loss. Costs related to siRNA Licensed Products under the Sirius Agreement are included within research and development expenses in the consolidated statements of operations and comprehensive loss.

Research and development costs under the Sirius Agreement were not material for the twelve months ended December 31, 2025.

9. Commitments and Contingencies

Intellectual Property Agreements

Charpentier License Agreements

In April 2014, the Company entered into certain technology license agreements with Dr. Emmanuelle Charpentier pursuant to which the Company licensed certain intellectual property rights under joint ownership from Dr. Charpentier to develop and commercialize products for the treatment or prevention of human diseases. In connection therewith, Dr. Charpentier is entitled to receive nominal clinical milestone payments, low single digit percentage of sublicensing payments received under any sublicense agreement with a third party, and low single-digit percentage royalties based on annual net sales of licensed products and services by the Company and its affiliates and sublicensees.

Research, Manufacturing and License Agreements

The Company has engaged several research institutions and companies to identify new delivery strategies and applications of the Company's gene editing technology. The Company is also a party to a number of license agreements which require significant upfront payments and may be required to make future royalty payments and potential milestone payments from time to time. In addition, the Company is also a party to intellectual property agreements, which require maintenance and milestone payments from time to time. Further, the Company is a party to a number of manufacturing agreements that require upfront payments for the future performance of services.

In connection with these agreements, on a product-by-product basis, the counterparties are eligible to receive up to low eight-digit potential payments upon specified research, development and regulatory milestones. In addition, on a product-by-product basis, the counterparties are eligible to receive potential commercial milestone payments based on specified annual sales thresholds. The potential payments are low-single digit percentages of the specified annual sales thresholds. The counterparties are also eligible to receive low single-digit royalties on future net sales.

In the second quarter of 2025, a third-party licensor formally engaged with the Company regarding certain matters under their intellectual property contracts with the Company that may lead to further actions that could result in additional amounts being owed by the Company to such third party. Based on the status of ongoing negotiations with the third-party licensor, the Company has determined that it is probable that a loss was incurred as of December 31, 2025, and, based on the Company's best estimate of loss, the Company recorded incremental research and development expenses of $13.0 million for the year ended December 31, 2025. The total liability associated with the contingent loss as of December 31, 2025 was $14.5 million, which is primarily included within other current liabilities on the consolidated balance sheets as of December 31, 2025. The Company is unable to provide an estimate of a range of loss, and the ultimate resolution of the matter could result in a material charge in excess of the amount accrued as of December 31, 2025. The Company will reassess the contingent liability in each reporting period.

Under certain circumstances and if certain contingent future events occur, Vertex is eligible to receive up to $395.0 million in potential specified research, development, regulatory and commercial milestones and tiered single-digit percentage royalties on future net sales related to a specified target under an amendment to the 2015 Collaboration Agreement (as such term is defined in Note 8 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K). In addition, Vertex has the option to conduct research at its own cost in certain defined areas that, if beneficial to the CASGEVY program and ultimately achieves regulatory approval, could result in the Company owing Vertex certain milestone payments aggregating to high eight digits, subject to certain limitations on the profitability of the CASGEVY program.

Under the A&R Vertex JDCA, as amended, for 2022, 2023 and 2024, the Company had an option to defer a portion of its share of costs if spending on the CASGEVY program exceeded specified amounts, which the Company exercised in each such year, resulting in deferred costs of $221.8 million, in the aggregate. Any deferred amounts under the A&R Vertex JDCA, as amended, are only payable to Vertex as an offset against future profitability of the CASGEVY program and the amounts payable are capped at a specified maximum amount per year. These deferred costs on the CASGEVY program will be recognized by the Company when recoverability of such deferred amounts by Vertex is probable and the amount can be reasonably estimated. As of December 31, 2025, no contingent payments have been accrued to date. The Company's arrangements with Vertex are further described in Note 8 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K.

The Company may be required to make future potential payments to Sirius under the Sirius Agreement defined and described in Note 8 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K. Potential payments to Sirius include (i) up to $20.0 million in Sirius Option Payments, (ii) up to $300.0 million in certain specified future development, regulatory and sales milestones for the first siRNA Licensed Product relating to each licensed target to achieve the applicable milestones, as well as tiered royalty payments in the mid-single digits to low double digits range on future sales of a commercialized siRNA Licensed Product, and (iii) up to $87.5 million in certain specified future development and regulatory milestones related to the Sirius Collaboration Products.

Litigation

In the ordinary course of business, the Company is from time to time involved in lawsuits, investigations, proceedings and threats of litigation related to, among other things, the Company's intellectual property estate (including certain in-licensed intellectual property), commercial arrangements and other matters. Such proceedings may include quasi-litigation, *inter partes* administrative proceedings in the U.S. Patent and Trademark Office, the European Patent Office and patent offices in other countries involving the Company's intellectual property estate including certain in-licensed intellectual property. For example, in the fourth quarter of 2025, ToolGen, Inc., or ToolGen, initiated a lawsuit against the Company and other third parties alleging patent infringement by CASGEVY of a ToolGen patent relating to CRISPR/Cas9 gene editing technology. The outcome of any of the foregoing is inherently uncertain. In addition, litigation and related matters are costly and may divert the attention of Company's management and other resources that would otherwise be engaged in other activities. If the Company is unable to prevail in any such proceedings, the Company's business, results of operations, liquidity and financial condition could be adversely affected.

10. Share Capital

All of the Company's common shares are issued under Swiss corporate law with a nominal value of 0.03 CHF per share. Though the nominal value of common shares is stated in Swiss francs, the Company continues to use U.S. dollars as its reporting currency for preparing the consolidated financial statements.

As of December 31, 2025, the Company's share capital consists of 96,747,997 registered common shares with a nominal value of CHF 0.03 per share, 8,202,832 registered common shares reserved for potential issuance of bonds or similar instruments and

19,537,850 registered common shares reserved for the Company's employee equity incentive plans. In addition, our board of directors is authorized to conduct one or more increases of the share capital at any time until June 8, 2028, or the expiration of the capital band if earlier, up to an upper limit of CHF 3,142,094.52 by issuing a corresponding number of registered shares with a nominal value of CHF 0.03 each to be fully paid in. As of December 31, 2025, the number of shares that may be issued under the capital band is 7,988,487 registered common shares.

Common Share Issuances

At-the-Market Offerings

The Company has entered into an Open Market Sale Agreement[SM], or the Sales Agreement, with Jefferies LLC under which the Company, at its sole discretion, is able to offer and sell, from time to time at prevailing market prices, its common shares. The following are in connection with the Sales Agreement.

2021 ATM

In January 2021, the Company filed a prospectus supplement with the SEC to offer and sell, from time to time, common shares having aggregate gross proceeds of up to $600.0 million, or, together with the subsequent prospectus supplements filed in July 2021 and August 2024 relating to the common shares remaining under the original prospectus supplement, the 2021 ATM. In 2025, the Company issued and sold an aggregate of 6.1 million common shares under the 2021 ATM at an average price of $59.63 per share for aggregate proceeds of $359.0 million, which were net of equity issuance costs of $4.7 million, excluding stamp taxes of $3.6 million.

In 2024, the Company issued and sold 0.4 million common shares under the 2021 ATM at an average price of $55.81 per share for aggregate proceeds of $21.7 million, which were net of equity issuance costs of $0.3 million, excluding stamp taxes of $0.2 million.

In 2023, the Company issued and sold 0.5 million common shares under the 2021 ATM at an average price of $72.32 per share for aggregate proceeds of $32.7 million, which were net of equity issuance costs of $0.4 million, excluding stamp taxes of $0.3 million.

As of December 31, 2025, the Company has issued and sold an aggregate of 8.0 million common shares under the 2021 ATM at an average price of $74.77 per share for aggregate proceeds of $592.2 million, which were net of equity issuance costs of $7.8 million, excluding stamp taxes of $5.9 million. As of December 31, 2025, no common shares remain available under the 2021 ATM.

2025 ATM

In October 2025, the Company filed a new prospectus supplement with the SEC to offer and sell, from time to time, common shares having aggregate gross proceeds of up to $600.0 million, or the 2025 ATM. In 2025, the Company has issued and sold an aggregate of 0.7 million common shares under the 2025 ATM at an average price of $60.81 per share for aggregate proceeds of $42.3 million, which were net of equity issuance costs of $0.5 million, excluding stamp taxes of $0.4 million. Common shares having aggregate gross proceeds up to $557.2 million remain available under the 2025 ATM.

Share Issuance Agreement with Sirius Therapeutics

As described in Note 8 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K, in 2025, the Company and Sirius entered into a share issuance agreement, and, in connection therewith, the Company registered and issued 1,842,105 of the Company’s common shares to Sirius, nominal value CHF 0.03 per share, at an issue price of $38.00 per share, as partial consideration for entering into the Sirius Agreement.

Additional Financings

In February 2024, the Company entered into an investment agreement for the sale of approximately $280.0 million of its common shares to a group of institutional investors in a registered direct offering, at a price per share of $71.50. The Company received net proceeds of $279.0 million, excluding stamp taxes due of $2.8 million.

Common Share Characteristics

The Common Shares have the following characteristics:

Voting Rights

The holders of common shares are entitled to one vote for each common share held at all meetings of shareholders.

Dividends

The holders of common shares are entitled to receive dividends, if and when resolved upon by the general meeting of shareholders based on a respective proposal by our board of directors and provided that the Company disposes of sufficient freely

distributable reserves. As of December 31, 2025, no dividends have been declared or paid since the Company's inception.

Liquidation

The holders of the common shares are entitled to share ratably in the Company's assets available for distribution to shareholders in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or upon the occurrence of a deemed liquidation event.

11. Equity-based Compensation

Option and Grant Plans

In April 2015, the Company's shareholders approved the 2015 Stock Option and Grant Plan, or the 2015 Plan, and in July 2016, the Company's shareholders approved the 2016 Stock Option and Incentive Plan, or the 2016 Plan. In May 2018, the Company's shareholders approved the 2018 Stock Option and Incentive Plan, or the 2018 Plan (collectively, the "Plans"). Subsequent to the IPO, no further options were granted under the 2015 Plan. The Plans provide for the issuance of equity awards in the form of restricted shares, options to purchase common shares which may constitute incentive stock options, or ISOs, or non-statutory stock options, or NSOs, unrestricted stock unit grants, and qualified performance and market-based awards to eligible employees, officers, directors, non-employee consultants and other key personnel. Terms of the equity awards, including vesting requirements, are determined by our board of directors, subject to the provisions of the Plans. Options granted by the Company typically vest over four years and have a contractual life of ten years. Restricted stock unit grants typically vest over two to four years. At December 31, 2025, the Company had 29,405,365 common shares authorized for issuance under the 2018 Plan and 9,254,175 common shares available for future grant under the 2018 Plan.

Equity-Based Compensation Expense

The Company recognized stock-based compensation expense totaling $72.5 million, $86.6 million, and $81.0 million during the years ended December 31, 2025, 2024 and 2023, respectively. Stock-based compensation expense by classification within the consolidated statements of operations and comprehensive loss is as follows (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Research and development	$ 34,374	$ 47,944	$ 46,356
General and administrative	38,125	38,623	34,672
Total	$ 72,499	$ 86,567	$ 81,028

As of December 31, 2025, there was $61.7 million and $76.3 million of unrecognized compensation expense related to unvested stock options and restricted stock units, respectively, that is expected to be recognized over a weighted-average period of 2.5 and 2.5 years, respectively.

Stock Options

The fair value of each option issued to employees was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Years Ended December 31,		
	2025	2024	2023
Options granted	1,391,380	1,566,536	1,860,485
Weighted-average exercise price	$ 47.76	$ 62.40	$ 45.47
Weighted-average grant date fair value	$ 28.51	$ 38.63	$ 28.39
Assumptions:			
Expected volatility	60.9%	63.9%	65.1%
Expected term (in years)	6.0	6.0	6.0
Risk-free interest rate	4.0%	4.2%	4.1%
Expected dividend yield	0.0%	0.0%	0.0%

The following table summarizes stock option activity under the Company's equity award plans (intrinsic value in thousands):

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value

Outstanding at December 31, 2024	7,288,883	$ 58.07	6.6	$ 14,050
Granted	1,391,380	47.76		
Exercised	(726,396)	37.23		
Cancelled or forfeited	(1,206,032)	65.74		
Outstanding at December 31, 2025	6,747,835	$ 56.82	6.3	$ 42,270
Exercisable at December 31, 2025	4,709,497	$ 58.57	5.2	$ 31,455
Vested and expected to vest at December 31, 2025	6,747,835	$ 56.82	6.3	$ 42,270

The total intrinsic value (the amount by which the fair market value exceeded the exercise price) of stock options exercised during the year ended December 31, 2025, 2024 and 2023 was $15.3 million, $32.2 million, and $13.9 million, respectively.

As of December 31, 2025, options to purchase 150,000 common shares subject to market-based vesting conditions were vested, as market conditions were satisfied in prior years. 100,000 options to purchase common shares subject to market-based vesting conditions were outstanding as of December 31, 2025.

The Company did not grant stock options subject to performance-based or market-based vesting conditions during 2025, 2024, and 2023.

Restricted Stock Units

The following table summarizes the restricted stock unit activity under the Company's equity award plans:

	Shares	Weighted-Average Grant Date Fair Value
Unvested balance at December 31, 2024	2,397,643	$ 59.21
Granted	958,921	46.86
Vested	(736,238)	60.99
Cancelled or forfeited	(654,759)	58.55
Unvested balance at December 31, 2025	1,965,567	$ 52.16

During the years ended December 31, 2025, 2024 and 2023, the total fair value of restricted stock units vested was $36.6 million, $30.0 million, and $14.1 million, respectively.

During 2022, the Company granted 150,000 performance stock units with market-based vesting conditions in which the recipient is eligible to receive between zero and 150,000 common shares at the end of a three-year service period based upon achieving a specified average stock price. Expense for these awards was recognized over the requisite service period. As of December 31, 2025, 150,000 of previously unvested performance stock units were forfeited during 2025 as the market-based vesting conditions were not achieved. Activity related to stock units subject to market-based vesting conditions is included in the table above.

The Company did not grant restricted stock units subject to performance-based or market-based vesting conditions during 2025, 2024, and 2023.

Employee Stock Purchase Plan

On July 19, 2016, our board of directors adopted its 2016 Employee Stock Purchase Plan, or the ESPP Plan, which was subsequently approved by its shareholders and became effective on October 19, 2016. The ESPP Plan authorizes the initial issuance of up to a total of 413,226 shares of the Company's common stock to participating employees. The Company activated its ESPP Plan on January 1, 2020. The Company issued 44,128, 37,245, and 53,282 shares under the ESPP Plan during the years ended December 31, 2025, 2024 and 2023, respectively.

12. Net Loss Per Share Attributable to Common Shareholders

Basic net loss per share is calculated by dividing net loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by adjusting weighted-average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period using the treasury stock method. For purposes of the diluted net loss per share calculation, stock options, unvested restricted common shares and ESPP shares are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share, as their effect would be

anti-dilutive; therefore, basic and diluted net loss per share were the same for all periods presented as a result of the Company's net loss. The Company's net loss is net loss attributable to common shareholders for all periods presented.

The Company did not include the securities in the following table in the computation of the net loss per share calculations for the years ended December 31, 2025, 2024 and 2023 because the effect would have been anti-dilutive during each period:

	Year ended December 31,		
	2025	2024	2023
Outstanding options	6,747,835	7,288,883	7,204,372
Unvested restricted common shares	1,965,567	2,397,643	1,781,415
ESPP	11,426	19,522	16,026
Total	8,724,828	9,706,048	9,001,813

13. 401(k) Savings Plan

The Company established a defined-contribution savings plan under Section 401(k) of the Internal Revenue Code, or the "401(k) Plan", in November 2016. The 401(k) Plan covers all employees who meet defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis. The Company contributed $1.7 million, $2.7 million, and $3.0 million to the 401(k) Plan for the years ended December 31, 2025, 2024 and 2023, respectively.

14. Income Taxes

The Company is subject to U.S. federal and various state corporate income taxes as well as taxes in foreign jurisdictions for the foreign parent and where foreign subsidiaries have been established.

Net loss before taxes

For the years ended December 31, 2025, 2024 and 2023, the net loss before income taxes consist of the following (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Domestic	$ 32,527	$ 41,232	$ 30,357
Foreign	(610,492)	(403,897)	(181,079)
Total	$ (577,965)	$ (362,665)	$ (150,722)

The provision for income taxes consist of the following (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Current income taxes:			
Federal	$ (1,658)	$ (2,592)	$ (2,318)
State	(1,061)	(1,479)	(994)
Foreign	—	—	—
Total current income taxes	(2,719)	(4,071)	(3,312)
Deferred income taxes:			
Federal	$ (933)	$ 492	$ 424
State	18	(8)	—
Foreign	—	—	—
Total deferred income taxes	(915)	484	424
Total income tax provision	$ (3,634)	$ (3,587)	$ (2,888)

A reconciliation of income tax expense computed at the statutory corporate income tax rate to the effective income tax rate after the adoption of ASU 2023-09 for the year ended December 31, 2025 is as follows (amounts in thousands):

	Year Ended December 31, 2025	
	Amount	Percent
Statutory federal tax rate	44,966	(7.8)%
State and local income tax, net of federal income tax effect[1]	—	0.0%
Foreign Tax Effects		
United States		
Statutory rate difference between the U.S. and Switzerland	(4,300)	0.7%
State and local income tax, net of federal income tax effect[2]	(1,937)	0.3%
Research and development tax credits	7,775	(1.3)%
Change in valuation allowances	1,957	(0.4)%
Non-taxable or non-deductible items	(3,467)	0.6%
Other	(85)	0.0%
Other Foreign Jurisdictions	(3)	0.0%
Changes in valuation allowances	(39,082)	6.8%
Non-taxable or non-deductible items		
Equity issuance for in-process research and development	(5,543)	1.0%
Other	(910)	0.2%
Changes in unrecognized tax benefits	(1,046)	0.2%
Other adjustments	(1,959)	0.3%
Effective income tax rate	(3,634)	0.6%

(1) State taxes in the Swiss Canton of Zug made up the majority (greater than 50 percent) of the tax effect in this category.
(2) State taxes in Massachusetts made up the majority (greater than 50 percent) of the tax effect in this category.

A reconciliation of income tax expense computed at the statutory corporate income tax rate to the effective income tax rate prior to the adoption of ASU 2023-09 for the years ended December 31, 2024 and 2023 is as follows:

	Years Ended December 31,	
	2024	2023
Income tax expense at statutory rate	11.9%	11.9%
State income tax, net of federal benefit	1.1%	2.3%
Non-deductible expenses	0.0%	(0.2)%
Foreign rate differential	(1.0)%	(2.1)%
Statutory to U.S. GAAP permanent differences	0.0%	0.0%
Stock-based compensation	(0.4)%	(4.0%)
Impact of deferred rate change	(0.1)%	0.1%
Research credits	2.7%	8.2%
Change in valuation allowance	(15.2)%	(17.2)%
Other Rate Items	0.0%	(0.9)%
Effective income tax rate	(1.0%)	(1.9%)

The federal statutory rate reflects the Switzerland mixed company service rate.

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The significant components of the Company’s deferred tax assets are comprised of the following (in thousands):

	Years Ended December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 241,462	$ 178,061
Accruals and reserves	3,393	4,479
Operating lease liabilities	56,594	60,570
Other deferred tax assets	12,337	17,809
Stock-based compensation	18,801	20,553
Research credit	77,901	74,012
Total deferred tax assets	410,488	355,484
Less valuation allowance	(345,395)	(282,739)
Net deferred tax assets	65,093	72,745
Deferred tax liabilities:		
Depreciation	(30,128)	(34,078)
Operating lease assets	(36,058)	(38,845)
Other deferred tax liabilities	(37)	(36)
Total deferred tax liabilities	(66,223)	(72,959)
Long term deferred taxes	$ (1,130)	$ (214)

The Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets. Based on the Company's history of worldwide operating losses, the Company has concluded that it is more-likely-than-not that the benefit of its U.S. and non-U.S. deferred tax assets will not be realized. Accordingly, as of December 31, 2025 and 2024, the Company has provided a full valuation allowance against its net deferred tax assets in Switzerland and the United Kingdom. The Company has also provided a valuation allowance against the U.S. deferred tax assets that cannot be realized by existing deferred tax liabilities based upon when they are scheduled to reverse. The valuation allowance increased by $62.7 million during 2025, which is primarily attributable to increase in net operating loss carryforwards as a result of current year net loss.

As of December 31, 2025, the Company had no available U.S. federal net operating loss carryforwards. As of December 31, 2025, the Company had available U.S. state net operating loss carryforward of $9.4 million that begin to expire in 2045. As of December 31, 2025, the Company had available non-U.S. net operating loss carryforwards of $4,037.2 million of which $2,017.4 million relate to Switzerland, $2,017.4 million relate to the Canton of Zug, and $2.4 million relate to the Company's wholly-owned subsidiary in the United Kingdom. The net operating losses generated in Switzerland and the Canton of Zug begin to expire in 2027 and the net operating losses generated in the United Kingdom can be carried forward indefinitely.

As of December 31, 2025, the Company had U.S. domestic federal research and development credit carryforwards of $31.1 million that begin to expire in 2041 for federal purposes, which are net of uncertain tax positions of $24.4 million. As of December 31, 2025, the Company had U.S. domestic federal orphan drug credit carryforwards of $27.0 million which begin to expire in 2040 for federal purposes, which are net of uncertain tax positions of $11.5 million. As of December 31, 2025, the Company had U.S. domestic state research and development credit carryforwards of $25.1 million which begin to expire in 2035, which are net of uncertain tax positions of $13.0 million.

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statement by prescribing the minimum recognition threshold and measurement of a tax position taken or expected to be taken in a tax return.

As of December 31, 2025, the Company had gross unrecognized tax benefits of $50.7 million of which $46.7 million would favorably impact the effective tax rate if recognized. The Company will recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2025 and 2024, interest and penalties recognized in the Company's financial statements related to uncertain tax positions were not material. As of December 31, 2023, the Company had no accrued interest or penalties related to uncertain tax positions and no amounts had been recognized in the Company's consolidated statements of operations and comprehensive loss.

The aggregate changes in gross unrecognized tax benefits were as follows (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Balance at beginning of year	$ 49,959	$ 44,148	$ 34,536
Increases for tax positions taken during current period	2,900	5,777	9,703
Increases for tax positions taken in prior periods	51	34	—
Decreases for tax positions taken during current period	—	—	—
Decreases for tax positions taken in prior periods	(2,201)	—	(91)
Balance at end of year	$ 50,709	$ 49,959	$ 44,148

The Company files income tax returns in the U.S. federal, state, and certain non-U.S. jurisdictions. The Company is subject to U.S. federal, Massachusetts, California and non-U.S. income tax examinations by authorities for tax years ending after December 31, 2021. Research credits generated in prior tax years that are closed for examination may still be adjusted upon future examination if they have or will be used in a future period. The Company is subject to income tax examinations by authorities in its non-U.S. jurisdictions for all years.

A summary of income taxes paid by jurisdiction, net of refunds, after the adoption of ASU 2023-09 for the year ended December 31, 2025 is as follows (in thousands):

	Years Ended December 31, 2025
Foreign	
U.S. Federal	$ 1,720
Massachusetts	1,264
Other	1
Total	2,985

15. Segment Information

The Company operates and manages its business as one reportable segment and one operating segment, which is the business of discovering, developing and commercializing therapies derived from or incorporating genome-editing technology. The determination of a single business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker, or CODM. The Company's chief executive officer, as the CODM, uses consolidated, single-segment financial information for purposes of evaluating performance, making operating decisions, allocating resources and planning and forecasting for future periods.

The CODM assesses performance and decides how to allocate resources based on consolidated net loss. The measure is used to monitor budget versus actual results to evaluate the performance of the segment.

The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. All material long-lived assets are located in the United States. Long-lived assets consist of property and equipment, net, and operating lease right-of-use assets. The accounting policies of the segment are the same as those described in Note 2 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K.

The following table summarizes information about segment revenue, significant segment expenses and segment operating loss for the periods presented (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Revenue[1]:			
Collaboration revenue	—	$ 35,000	$ 370,000
Grant revenue	3,510	2,314	1,206
Less[2]:			
Research and development expense[3]	239,872	252,010	330,121
Acquired in-process research and development[4]	96,253	—	—
General and administrative expense[5]	26,570	25,453	32,589
Collaboration expense, net	213,480	120,667	130,250
Stock-based compensation expense	72,499	86,567	81,028
Depreciation expense	19,407	19,183	19,756
Other segment items[6]	(82,972)	(100,314)	(68,928)
Segment net loss	(581,599)	(366,252)	(153,610)
Reconciliation of profit or loss:			
Adjustments or reconciling items	—	—	—
Consolidated net loss	(581,599)	(366,252)	(153,610)

(1) Collaboration revenue for the years ended December 31, 2025, 2024 and 2023 is related to our license agreements and collaborations with Vertex, as further described in Note 8 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K. Collaboration revenue is attributed to the CRISPR Therapeutics AG entity, which is domiciled in Switzerland.

(2) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(3) Research and development expense for the years ended December 31, 2025, 2024 and 2023 is net of $34.4 million, $47.9 million, and $46.4 million of stock-based compensation expense, respectively, and $10.6 million, $10.3 million, and $10.9 million of depreciation expense, respectively. For the year ended December 31, 2024, the Company recorded a non-cash adjustment of $4.8 million related to an option expiration which was recognized as a benefit to research and development expense.

(4) Acquired in-process research and development expense for the year ended December 31, 2025 relates to expense of $25.0 million related to the upfront cash payment to Sirius in the second quarter of 2025, as well as expense of $71.3 million related to the issuance of the Company’s common shares issued to Sirius as part of the Sirius Agreement in the second quarter of 2025, as described further in Note 8 of the notes to the consolidated financial statements included in this Annual Report on Form 10-K.

(5) General and administrative expense for the years ended December 31, 2025, 2024 and 2023 is net of $38.1 million, $38.6 million, and $34.7 million of stock-based compensation expense, respectively, and $8.8 million, $8.9 million, and $8.9 million of depreciation expense, respectively.

(6) Other segment items include interest income, net, the change in fair value of corporate equity securities and income tax expense.