

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

Amendment No. 1 to
Form F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

COMPASS Pathways plc
(Exact name of registrant as specified in its charter)

England and Wales
(State or other jurisdiction of
incorporation or organization)

2834
(Primary Standard Industrial
Classification Code Number)

Not applicable
(I.R.S. Employer
Identification Number)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards¹ provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED ⁽¹⁾⁽²⁾	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE ⁽¹⁾⁽²⁾	AMOUNT OF REGISTRATION FEE ⁽³⁾
Ordinary shares, nominal value £0.008 per share ⁽⁴⁾	7,705,000	\$16.00	\$123,280,000.00	\$16,001.75

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.

(2) Includes shares represented by American Depositary Shares, or ADSs, that are issuable upon exercise of the underwriters' option to purchase additional shares.

(3) Calculated pursuant to Rule 457(a) under the Securities Act of 1933, as amended, based on an estimate of the proposed maximum aggregate offering price. Of this amount, a total of \$12,980 was previously paid.

(4) These ordinary shares are represented by ADSs, each of which represents one ordinary share of the registrant. ADSs issuable upon deposit of the ordinary shares registered hereby are being registered pursuant to a separate registration statement on Form F-6 (File No. 333-248514).

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), shall determine.

The information contained in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS**SUBJECT TO COMPLETION, DATED SEPTEMBER 14, 2020**

**American Depositary Shares
Representing 6,700,000 Ordinary Shares**



This is an initial public offering of 6,700,000 American Depositary Shares, or ADSs, of COMPASS Pathways plc. Each ADS represents one ordinary share, nominal value £0.008 per ordinary share, of COMPASS Pathways plc. The ADSs may be evidenced by American Depositary Receipts, or ADRs. Prior to this offering, there has been no public market for our ADSs or ordinary shares.

We will apply to list our ADSs on the Nasdaq Global Market under the symbol "CMPS." We expect that the initial public offering price will be between \$14.00 and \$16.00 per ADS.

We are an "emerging growth company" under the applicable Securities and Exchange Commission rules and have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Our business and investment in our ADSs involve significant risks. These risks are described under the caption "Risk Factors" beginning on page 14 of this prospectus.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER ADS	TOTAL
Public offering price		
Underwriting discounts and commissions⁽¹⁾		
Proceeds, before expenses, to COMPASS Pathways plc		

(1) See the section titled "Underwriting" for additional information regarding compensation payable to the underwriters. We have agreed to reimburse the underwriters for certain expenses in connection with the offering.

We have granted the underwriters an option for a period of 30 days to purchase up to 1,005,000 additional ADSs from us at the public offering price, less the underwriting discounts and commissions.

The underwriters expect to deliver the ADSs against payment in New York, New York on _____, 2020.

Cowen**Joint Book-Running Managers****Evercore ISI****Berenberg****Lead Manager****Canaccord Genuity****Manager****H.C. Wainwright & Co.**

Prospectus dated _____, 2020

Transforming mental health care



COMPASSION
Navigating Mental Health Pathways

Everyone has a story



Our vision is a world
of mental wellbeing

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Neither we nor the underwriters have authorized anyone to provide you with information other than that contained in this prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell, and seeking offers to buy, ADSs only in jurisdictions where offers and sales are permitted. The information contained in this prospectus or any free writing prospectus is accurate only as of its date regardless of its time of delivery or of any sale of ADSs. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States, or U.S.: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus outside the United States.

We are incorporated under the laws of England and Wales. Under the rules of the U.S. Securities and Exchange Commission, or the SEC, we are currently eligible for treatment as a “foreign private issuer.” As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

ABOUT THIS PROSPECTUS

In connection with our corporate reorganization, on August 7, 2020, all shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them for 1,161 of the same class, with the same shareholder rights, of newly issued shares of COMPASS Rx Limited. As a result, COMPASS Pathfinder Holdings Limited became a wholly owned subsidiary of COMPASS Rx Limited. Subsequently, we altered the legal status of COMPASS Rx Limited under the laws of England and Wales from a private limited company by re-registering as a public limited company and changing our name from COMPASS Rx Limited to COMPASS Pathways plc, effective on August 21, 2020. Our audited consolidated financial statements for the year ended December 31, 2019 and our unaudited condensed consolidated interim financial statements for the six months ended June 30, 2019 and 2020 pertained to COMPASS Pathfinder Holdings Limited. The share exchange described above was completed after June 30, 2020, and is given retroactive effect because it had the effect of a completed reverse share split on our capital structure. Because COMPASS Pathways plc has nominal activity for these periods other than the creation of its capital structure and the operations of COMPASS Pathfinder Holdings Limited, the financial statements of COMPASS Pathfinder Holdings Limited, included elsewhere in this prospectus, are substantially the same as those of COMPASS Pathways plc. Please see “Corporate Reorganization” beginning on page 112 for more information.

In addition, immediately prior to and conditional on the completion of this offering, all of COMPASS Pathways plc’s outstanding preferred shares of nominal value £0.001 each, Series A preferred shares of nominal value £0.001 each and Series B preferred shares of nominal value £0.001 each will be converted on a one to one basis into an aggregate of 16,419,172 ordinary shares of COMPASS Pathways plc. Following this, the Company will undertake a one-for-0.1136 reverse split on all of COMPASS Pathways plc’s ordinary shares of nominal value £0.001 each. The fractional entitlements resulting from such reverse split will be consolidated into one deferred share of £0.323. Following such reverse split there will be a further sub-division of each ordinary share into one ordinary share of £0.008 each and one deferred share of £0.00080281690140845 each. Following this, the deferred shares arising from the fractional entitlements and the sub-division will be consolidated into one deferred share of £21,921.504 and transferred to the Company for no consideration and subsequently cancelled. These actions taken together are described in this registration statement as our “Reverse Share Split” and will take effect immediately prior to and conditional on completion of this offering.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to the terms “COMPASS Rx Limited,” “COMPASS Pathfinder Holdings Limited,” “COMPASS Pathways plc,” “the company,” “we,” “us” and “our” refer to (i) COMPASS Pathfinder Holdings Limited (and, where the context requires, its subsidiaries) prior to the completion of the share exchange effected on August 7, 2020, (ii) COMPASS Rx Limited (and, where the context requires, its subsidiaries) following the completion of the share exchange effected on August 7, 2020, but prior to the re-registration of COMPASS Rx Limited as a public limited company and the change of its name to COMPASS Pathways plc, and (iii) COMPASS Pathways plc (and, where the context requires, its subsidiaries) following the re-registration of COMPASS Rx Limited as a public limited company and the change of its name to COMPASS Pathways plc.

We own various trademark registrations and applications, and unregistered trademarks, including COMPASS and COMPASS PATHWAYS and our corporate logo. All other trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ®, ™ or RTM symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies’ trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PRESENTATION OF FINANCIAL INFORMATION

We maintain our books and records in pounds sterling, our results are subsequently converted to U.S. dollars and we prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, as issued by the Financial Accounting Standards Board, or FASB. All references in this prospectus to “\$” are to U.S. dollars and all references to “£” are to pounds sterling. Unless otherwise indicated, certain U.S. dollar amounts contained in this prospectus have been translated into pounds sterling at the rate of £1.00 to \$1.2369, which was the noon buying rate of the Federal Reserve Bank of New York on June 30, 2020. These translations should not be considered representations that any such amounts have been, could have been or could be converted into pounds sterling at that or any other exchange rate as of that or any other date.

We have made rounding adjustments to some of the figures included in this prospectus. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them. We have historically conducted our business through COMPASS Pathfinder Holdings Limited, and therefore our historical consolidated financial statements present the consolidated results of operations of COMPASS Pathfinder Holdings Limited. Following the completion of this offering, and after the completion of the transactions described under the section titled “Corporate Reorganization,” our consolidated financial statements will present the consolidated results of operations of COMPASS Pathways plc.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider in making your investment decision. Before investing in our ADSs, you should carefully read this entire prospectus, including the matters set forth under the sections of this prospectus captioned “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes included elsewhere in this prospectus.

Unless otherwise indicated or the context otherwise requires, the terms “Company,” “COMPASS Pathways,” “we,” “us” or “our” in this prospectus refer to (i) COMPASS Pathfinder Holdings Limited (and, where the context requires, its subsidiaries) prior to the completion of the share exchange effected on August 7, 2020, (ii) COMPASS Rx Limited (and, where the context requires, its subsidiaries) following the completion of the share exchange effected on August 7, 2020, but prior to the re-registration of COMPASS Rx Limited as a public limited company and the change of its name to COMPASS Pathways plc and (iii) COMPASS Pathways plc (and, where the context requires, its subsidiaries) following the completion of our corporate reorganization and the re-registration of COMPASS Rx Limited as a public limited company and the change of its name to COMPASS Pathways plc. Please see “Corporate Reorganization” beginning on page 112 for more information.

Overview

We are a mental health care company dedicated to accelerating patient access to evidence-based innovation in mental health. We are motivated by the need to find better ways to help and empower people suffering with mental health challenges who are not helped by existing therapies, and are pioneering the development of a new model of psilocybin therapy, in which psilocybin is administered in conjunction with psychological support. Our initial focus is on treatment-resistant depression, or TRD, a subset of major depressive disorder, or MDD, comprising patients who are inadequately served by the current treatment paradigm. Early signals from academic studies, using formulations of psilocybin not developed by us, have shown that psilocybin therapy may have the potential to improve outcomes for patients suffering with depression, with rapid reductions in depression symptoms and effects lasting up to six months, after administration of a single high dose. We have developed a proprietary, high-purity polymorphic crystalline formulation of psilocybin, COMP360. In 2019, we completed a Phase I clinical trial administering COMP360, along with psychological support, to 89 healthy volunteers, the largest randomized controlled clinical trial with psilocybin therapy to date. In this trial we observed that COMP360 was generally well-tolerated. We are currently evaluating COMP360 in conjunction with psychological support in a Phase IIb trial and we plan to report data from this trial in late 2021. We believe that a single dose of our COMP360 monotherapy with psychological support from specially trained therapists could offer a new approach to depression care.

Market Opportunity and Existing Treatments

Globally, more than 320 million people suffer with MDD. The economic burden of MDD in the United States, accounting for comorbid physical and psychiatric conditions, is estimated to be over \$200 billion per year. TRD, a condition affecting the approximately 100 million patients worldwide who are not helped after two or more existing depression treatments, has even greater economic and societal cost than non-TRD MDD. TRD patients are often unable to perform daily tasks, are more likely to receive disability or welfare benefits and more frequently have co-occurring conditions compared with non-TRD MDD patients. Direct medical costs for TRD patients are estimated to be two to three times higher than for non-TRD MDD patients, caused by, among other factors, increased rates of hospitalization and longer average hospital stays. In addition, there is approximately a seven-fold increase in suicide rate for TRD patients compared with non-TRD MDD patients.

Patients suffering with depression are treated through a variety of approaches, each of which can have significant shortcomings in certain subsets of patients. Most pharmacotherapies for depression

employ the same mechanism of action, targeting the modulation of the brain's neurotransmitter monoamine levels, and have exhibited limited efficacy in a significant portion of patients and can result in high relapse rates. There are only two pharmacotherapies specifically approved for TRD in the U.S.: esketamine, and a combination of olanzapine (an atypical antipsychotic) and fluoxetine (a selective serotonergic reuptake inhibitor). Esketamine was recently approved by the U.S. Food and Drug Administration, or FDA. Mixed efficacy and limited durability were observed in clinical trials as well as potential side effects including dissociation and cognitive impairment. The olanzapine-fluoxetine combination has also shown mixed efficacy and can commonly lead to side effects such as dizziness, drowsiness and weight gain. In addition to pharmacotherapies, various forms of somatic intervention are also used, although these treatments tend to be invasive and/or onerous, and there are limited data supporting their long-term benefit. Psychotherapy is another common treatment approach, but it requires a significant time commitment and is subject to large variability in availability and administration. Despite the range of treatments and therapies available for depression, patients suffering with TRD continue to be underserved, prolonging a significant health, social and economic burden. We believe patients suffering with TRD need a paradigm-shifting treatment that can deliver rapid and sustained relief of their depression.

Potential of Psilocybin Therapy in Mental Health Conditions

Psilocybin is considered a serotonergic hallucinogen and is an active ingredient in some species of mushrooms. While classified as a Schedule I drug, there is an accumulating body of evidence that psilocybin may have beneficial effects on depression and other mental health conditions. Therefore, the FDA and the U.S. Drug Enforcement Administration, or DEA, have permitted the use of psilocybin in clinical studies for the treatment of a range of psychiatric conditions. In 2018, we received Breakthrough Therapy designation from the FDA for COMP360 for the treatment of TRD.

We believe that our investigational COMP360 psilocybin therapy may confer beneficial effects in depression and other mental health conditions through COMP360's mechanism of action on the central nervous system, or CNS. By activating the 5-hydroxytryptamine (serotonin) 2A, or 5-HT_{2A}, receptor, psilocybin and its active metabolite psilocin induce a range of downstream effects that may cause important, sustained changes in brain function. These effects include altered extracellular release of serotonin and dopamine, changes in brain network connectivity, and increased levels of neuroplasticity, whereby the nervous system is able to reorganize its structure, function, and connections, all of which we believe contribute to our psilocybin therapy's potential to generate rapid-onset and sustained positive mood effects.

The potential of psilocybin therapy in mental health conditions has been demonstrated in a number of academic-sponsored studies over the last decade. In these early studies, it was observed that psilocybin therapy provided rapid reductions in depression symptoms after a single high dose, with antidepressant effects lasting for up to at least six months for a number of patients. These studies assessed symptoms related to depression and anxiety through a number of widely used and validated scales. The data generated by these studies suggest that psilocybin is generally well-tolerated and has the potential to treat depression when administered with psychological support.

Our Psilocybin Therapy – COMP360

COMP360 is our proprietary psilocybin formulation that includes our pharmaceutical-grade polymorphic crystalline psilocybin, optimized for stability and purity. Our investigational COMP360 psilocybin therapy comprises administration of our COMP360 with psychological support from specially trained therapists with specific professional and educational qualifications. We believe this support, or therapy, is as important to the psilocybin therapy as the psilocybin itself. The psilocybin administration session lasts approximately six to eight hours, with patients supported by therapists in a non-directive manner. The psilocybin administration sessions are preceded by preparation sessions, in which patients are given a thorough orientation, and followed by integration sessions to help patients process the range of emotional and physical experiences facilitated by COMP360.

In our Phase I healthy volunteers trial, we observed that COMP360 was generally well-tolerated and supported continued progression of Phase IIb studies. The trial also showed the feasibility of simultaneous administration of COMP360 to up to six people in the same facility, with 1:1 therapist support, which we believe will accelerate future clinical trials and commercial scale-up upon potential regulatory approval. In August 2020, the FDA approved our request for a 1:1 model of therapist support and we intend to use this model in future clinical trials. We previously conducted a series of *in vitro* and *in vivo* toxicology studies, including tests for genotoxicity and cardiotoxicity. We are now undertaking an additional series of safety pharmacology and toxicity studies, to be completed prior to commencement of our anticipated Phase III program.

We are currently conducting a randomized controlled Phase IIb clinical trial in 216 patients suffering with TRD, in 20 sites across North America and Europe. This dose-finding trial is investigating the safety and efficacy of COMP360 combined with psychological support, for the treatment of TRD, and aims to determine the optimal dose of COMP360, with three doses (1mg, 10mg, 25mg) being explored. The primary endpoint of this clinical trial is to evaluate the efficacy of COMP360, as assessed by the change in the Montgomery-Åsberg depression rating scale, or MADRS, a widely accepted scale for depression that has been used as a primary endpoint in pivotal trials of other depression treatments. This trial has been designed to capture a statistically significant reduction in MADRS. We plan to report data from this trial in late 2021.

We are using digital technology in this Phase IIb trial, including an online portal to help patients prepare for their psilocybin experience, and a web-based “shared knowledge” interactive platform to complement therapist training. We are also collecting digital phenotyping information through the measurement of human-smartphone interactions. After the trial, these data will be compared with information collected from validated psychiatric scales, such as MADRS, to develop potential digital applications to help anticipate relapse of depression. In the future we plan to expand our research into additional digital technologies to complement and augment our therapies.

The need for innovation in mental health care is significant, given that the current paradigm is ineffective for millions of people. Our vision is a world of mental wellbeing – a world in which mental health isn’t simply the absence of mental illness, but the ability to flourish. We want to help reduce the stigma surrounding mental health, to acknowledge that “everyone has a story,” and to create a system of care for all who are not helped by the existing system and existing therapies.

Our Strategy

Our mission is to accelerate patient access to evidence-based innovation in mental health. Key elements of our strategy to achieve this include:

- Advance our investigational COMP360 psilocybin therapy for the treatment of TRD.
- Expand our investigational COMP360 psilocybin therapy into new indications and explore other compounds and therapies to address areas of unmet need.
- Maximize the reach and value of our investigational COMP360 psilocybin therapy by creating a new model for mental health care.
- Use digital technology to improve access to and impact of our investigational COMP360 psilocybin therapy.

Corporate Information

COMPASS Pathways plc was originally incorporated as a private limited company under the laws of England and Wales in June 2020 under the name COMPASS Rx Limited to become a holding company for COMPASS Pathfinder Holdings Limited. COMPASS Rx Limited was subsequently re-registered as a

public limited company in August 2020 and renamed COMPASS Pathways plc. COMPASS Pathfinder Holdings Limited was originally incorporated under the laws of England and Wales in June 2017. Our registered office is located at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT, United Kingdom, and our telephone number is +1 (646) 905-3974. Our website address is www.compasspathways.com. We do not incorporate the information on or accessible through our website into this prospectus, and you should not consider any information on, or that can be accessed through, our website as part of this prospectus.

Corporate Reorganization

Pursuant to the terms of a share for share exchange agreement entered into on August 7, 2020 as part of our corporate reorganization, all shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them for 1,161 of the same class, with the same shareholder rights, of newly issued shares of COMPASS Rx Limited and, as a result, COMPASS Pathfinder Holdings Limited became a wholly owned subsidiary of COMPASS Rx Limited. Subsequently, we re-registered COMPASS Rx Limited as a public limited company and renamed it as COMPASS Pathways plc, effective on August 21, 2020. The financial data set forth in this prospectus gives retroactive effect to the share exchange, which had the effect of a completed reverse share split on our capital structure. Please see “Corporate Reorganization” beginning on page 112 for more information.

Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the section titled “Risk Factors” before deciding whether to invest in our ADSs. Among these important risks are, but not limited to, the following:

- We are a clinical stage mental health care company and have incurred significant losses since our inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability;
- Even if we consummate this offering, we will need substantial additional funding in order to complete the development and commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate certain or all of our product discovery, therapeutic development, research operations or commercialization efforts;
- Exchange rate fluctuations may materially affect our results of operations and financial condition;
- COMP360 is, and any future therapeutic candidates we may develop in the future may be, subject to controlled substance laws and regulations in the territories where the product may be marketed, such as the United States, the UK and the rest of Europe, and failure to comply with these laws and regulations, or the cost of compliance, may adversely affect the results of our business operations, both during clinical development and post approval, and our financial condition. In addition, during the review process of COMP360, and prior to approval, the FDA and/or other regulatory bodies may require additional data, including with respect to whether COMP360 has abuse potential, which may delay approval and any potential rescheduling process;
- COMP360 contains controlled substances, the use of which may generate public controversy. Adverse publicity or public perception regarding psilocybin or our current or future investigational therapies using psilocybin may negatively influence the success of these therapies;
- Clinical drug development is a lengthy and expensive process with uncertain timelines and uncertain outcomes. If clinical trials of COMP360 or any future therapeutic candidates are

prolonged or delayed, we or our current or future collaborators may be unable to obtain required regulatory approvals, and therefore we will be unable to commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates on a timely basis or at all, which will adversely affect our business;

- COMP360 and any future therapeutic candidates we may develop may have serious adverse, undesirable or unacceptable side effects which may delay or prevent marketing approval. If such side effects are identified during the development of COMP360 or any future therapeutic candidates or following approval, if any, we may need to abandon our development of such therapeutic candidates, the commercial profile of any approved label may be limited, or we may be subject to other significant negative consequences;
- Research and development of drugs targeting the central nervous system is particularly difficult, which makes it difficult to predict and understand why the drug has a positive effect on some patients but not others;
- We have never commercialized a therapeutic candidate before and may lack the necessary expertise, personnel and resources to successfully commercialize our therapies on our own or with suitable collaborators;
- Our business and commercialization strategy depends on our ability to identify, qualify, prepare, certify and support third-party therapy sites offering any approved therapy. If we are unable to do this, our commercialization prospects would be limited and our business, financial condition and results of operations would be harmed;
- We currently rely on qualified therapists working at third-party clinical trial sites to administer our investigational COMP360 psilocybin therapy in our clinical trials and we expect this to continue upon approval, if any, of COMP360 or any of our future therapeutic candidates. If third-party sites fail to recruit and retain a sufficient number of therapists or effectively manage their therapists, our business, financial condition and results of operations would be materially harmed;
- Intellectual property rights of third parties could adversely affect our ability to compete or commercialize our investigational therapies, such that we could be required to litigate or obtain licenses from third parties in order to develop or market our investigational therapies. Such litigation or licenses could be costly or not available on commercially reasonable terms;
- We rely on third parties to supply and manufacture the psilocybin and psilocin incorporated in COMP360 and expect to continue to rely on third parties to supply and manufacture any of our future therapeutic candidates, and we will rely on third parties to manufacture these substances for commercial supply, if approved. If any third-party provider fails to meet its obligations manufacturing COMP360 or our future therapeutic candidates, or fails to maintain or achieve satisfactory regulatory compliance, the development of such substances and the commercialization of any therapies, if approved, could be stopped, delayed or made commercially unviable, less profitable or may result in enforcement actions against us;
- There are a number of third parties who conduct investigator-initiated studies, or IISs, using COMP360 provided by us. We do not sponsor these IISs, and encourage the open publication of all IIS findings. Any failure by a third party to meet its obligations with respect to the clinical development of our investigational COMP360 psilocybin therapy or any of our future therapeutic candidates may delay or impair our ability to obtain regulatory approval for COMP360. IISs of COMP360 or any future therapeutic candidates may generate clinical trial data that raise concerns regarding the safety or effectiveness of COMP360 and any data generated in IISs may not be predictive of the results in populations or indications in which we are conducting, or plan to conduct, clinical trials;

- A pandemic, epidemic, or outbreak of an infectious disease, such as the COVID-19 pandemic, may materially and adversely affect our business, including our preclinical studies, clinical trials, third parties on whom we rely, our supply chain, our ability to raise capital, our ability to conduct regular business and our financial results;
- We face substantial competition and our competitors may discover, develop or commercialize therapies before or more successfully than us, which may result in the reduction or elimination of our commercial opportunities;
- Our business is subject to economic, political, regulatory and other risks associated with international operations;
- If you purchase our ADSs in this offering, you will experience substantial and immediate dilution; and
- We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we experience additional material weaknesses or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our ADSs. In addition, because of our status as an emerging growth company, our independent registered public accounting firm is not required to provide an attestation report as to our internal control over financial reporting for the foreseeable future.

Implications of Being an Emerging Growth Company and a Foreign Private Issuer

As a company with less than \$1.07 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. An emerging growth company may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include, but are not limited to:

- an option to present only two years of audited financial statements in addition to any required interim financial statements and correspondingly specified reduced Management’s Discussion and Analysis of Financial Condition and Results of Operations disclosure in this prospectus; and
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Emerging Growth Company Status.”

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earlier to occur of: (i) the last day of the fiscal year in which we have total annual gross revenue of \$1.07 billion or more; (ii) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three-year period; (iii) the date on which we are deemed to be a large accelerated filer under the rules of the SEC; or (iv) the last day of the fiscal year following the fifth anniversary of this offering. We may choose to take advantage of some but not all of these exemptions.

In addition, under the JOBS Act, emerging growth companies can take advantage of an extended transition period for complying with new or revised accounting standards.

Upon the completion of the offering, we will report under the Exchange Act as a non-U.S. company with “foreign private issuer” status. Even after we no longer qualify as an emerging growth company, as

long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations with respect to a security registered under the Exchange Act;
- the requirement to comply with Regulation FD, which requires selective disclosure of material information;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer. As a result, we do not know whether some investors will find our ADSs less attractive, which may result in a less active trading market for our ADSs or more volatility in the price of our ADSs.

THE OFFERING

ADSs offered by us	6,700,000 ADSs, each representing one ordinary share.
Option to purchase additional ADSs	We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to an additional 1,005,000 ADSs from us.
Ordinary shares (including ordinary shares represented by ADSs) to be outstanding immediately after this offering	34,005,331 ordinary shares (or 35,010,331 ordinary shares if the underwriters exercise in full their option to purchase an additional 1,005,000 ADSs).
American Depositary Shares	Each ADS represents one ordinary share, nominal value £0.008 per share. The depositary will be the holder of the ordinary shares underlying the ADSs, and you will have the rights of an ADS holder or beneficial owner (as applicable) as provided in the deposit agreement among us, the depositary and all holders and beneficial owners of ADSs issued thereunder. To better understand the terms of our ADSs, you should carefully read the section in this prospectus titled “Description of American Depositary Shares.” We also encourage you to read the deposit agreement, the form of which is filed as an exhibit to the registration statement of which this prospectus forms a part.
ADS depositary	Citibank, N.A.
Custodian	Citibank, N.A. (London Branch)
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, to be approximately \$90.5 million based on an assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus. We intend to use the net proceeds from this offering (i) to fund clinical trials, therapist training and other activities to support the development of our investigational COMP360 psilocybin therapy through completion of all ongoing trials through the end of Phase II meetings with the FDA; (ii) to fund research and clinical development activities related to our investigational COMP360 psilocybin therapy to support the progression of COMP360 as a therapy for other neuropsychiatric indications and further our mechanistic understanding of psilocybin; (iii) to fund our general business development activities, including strategic investments which may aid us in developing digital technologies to complement and augment our therapies, as well as potentially providing access to other novel drug candidates for development in neuropsychiatric and related indications; and (iv) to fund general and administrative expenses, working capital and other general corporate purposes. See “Use of Proceeds” for a more complete description of the intended use of proceeds from this offering.

Dividend Policy	We do not anticipate paying any cash dividends in the foreseeable future. See “Dividend Policy” for more information.
Risk factors	See “Risk Factors” beginning on page 14 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our ADSs.
Directed ADS Program	<p>At our request, the underwriters have reserved for sale, at the initial public offering price, up to 335,000 ADSs, or 5% of the ADSs offered by this prospectus (excluding the ADSs that may be issued upon the underwriters’ exercise of their option to purchase additional ADSs), for sale at the initial public offering price per ADS, to certain of our directors, officers and employees and persons having relationships with us. If purchased by persons who are not officers or directors, the ADSs will not be subject to a lock-up restriction. If purchased by any officer or director, the ADSs will be subject to a 180-day lock-up restriction.</p> <p>The number of ADSs available for sale to the general public, referred to as the general public ADSs, will be reduced to the extent that these persons purchase all or a portion of the reserved ADSs. Any reserved ADSs not so purchased will be offered by the underwriters to the general public on the same basis as the other ADSs offered by this prospectus. Likewise, to the extent demand by these persons exceeds the number of ADSs reserved for sale in the program, and there are remaining ADSs available for sale to these persons after the general public ADSs have first been offered for sale to the general public, then such remaining ADSs may be sold to these persons at the discretion of the underwriters.</p> <p>See “Underwriting.”</p>
Proposed Nasdaq Global Market symbol	“CMPS.”

Unless otherwise stated in this prospectus, the number of our ordinary shares (including ordinary shares represented by ADSs) to be outstanding after this offering gives effect to the corporate reorganization described under “Corporate Reorganization,” and is based on 27,305,331 of our ordinary shares outstanding as of August 31, 2020, after giving effect to the conversion of all of our outstanding preferred shares as part of the corporate reorganization into 16,419,172 ordinary shares immediately prior to, and conditional upon, the completion of this offering, and excludes:

- 4,052,991 ordinary shares issuable upon the exercise of options for ordinary shares outstanding as of August 31, 2020, with a weighted-average exercise price of \$0.57 per share, including the vesting of restricted share units and 916,233 ordinary shares that will vest immediately on completion of this offering;
- an additional 371,481 ordinary shares reserved for issuance to our employees and consultants as of August 31, 2020, which shares will no longer be reserved following this offering;

- an additional 2,074,325 ordinary shares that will be made available for future issuance under our 2020 Share Option Plan, or the 2020 Option Plan, which will become effective in connection with this offering; and
- an additional 340,053 ordinary shares that will be made available for future issuance under our 2020 Employee Share Purchase Plan, or the ESPP, that will become effective in connection with this offering.

Unless otherwise indicated, all information contained in this prospectus also reflects and assumes:

- the valid adoption of our new articles of association with effect from the completion of this offering;
- the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering;
- no purchase of ADSs by directors, officers, employees or persons having relationships with us through our directed ADS program;
- an initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus; and
- no exercise by the underwriters of their option to purchase up to 1,005,000 additional ADSs in this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables present the summary consolidated financial data as of the dates and for the periods indicated for COMPASS Pathfinder Holdings Limited. We derived the summary consolidated statements of operations and comprehensive loss data for the years ended December 31, 2018 and 2019 and the selected consolidated balance sheet data as of December 31, 2018 and 2019 from our audited consolidated financial statements included elsewhere in this prospectus and, other than pro forma and supplemental pro forma amounts, do not reflect the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering. We derived the summary consolidated statement of operations and comprehensive loss data for the six months ended June 30, 2019 and 2020 and the summary consolidated balance sheet data as of June 30, 2020 from the unaudited quarterly condensed consolidated financial statements included elsewhere in this prospectus, which have been prepared on the same basis as the audited consolidated financial statements and, other than pro forma and supplemental pro forma amounts, do not reflect the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering. In the opinion of management, the unaudited data reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the financial information contained in those statements. We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles, or U.S. GAAP, as issued by the Financial Accounting Standards Board, or FASB.

Our historical results are not necessarily indicative of our future results and the results for the six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the full year ending December 31, 2020 or any other interim period. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the sections titled “Selected Consolidated Financial Data”, “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

As of June 30, 2020, the representative exchange rate was £1.00 = \$1.2369.

	YEAR ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	2018	2019	2019	2020
(in thousands, except share and per share data)				
Consolidated Statement of Operations and Comprehensive Loss Data:				
Operating expenses:				
Research and development	\$ 8,917	\$ 12,563	\$ 4,866	\$ 11,947
General and administrative	3,586	8,616	2,716	14,445
Total operating expenses	12,503	21,179	7,582	26,392
Loss from operations	(12,503)	(21,179)	(7,582)	(26,392)
Other income (expense), net	(716)	1,582	57	1,258
Net loss	(13,219)	(19,612)	(6,297)	(24,834)
Other comprehensive (loss) income:				
Foreign exchange translation adjustment	(522)	337	(19)	(1,033)
Comprehensive loss	\$ (13,741)	\$ (19,275)	\$ (6,316)	\$ (25,867)
Net loss per share attributable to ordinary shareholders — basic and diluted	\$ (0.40)	\$ (0.30)	\$ (0.11)	\$ (0.30)
Weighted-average ordinary shares outstanding — basic and diluted	33,133,480	65,814,221	59,878,864	83,878,882
Pro forma net loss per share attributable to ordinary shareholders — basic and diluted (unaudited) ⁽¹⁾	\$ (3.51)	\$ (2.62)	\$ (0.93)	\$ (2.61)
Pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited) ⁽¹⁾	3,763,973	7,476,422	6,802,151	9,528,596
Supplemental pro forma net loss per share attributable to ordinary shareholders — basic and diluted (unaudited) ⁽²⁾		\$ (1.14)		\$ (1.14)
Pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited) ⁽²⁾		17,258,928		21,724,644

- (1) As described in Note 2 to our audited financial statements and our unaudited condensed financial statements included in this prospectus, the unaudited pro forma basic and diluted net loss per share to ordinary shareholders and unaudited pro forma weighted-average number of basic and diluted ordinary shares for the years ended December 31, 2018 and 2019, and for the six months ended June 30, 2019 and 2020, give effect to the one-for-0.1136 reverse share split of all ordinary shares, to be effected immediately prior to and conditional on the completion of this offering, but do not give effect to the conversion of all COMPASS Pathways plc's convertible preferred shares into ordinary shares. Such pro forma data will become the historical net loss per share attributable to ordinary shares, basic and diluted, of COMPASS Pathways plc upon consummation of the corporate reorganization.
- (2) As described in Note 2 to our audited financial statements and our unaudited condensed financial statements included in this prospectus, the unaudited supplemental pro forma basic and diluted net loss per share to ordinary shareholders and unaudited pro forma weighted-average number of basic and diluted ordinary shares for the year ended December 31, 2019 and the six months ended June 30, 2020 give effect to the Reverse Share Split as if the conversion of all outstanding convertible preferred shares had occurred at the later of January 1, 2019 or the issuance dates of the preferred shares; further, the shares to be sold in this offering are excluded from the unaudited pro forma basic and diluted loss per share to ordinary shareholders and unaudited pro forma weighted-average number of basic and diluted ordinary shares for the year ended December 31, 2019 and for the six months ended June 30, 2020. See Note 12 to our audited financial statements and our unaudited condensed financial statements included in this prospectus for further details on the calculation of unaudited supplemental pro forma basic and diluted net loss per share to ordinary shareholders.

	AS OF JUNE 30, 2020		
	ACTUAL	PRO FORMA ⁽¹⁾	PRO FORMA AS ADJUSTED ⁽²⁾
Consolidated Balance Sheet Data:			
Cash	\$ 67,606	\$ 67,606	\$ 158,264
Working capital ⁽³⁾	70,856	70,856	161,514
Total assets	77,079	77,079	166,816
Convertible preferred shares	116,495	—	—
Total shareholders' equity (deficit)	(44,855)	71,640	162,158

- (1) The unaudited pro forma balance sheet data gives effect to our corporate reorganization, including the conversion of all of our outstanding convertible preferred shares as part of the corporate reorganization, but do not include \$5.3 million received in August 2020 from the issuance of an additional 425,871 Series B preferred shares.
- (2) The unaudited pro forma as adjusted balance sheet data gives further effect to the issuance and sale of 6,700,000 ADSs in this offering by us at an assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, as set forth under "Use of Proceeds." Each \$1.00 increase (decrease) in the assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total shareholders' equity (deficit) by \$6.2 million, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 in the number of ADSs offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total shareholders' equity (deficit) by \$14.0 million, assuming the assumed initial public offering price per ADS remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. This pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.
- (3) We define working capital as total current assets less total current liabilities.

RISK FACTORS

Investing in our American Depositary Shares, or ADSs, involves a high degree of risk. You should carefully consider the risks and uncertainties described below and the other information in this prospectus before making an investment decision. Our business, financial condition or results of operations could be materially and adversely affected if any of these risks occurs, and as a result, the market price of our ADSs could decline and you could lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. See “Special Note Regarding Forward-Looking Statements.” Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors.

Risks Related to Our Financial Position and Need for Additional Capital

We are a clinical-stage mental health care company and have incurred significant losses since our inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.

We are a clinical-stage mental health care company and we have not generated any revenue to date. We have incurred significant operating losses since our formation. We incurred total net losses of \$13.2 million, \$19.6 million and \$24.8 million, respectively, for the fiscal years ended December 31, 2018 and December 31, 2019 and the six months ended June 30, 2020. As of June 30, 2020, we had an accumulated deficit of \$62.4 million. Our historical losses resulted principally from costs incurred in connection with research and development activities and general and administrative costs associated with our operations. In the future, we intend to continue to conduct research and development, preclinical testing, clinical trials, regulatory compliance, market access, commercialization and business development activities that, together with anticipated general and administrative expenses, will result in incurring further significant losses for at least the next several years. Our expected losses, among other things, may continue to cause our working capital and shareholders' equity (deficit) to decrease. We anticipate that our expenses will increase substantially if and as we, among other things:

- continue the clinical development of our investigational COMP360 psilocybin therapy for the treatment of treatment-resistant depression, or TRD, including initiating additional and larger clinical trials;
- continue the training of therapists who are qualified to deliver our investigational COMP360 psilocybin therapy in our clinical trials;
- establish a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any therapeutic candidates for which we may obtain regulatory approval, including COMP360;
- establish and expand the network of public healthcare institutions and private clinics that administer COMP360 in conjunction with psychological support;
- advance our commercialization strategy in North America and Europe, including using digital technologies to enhance our proposed therapeutic offering;
- seek additional indications for our investigational COMP360 psilocybin therapy and discover and develop any future therapeutic candidates;
- seek regulatory approvals for any future therapeutic candidates that successfully complete clinical trials;
- experience heightened regulatory scrutiny;

- pursue necessary scheduling-related decisions to enable us to commercialize any future therapeutic candidates containing controlled substances for which we may obtain regulatory approval, including COMP360;
- explore external business development opportunities through acquisitions, partnerships, licensing deals to add future therapeutic candidates and technologies to our portfolio;
- obtain, maintain, expand and protect our intellectual property portfolio, including litigation costs associated with defending against alleged patent or other intellectual property infringement claims;
- add clinical, scientific, operational, financial and management information systems and personnel, including personnel to support our therapeutic development and potential future commercialization efforts;
- experience any delays or encounter any issues with respect to any of the above, including failed studies, ambiguous trial results, safety issues or other regulatory challenges, including delays and other impacts as a result of the spread of the coronavirus disease of 2019, or COVID-19, which we refer to as the COVID-19 pandemic;
- expand our operations in the United States, Europe and potential other geographies in the future; and
- incur additional legal, accounting and other expenses associated with operating as an English public company listed in the U.S.

To date, we have funded our operations through private placements of equity and convertible notes. To become and remain profitable, we will need to continue developing and eventually commercialize therapies that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing clinical trials of COMP360 or any future therapeutic candidates, training a sufficient number of qualified therapists to deliver our investigational COMP360 psilocybin therapy, using digital technologies and solutions to enhance our therapeutic offering, establishing and/or collaborating with providers to develop “Centers of Excellence” where we can conduct trainings for therapists, discovering and developing any future therapeutic candidates, obtaining regulatory approval for any future therapeutic candidates that successfully complete clinical trials, and establishing marketing capabilities. Even if any of the future therapeutic candidates that we may develop are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved future therapeutic candidate. We are only in the preliminary stages of most of these activities. We may never succeed in these activities and, even if we do, may never generate revenue that is significant enough to achieve profitability.

Because of the numerous risks and uncertainties associated with therapeutic development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. If we are required by the U.S. Food and Drug Administration, or the FDA, the European Medicines Agency, or the EMA, the UK’s medicines regulator, the Medicines and Healthcare products Regulatory Agency, or the MHRA, or other comparable foreign authorities to perform studies in addition to those we currently anticipate, or if there are any delays in completing our clinical trials or the development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, our expenses could increase beyond our current expectations and revenue could be further delayed.

Even if we or any future collaborators do generate sales, we may never achieve, sustain or increase profitability on a quarterly or annual basis. Our failure to sustain profitability would depress the market price of our ADSs and could impair our ability to raise capital, expand our business, diversify our

therapeutic offerings or continue our operations. If we continue to suffer losses, investors may not receive any return on their investment and may lose their entire investment.

Even if we complete this offering, we will need substantial additional funding to complete the development and commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate certain or all of our product discovery, therapeutic development, research operations or commercialization efforts.

To date, we have funded our operations through private placements of equity and convertible notes. We expect to require substantial additional funding in the future to sufficiently finance our operations and advance development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. We expect that the net proceeds from this offering, together with our cash and cash equivalents of \$67.6 million as of June 30, 2020, will enable us to fund our operating expenses and capital expenditure requirements through the end of 2022. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Further, changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned. Our future funding requirements, both short-term and long-term, will depend on many factors, including:

- the progress, timing and completion of preclinical testing and clinical trials for our current investigational psilocybin therapy program for TRD and for indications outside of TRD or any future therapeutic candidates;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA, the EMA, the MHRA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more nonclinical studies or clinical trials than those that we currently expect or change their requirements on studies that had previously been agreed to;
- the outcome and timing of any scheduling-related decisions by the U.S. Drug Enforcement Administration, or DEA, individual states, and comparable foreign authorities;
- the number of potential future therapeutic candidates we identify and decide to develop, either internally through our research and development efforts or externally through acquisitions, licensing or other collaboration agreements;
- the costs involved in growing our organization to the size needed to allow for the research, development and potential commercialization of our investigational COMP360 psilocybin therapy and any future therapeutic candidates;
- the costs of developing sales and marketing capabilities to target public and private healthcare providers and clinic networks in major markets;
- the costs of training and certifying therapists who are supporting or will support our clinical trials;
- the costs of establishing our Centers of Excellence, which includes conducting clinical trials, including proof of concept studies, to refine our therapeutic model;
- generating and collecting data and intellectual property; and strengthening our regional presence as a scientific and clinical resource;
- the costs of developing and testing digital technology solutions to improve the patient experience;

- the costs involved in filing patent applications and maintaining and enforcing patents or defending against claims of infringements raised by third parties;
- the time and costs involved in obtaining regulatory approval for COMP360 or any future therapeutic candidates, and any delays we may encounter as a result of evolving regulatory requirements or adverse results with respect to COMP360 or any future therapeutic candidates;
- selling and marketing activities undertaken in connection with the potential commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, if approved, and costs involved in the creation of an effective sales and marketing organization;
- the amount of revenue, if any, we may derive either directly or in the form of royalty payments from future sales of our investigational COMP360 psilocybin therapy and any future therapeutic candidates, if approved; and
- the costs of operating as a public company.

Until we can generate sufficient revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of equity offerings, debt financings, strategic collaborations and alliances, licensing arrangements or monetization transactions.

Our ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which we may have no or limited control. If adequate funds are not available on commercially acceptable terms when needed, we may be forced to delay, reduce or terminate the development or commercialization of all or part of our research programs or our investigational COMP360 psilocybin therapy or any future therapeutic candidate, or we may be unable to take advantage of future business opportunities. Market volatility resulting from the COVID-19 pandemic and the related U.S. and global economic impact or other factors could also adversely impact our ability to access capital as and when needed.

We cannot guarantee that future financing will be available in sufficient amounts, or on commercially reasonable terms, or at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of holders of our ADSs, the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our ADSs to decline. The incurrence of indebtedness could result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to COMP360 or any future therapeutics candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. Further, any additional fundraising efforts may divert our management from its day-to-day activities, which may adversely affect our ability to develop and commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

In addition, heightened regulatory scrutiny could have a negative impact on our ability to raise capital. Our business activities rely on developing laws and regulations in multiple jurisdictions. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding our investigational COMP360 psilocybin therapy or any future therapeutic candidates may adversely affect our business and operations, including without limitation, our ability to raise additional capital.

Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

In July 2015, The Compass Trust Limited, a non-profit private limited company incorporated in England and Wales, was incorporated by two of our co-founders, George Goldsmith and Ekaterina Malievskaia. Its purpose was to support the research and development of psilocybin therapy for end-of-life anxiety. In June 2016, Mr. Goldsmith and Dr. Malievskaia formed COMPASS Pathways Technologies Limited, a for-profit private limited company incorporated in England and Wales, to manufacture psilocybin for the research. Later in 2016, following discussion with regulators and health technology assessment agencies, Mr. Goldsmith and Dr. Malievskaia began considering the development of psilocybin therapy for TRD, given the significant unmet need in this area. In 2017, Compass Pathways Technologies Limited was renamed Compass Pathways Limited and began to carry out clinical trial and funding activities, and The Compass Trust Limited was dissolved. In August 2020, Compass Pathways Technologies Limited was renamed COMPASS Pathfinder Limited and became, through its parent company, Compass Pathfinder Holdings Limited, a wholly owned indirect subsidiary of COMPASS Pathways plc in connection with our corporate reorganization.

To date, we have invested most of our resources in developing our investigational COMP360 psilocybin therapy, building our intellectual property portfolio, conducting business planning, raising capital and providing administrative support for these operations. We have not yet demonstrated an ability to conduct later-stage clinical trials, obtain regulatory approvals, manufacture a commercial-scale product, conduct sales and marketing activities necessary for successful product commercialization or obtain reimbursement in the countries of sale.

We may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving our business objectives. We will eventually need to transition from a company with a development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

We expect our financial condition and operating results to continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any quarterly or annual periods as indications of future operating performance.

Raising additional capital may cause dilution to holders of our ordinary shares or purchasers of ADSs in this offering, restrict our operations or require us to relinquish rights to COMP360 or any future therapeutic candidates.

We may seek additional capital through a combination of equity offerings, debt financings, strategic collaborations and alliances, licensing arrangements or monetization transactions. To the extent that we raise additional capital through the sale of equity, convertible debt securities or other equity-based derivative securities, your ownership interest will be diluted and the terms may include liquidation or other preferences that adversely affect your rights as a shareholder. Any indebtedness we incur would result in increased fixed payment obligations and could involve restrictive covenants, such as limitations on our ability to incur additional debt, acquire or license intellectual property rights, declare dividends, make capital expenditures and other operating restrictions that could adversely impact our ability to conduct our business. Furthermore, the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our ADSs to decline and existing shareholders may not agree with our financing plans or the terms of such financings. If we raise additional funds through strategic collaborations and alliances, licensing arrangements or monetization transactions with third parties, we may have to relinquish valuable rights to our investigational COMP360 psilocybin therapy or any future therapeutic candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. Adequate additional financing may not be available to us on acceptable terms, or at all. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or

future commercialization efforts or grant rights to develop and market our investigational COMP360 psilocybin therapy or any future therapeutic candidates that we would otherwise prefer to develop and market ourselves. Further, any additional fundraising efforts may divert our management from its day-to-day activities, which may adversely affect our ability to develop and commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

Exchange rate fluctuations may materially affect our results of operations and financial condition.

Due to the international scope of our operations, our assets, earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. dollar, the pound sterling and the euro. Our reporting currency is denominated in U.S. dollars and our functional currency is the pound sterling (except that the functional currency of our U.S. subsidiaries is the U.S. dollar) and the majority of our operating expenses are paid in pound sterling. We also regularly acquire services, consumables and materials in U.S. dollars, pound sterling and the euro. Further potential future revenue may be derived from abroad, particularly from the United States. As a result, our business and the price of our ADSs may be affected by fluctuations in foreign exchange rates between the pound sterling and these other currencies, which may also have a significant impact on our results of operations and cash flows from period to period. Currently, we do not have any exchange rate hedging arrangements in place. See Note 2 in the notes to our annual financial statements appearing elsewhere in this prospectus for a description of foreign exchange risks.

In addition, the possible abandonment of the euro by one or more members of the European Union, or the EU, could materially affect our business in the future. Despite measures taken by the EU to provide funding to certain EU member states in financial difficulties and by a number of European countries to stabilize their economies and reduce their debt burdens, it is possible that the euro could be abandoned in the future as a currency by countries that have adopted its use. This could lead to the re-introduction of individual currencies in one or more EU member states, or in more extreme circumstances, the dissolution of the EU. The effects on our business of a potential dissolution of the EU, the exit of one or more EU member states from the EU or the abandonment of the euro as a currency, are impossible to predict with certainty, and any such events could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Development, Clinical Testing and Commercialization of Our Investigational COMP360 Psilocybin Therapy and Any Future Therapeutic Candidates

We are dependent on the successful development of our investigational COMP360 psilocybin therapy. We cannot give any assurance that COMP360 will successfully complete clinical trials or receive regulatory approval, which is necessary before it can be commercialized.

We currently have no therapies that are approved for commercial sale and may never be able to develop marketable therapies. We expect that a substantial portion of our efforts and expenditures over the next several years will be devoted to our investigational COMP360 psilocybin therapy, which is currently our only therapeutic candidate in development. Accordingly, our business currently depends on the successful regulatory approval of COMP360 and the commercialization of our investigational COMP360 psilocybin therapy. We cannot be certain that COMP360 will receive regulatory approval or that our therapy will be successfully commercialized even if we receive regulatory approval. If we were required to discontinue development of our investigational COMP360 psilocybin therapy, or if COMP360 does not receive regulatory approval or fails to achieve significant market acceptance, we would be delayed by many years in our ability to achieve profitability, if ever.

The research, testing, manufacturing, safety, efficacy, labeling, approval, sale, marketing, and distribution of psilocybin is, and will remain, subject to comprehensive regulation by the FDA, the DEA, the EMA, the MHRA and foreign regulatory authorities. Failure to obtain regulatory approval in the United States, Europe or other jurisdictions will prevent us from commercializing and marketing our investigational COMP360 psilocybin therapy in such jurisdictions.

Even if we were to successfully obtain approval from the FDA, the EMA, the MHRA and foreign regulatory authorities for COMP360, any approval might contain significant limitations related to use, as well as restrictions for specified age groups, warnings, precautions or contraindications. In addition, we anticipate that any regulatory approval of COMP360 may include specific requirements or restrictions on the involvement or conduct of trained therapists in the administration of our investigational COMP360 psilocybin therapy and we have not yet received any specific guidance from the FDA, the EMA, the MHRA or other regulatory bodies regarding such requirements or restrictions. Furthermore, even if we obtain regulatory approval for COMP360, we will still need to develop a commercial infrastructure or develop relationships with collaborators to commercialize including securing availability of third-party therapy sites for the appropriate administration of our investigational COMP360 psilocybin therapy, secure adequate manufacturing, train and secure access to qualified therapists, establish a commercially viable pricing structure and obtain coverage and adequate reimbursement from third-party payors, including government healthcare programs. If we, or any future collaborators, are unable to successfully commercialize our investigational COMP360 psilocybin therapy, we may not be able to generate sufficient revenue to continue our business.

The success of our investigational COMP360 psilocybin therapy and any future therapeutic candidates will depend on several factors, including the following:

- successful completion of clinical trials and preclinical studies;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- receiving regulatory approvals or clearance for conducting our planned clinical trials or future clinical trials;
- successful patient enrollment in and completion of clinical trials;
- positive data from our clinical trials that support an acceptable risk-benefit profile of COMP360 and any future therapeutic candidates in the intended populations;
- receipt and maintenance of regulatory and marketing approvals from applicable regulatory authorities;
- establishing and scaling up, either alone or with third-party manufacturers, manufacturing capabilities of clinical supply for our clinical trials and commercial manufacturing, if COMP360 or any future therapeutic candidates are approved;
- entry into collaborations to further the development of our investigational COMP360 psilocybin therapy and any future therapeutic candidates;
- obtaining and maintaining patent and trade secret protection and/or regulatory exclusivity for COMP360 and any future therapeutic candidates;
- successfully launching commercial sales of our investigational COMP360 psilocybin therapy and any future therapeutic candidates, if approved;
- acceptance of COMP360 and any future therapeutic candidates' benefits and uses, if approved, by patients, the medical community and third-party payors;
- maintaining a continued acceptable safety profile of COMP360 and any future therapeutic candidates following approval;

- effectively competing with companies developing and commercializing other therapies in the indications which our investigational COMP360 psilocybin therapy targets;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors;
- enforcing and defending intellectual property rights and claims; and
- complying with laws and regulations, including laws applicable to controlled substances.

If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates we develop, which would materially harm our business. If we do not receive marketing approvals for COMP360 and any future therapeutic candidates, we may not be able to continue our operations.

COMP360 is, and any future therapeutic candidates we may develop in the future may be, subject to controlled substance laws and regulations in the territories where the product will be marketed, such as the United States, the UK and the rest of Europe, and failure to comply with these laws and regulations, or the cost of compliance with these laws and regulations, may adversely affect the results of our business operations, both during clinical development and post approval, and our financial condition. In addition, during the review process of COMP360, and prior to approval, the FDA and/or other regulatory bodies may require additional data, including with respect to whether COMP360 has abuse potential. This may delay approval and any potential rescheduling process.

In the United States, psilocybin and its active metabolite, psilocin, are listed by the DEA as “Controlled Substances” or scheduled substances, under the Comprehensive Drug Abuse Prevention and Control Act of 1970, also known as the Controlled Substances Act, or CSA, specifically as a Schedule I substance. The DEA regulates chemical compounds as Schedule I, II, III, IV or V substances. Schedule I substances by definition have a high potential for abuse, have no currently “accepted medical use” in the United States, lack accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the United States. Pharmaceutical products approved for use in the United States may be listed as Schedule II, III, IV or V, with Schedule II substances considered to present the highest potential for abuse or dependence and Schedule V substances the lowest relative risk of abuse among such substances. Schedule I and II drugs are subject to the strictest controls under the CSA, including manufacturing and procurement quotas, security requirements and criteria for importation. In addition, dispensing of Schedule II drugs is further restricted. For example, they may not be refilled without a new prescription and may have a black box warning. Further, most, if not all, state laws in the United States classify psilocybin and psilocin as Schedule I controlled substances. For any product containing psilocybin to be available for commercial marketing in the United States, psilocybin and psilocin must be rescheduled, or the product itself must be scheduled, by the DEA to Schedule II, III, IV or V. Commercial marketing in the United States will also require scheduling-related legislative or administrative action.

Scheduling determinations by the DEA are dependent on FDA approval of a substance or a specific formulation of a substance. Therefore, while psilocybin and psilocin are Schedule I controlled substances, products approved by the FDA for medical use in the United States that contain psilocybin or psilocin should be placed in Schedules II-V, since approval by the FDA satisfies the “accepted medical use” requirement. If and when COMP360 receives FDA approval, we anticipate that the DEA will make a scheduling determination and place it in a schedule other than Schedule I in order for it to be prescribed to patients in the United States. This scheduling determination will be dependent on FDA approval and the FDA’s recommendation as to the appropriate schedule. During the review process, and prior to approval, the FDA may determine that it requires additional data, either from non-clinical or clinical studies, including with respect to whether, or to what extent, the substance has abuse potential. This may

introduce a delay into the approval and any potential rescheduling process. That delay would be dependent on the quantity of additional data required by the FDA. This scheduling determination will require DEA to conduct notice and comment rule making including issuing an interim final rule. Such action will be subject to public comment and requests for hearing which could affect the scheduling of these substances. There can be no assurance that the DEA will make a favorable scheduling decision. Even assuming categorization as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V), at the federal level, such substances would also require scheduling determinations under state laws and regulations.

If approved by the FDA, and if the finished dosage form of COMP360 is listed by the DEA as a Schedule II, III, or IV controlled substance, its manufacture, importation, exportation, domestic distribution, storage, sale and legitimate use will continue to be subject to a significant degree of regulation by the DEA. In addition, the scheduling process may take significantly longer than the 90-day deadline set forth in the CSA, thereby delaying the launch of our investigational COMP360 psilocybin therapy in the United States. Furthermore, the FDA, DEA, or any foreign regulatory authority could require us to generate more clinical or other data than we currently anticipate to establish whether or to what extent the substance has an abuse potential, which could increase the cost and/or delay the launch of our investigational COMP360 psilocybin therapy and any future therapeutic candidates containing controlled substances. In addition, therapeutic candidates containing controlled substances are subject to DEA regulations relating to manufacturing, storage, distribution and physician prescription procedures, including:

- **DEA registration and inspection of facilities.** Facilities conducting research, manufacturing, distributing, importing or exporting, or dispensing controlled substances must be registered (licensed) to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. All these facilities must renew their registrations annually, except dispensing facilities, which must renew every three years. The DEA conducts periodic inspections of certain registered establishments that handle controlled substances. Obtaining and maintaining the necessary registrations may result in delay of the importation, manufacturing or distribution of COMP360. Furthermore, failure to maintain compliance with the CSA, particularly non-compliance resulting in loss or diversion, can result in regulatory action that could have a material adverse effect on our business, financial condition and results of operations. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to restrict, suspend or revoke those registrations. In certain circumstances, violations could lead to criminal proceedings.
- **State-controlled substances laws.** Individual U.S. states have also established controlled substance laws and regulations. Though state-controlled substances laws often mirror federal law, because the states are separate jurisdictions, they may separately schedule COMP360. While some states automatically schedule a drug based on federal action, other states schedule drugs through rule making or a legislative action. State scheduling may delay commercial sale of any product for which we obtain federal regulatory approval and adverse scheduling could have a material adverse effect on the commercial attractiveness of such product. We or our partners must also obtain separate state registrations, permits or licenses in order to be able to obtain, handle, and distribute controlled substances for clinical trials or commercial sale, and failure to meet applicable regulatory requirements could lead to enforcement and sanctions by the states in addition to those from the DEA or otherwise arising under federal law.
- **Clinical trials.** Because our investigational COMP360 psilocybin therapy contains psilocybin, to conduct clinical trials with COMP360 in the United States prior to approval, each of our research sites must submit a research protocol to the DEA and obtain and maintain a DEA researcher registration that will allow those sites to handle and dispense COMP360 and to obtain the product from our importer. If the DEA delays or denies the grant of a researcher registration to one or more research sites, the clinical trial could be significantly delayed, and we could lose clinical trial

sites. The importer for the clinical trials must also obtain a Schedule I importer registration and an import permit for each import. We do not currently conduct any manufacturing or repackaging/relabeling of either COMP360 or its active ingredients (i.e., psilocybin) in the United States. COMP360 is imported in its fully-finished, packaged and labeled dosage form.

- **Importation.** If COMP360 is approved and classified as a Schedule II, III or IV substance, an importer can import it for commercial purposes if it obtains an importer registration and files an application for an import permit for each import. The DEA provides annual assessments/estimates to the International Narcotics Control Board, which guides the DEA in the amounts of controlled substances that the DEA authorizes to be imported. The failure to identify an importer or obtain the necessary import authority, including specific quantities, could affect the availability of COMP360 and have a material adverse effect on our business, results of operations and financial condition. In addition, an application for a Schedule II importer registration must be published in the Federal Register, and there is a waiting period for third-party comments to be submitted. It is always possible that adverse comments may delay the grant of an importer registration. If COMP360 is approved and classified as a Schedule II controlled substance, federal law may prohibit the import of the substance for commercial purposes. If COMP360 is listed as a Schedule II substance, we will not be allowed to import the drug for commercial purposes unless the DEA determines that domestic supplies are inadequate or there is inadequate domestic competition among domestic manufacturers for the substance as defined by the DEA. Moreover, Schedule I controlled substances, including psilocybin and psilocin, have never been registered with the DEA for importation for commercial purposes, only for scientific and research needs. Therefore, if neither COMP360 nor its drug substance could be imported, COMP360 would have to be wholly manufactured in the United States, and we would need to secure a manufacturer that would be required to obtain and maintain a separate DEA registration for that activity.
- **Manufacture in the United States.** If, because of a Schedule II classification or voluntarily, we were to conduct manufacturing or repackaging/relabeling in the United States, our contract manufacturers would be subject to the DEA's annual manufacturing and procurement quota requirements. Additionally, regardless of the scheduling of COMP360, the active ingredient in the final dosage form is currently a Schedule I controlled substance and would be subject to such quotas as this substance could remain listed on Schedule I. The annual quota allocated to us or our contract manufacturers for the active ingredient in COMP360 may not be sufficient to complete clinical trials or meet commercial demand. Consequently, any delay or refusal by the DEA in establishing our, or our contract manufacturers', procurement and/or production quota for controlled substances could delay or stop our clinical trials or product launches, which could have a material adverse effect on our business, financial position and results of operations.
- **Distribution in the United States.** If COMP360 is scheduled as Schedule II, III or IV, we would also need to identify wholesale distributors with the appropriate DEA registrations and authority to distribute COMP360 and any future therapeutic candidates. These distributors would need to obtain Schedule II, III or IV distribution registrations. This limitation in the ability to distribute COMP360 more broadly may limit commercial uptake and could negatively impact our prospects. The failure to obtain, or delay in obtaining, or the loss of any of those registrations could result in increased costs to us. If COMP360 is a Schedule II drug, participants in our supply chain may have to maintain enhanced security with alarms and monitoring systems and they may be required to adhere to recordkeeping and inventory requirements. This may discourage some pharmacies from carrying the product. In addition, COMP360 will likely be determined to have a high potential for abuse and therefore required to be administered at our trial sites, which could limit commercial uptake. Furthermore, state and federal enforcement actions, regulatory requirements, and legislation intended to reduce prescription drug abuse, such as the requirement that physicians consult a state prescription drug monitoring program, may make physicians less willing to prescribe, and pharmacies to dispense, Schedule II products.

Similarly, the MHRA considers that all Schedule 1 drugs under the UK's Misuse of Drugs Regulations 2001 (which Schedule includes psilocybin and psilocin) have no therapeutic benefit, and can only be imported, exported, produced, supplied and the like under a license issued by the UK Government's Home Office. Psilocybin and psilocin may never be rescheduled under the Misuse of Drugs Regulations 2001, or reclassified under the UK's Misuse of Drugs Act 1971 (under which they are Class A controlled substances).

The potential reclassification of psilocybin and psilocin in the United States could create additional regulatory burdens on our operations and negatively affect our results of operations.

If psilocybin and/or psilocin, other than the FDA-approved formulation, is rescheduled under the CSA as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V), the ability to conduct research on psilocybin and psilocin would most likely be improved. However, rescheduling psilocybin and psilocin may materially alter enforcement policies across many federal agencies, primarily the FDA and DEA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the Federal Food, Drug, and Cosmetic Act, or the FDCA. The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because it is currently illegal under federal law to produce and sell psilocybin and psilocin, and because there are no federally recognized medical uses, the FDA has historically deferred enforcement related to psilocybin and psilocin to the DEA. If psilocybin and psilocin were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. The DEA would continue to be active in regulating manufacturing, distribution and dispensing of such substances. The potential for multi-agency enforcement post-rescheduling could threaten or have a materially adverse effect on our business.

COMP360 contains controlled substances, the use of which may generate public controversy. Adverse publicity or public perception regarding psilocybin or our current or future investigational therapies using psilocybin may negatively influence the success of these therapies.

Therapies containing controlled substances may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, COMP360 and any future therapeutic candidates we may develop. Opponents of these therapies may seek restrictions on marketing and withdrawal of any regulatory approvals. In addition, these opponents may seek to generate negative publicity in an effort to persuade the medical community to reject these therapies. For example, we may face media-communicated criticism directed at our clinical development program. Adverse publicity from psilocybin misuse may adversely affect the commercial success or market penetration achievable by our investigational COMP360 psilocybin therapy. Anti-psychedelic protests have historically occurred and may occur in the future and generate media coverage. Political pressures and adverse publicity could lead to delays in, and increased expenses for, and limit or restrict the introduction and marketing of, our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

If COMP360 or any future therapeutic candidates are approved for commercial sale, we will be highly dependent upon consumer perceptions of the safety and quality of our therapies. We may face limited adoption if third-party therapy sites, therapists, and patients are unwilling to try such a novel treatment. There has been a history of negative media coverage regarding psychedelic substances, including psilocybin, which may affect the public's perception of our therapies. In addition, psilocybin elicits intense psychological experiences, and this could deter patients from choosing this course of treatment. We could be adversely affected if we were subject to negative publicity or if any of our therapies or any similar therapies distributed by other companies prove to be, or are asserted to be, harmful to patients. Because of our dependence upon consumer perception, any adverse publicity associated with illness or other adverse effects resulting from patients' use or misuse of our therapies or any similar therapies distributed

by other companies could have a material adverse impact on our business, prospects, financial condition and results of operations.

Future adverse events in research into depression and mental health diseases on which we focus our research efforts, or the pharmaceutical industry more generally, could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our therapies. Any increased scrutiny could delay or increase the costs of obtaining regulatory approval for COMP360 or any future therapeutic candidates.

Clinical drug development is a lengthy and expensive process with uncertain timelines and uncertain outcomes. If clinical trials of COMP360 or any future therapeutic candidates are prolonged or delayed, we or our current or future collaborators may be unable to obtain required regulatory approvals, and therefore we will be unable to commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates on a timely basis or at all, which will adversely affect our business.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful.

We may experience delays in completing our ongoing clinical trial and initiating or completing additional clinical trials. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates, including:

- delays in or failure to obtain regulatory approval to commence or modify a trial, including the imposition of a temporary or permanent clinical hold by regulatory authorities for a number of reasons, including after review of an Investigational New Drug Application, or IND, or amendment, clinical trial application, or CTA, or amendment, or equivalent application or amendment, as a result of a finding that the trial presents unreasonable risk to clinical trial participants or a negative finding from an inspection of our clinical trial operations or study sites, or the occurrence of a suspected, unexpected serious adverse reaction, or SUSAR, or serious adverse reaction, or SAE, during our clinical trials or investigator-initiated studies, or IISs, using COMP360;
- delays in or failure to reach agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- delays in or failure to obtain institutional review board, or IRB, or ethics committee approval at each site;
- delays in or failure to recruit a sufficient number of suitable patients to participate in a trial;
- failure to have patients complete a trial or return for post-treatment follow-up;
- clinical sites deviating from trial protocol or dropping out of a trial;
- challenges related to conducting adequate and well-controlled clinical trials, including designing an appropriate comparator arm in studies given the potential difficulties related to maintaining the blinding during the trial or placebo or nocebo effects;
- adding new clinical trial sites;

- availability of adequately trained therapists and appropriate third-party clinical trial sites for the conduct of psilocybin therapy sessions, including preparation, psilocybin administration and integration of the therapeutic experience;
- sufficiency of any supporting digital services that may form part of the preparation, integration or long-term follow-up relating to any therapy we develop;
- failure to contract for the manufacture of sufficient quantities of the underlying therapeutic substance for use in clinical trials in a timely manner;
- third-party actions claiming infringement by our investigational COMP360 psilocybin therapy or any future therapeutic candidates in clinical trials and obtaining injunctions interfering with our progress;
- safety or tolerability concerns which could cause us or our collaborators, as applicable, to suspend or terminate a trial if we or our collaborators find that the participants are being exposed to unacceptable health risks;
- changes in regulatory requirements, policies and guidelines;
- lower than anticipated retention rates of patients and patients in clinical trials;
- our third-party research contractors failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- delays in establishing the appropriate dosage levels in clinical trials;
- delays in our clinical trials due to the COVID-19 pandemic, due to factors such as a decrease in the willingness or availability of patients to enroll in our clinical trials and challenges in procuring sufficient supplies of the underlying therapeutic substance;
- the quality or stability of the underlying therapeutic substance falling below acceptable standards; and
- business interruptions resulting from geo-political actions, including war and terrorism, natural disasters including earthquakes, typhoons, floods and fires, pandemics, or failures or significant downtime of our information technology systems resulting from cyber-attacks on such systems or otherwise.

We could encounter delays if a clinical trial is suspended or terminated by us, by the institutional review boards, or IRBs of the institutions in which such trials are being conducted or ethics committees, by the Data Review Committee, or DRC, or Data Safety Monitoring Board for such trial or by the FDA, the EMA, the MHRA or other regulatory authorities or if the DEA registration of an investigator or site conducting the clinical trial is revoked. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA, the EMA, the MHRA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, including any SUSARs or SAEs which have in the past or may in the future occur in our trials or any IISs or other studies using COMP360 and those relating to the class to which COMP360 or any future therapeutic candidates belong, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. For example, on June 18, 2018, the FDA placed COMP360 on clinical hold after it reviewed our initial IND submission, citing the need for additional information regarding the structure of the psilocybin sessions, study personnel, and criteria for discharge. We submitted responsive information

to our IND, and the FDA removed the clinical hold on August 8, 2018. If we experience delays in the completion of, or termination of, any clinical trial of COMP360 or any future therapeutic candidates, the commercial prospects of our investigational COMP360 psilocybin therapy or any future therapeutic candidates will be harmed, and our ability to generate revenue from any such therapeutic candidates will be delayed. In addition, any delays in completing our clinical trials will likely increase our costs, slow down COMP360 or any future therapeutic candidate development and approval process and jeopardize our ability to commence sales and generate revenue. Moreover, if we make changes to COMP360 or any future therapeutic candidates, we may need to conduct additional studies to bridge such modified therapeutic candidates to earlier versions, which could delay our clinical development plan or marketing approval for our investigational COMP360 psilocybin therapy or any future therapeutic candidates. Significant clinical trial delays could also allow our competitors to bring therapies to market before we do or shorten any periods during which we have the exclusive right to commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates and impair our ability to commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates and may harm our business and results of operations.

Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of COMP360 or any future therapeutic candidates or result in the development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates being stopped early.

Our clinical trials may fail to demonstrate substantial evidence of the safety and effectiveness of COMP360 or any future product candidates that we may identify and pursue, which would prevent, delay or limit the scope of regulatory approval and commercialization.

Before obtaining regulatory approvals for the commercial sale of our investigational COMP360 psilocybin therapy or future therapeutic candidates, we must demonstrate through lengthy, complex and expensive nonclinical studies, preclinical studies and clinical trials that the applicable therapeutic candidate is both safe and effective for use in each target indication. A therapeutic candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical development process and, because our investigational COMP360 psilocybin therapy is in an early stage of development, there is a high risk of failure and we may never succeed in developing marketable products. Most product candidates that begin clinical trials are never approved by regulatory authorities for commercialization. We have limited experience in designing clinical trials and may be unable to design and execute a clinical trial to support marketing approval.

We cannot be certain that our current clinical trials or any other future clinical trials will be successful. Clinical trials that we conduct may not demonstrate the efficacy and safety necessary to obtain regulatory approval to market our investigational COMP360 psilocybin therapy. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same therapeutic candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants. If the results of our ongoing or future clinical trials are inconclusive with respect to the efficacy of COMP360, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with COMP360, we may be delayed in obtaining marketing approval, or we may never obtain marketing approval. Any safety concerns observed in any one of our clinical trials in our targeted indications could limit the prospects for regulatory approval of COMP360 in those and other indications, which could have a material adverse effect on our business, financial condition and results of operations.

Even if our clinical trials are successfully completed, preclinical and clinical data are often susceptible to varying interpretations and analyses and we cannot guarantee that the FDA, the EMA or comparable foreign regulatory authorities will interpret the results as we do. Accordingly, more trials could be required before we submit COMP360 for approval. To the extent that the results of the trials are not satisfactory to the FDA, the EMA or comparable foreign regulatory authorities for support of a marketing application, approval of COMP360 may be significantly delayed, or we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of COMP360. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. Due to the inherent risk in the development of therapeutic substances, there is a significant likelihood that COMP360 and any future therapeutic candidates will not successfully complete development and receive approval. Many other companies that believed their therapeutic candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain regulatory approval for the marketing of their therapy. If we do not receive regulatory approvals for COMP360 or future therapeutic candidates, we may not be able to continue our operations. Even if regulatory approval is secured for COMP360 or any future therapeutic candidate, the terms of such approval may limit the scope and use of a specific therapeutic candidate, which may also limit its commercial potential.

Interim, top-line and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data. These data may not be sufficient to support regulatory submissions or approvals.

From time to time, we may publish interim, top-line or preliminary data from our clinical trials. We may decide to conduct an interim analysis of the data after a certain number or percentage of subjects have been enrolled, but before completion of the trial. Similarly, we may report top-line or preliminary results of primary and key secondary endpoints before the final trial results are completed. Interim, top-line and preliminary data from our clinical trials may change as more patient data or analyses become available. Preliminary, top-line or interim data from our clinical trials are not necessarily predictive of final results. Interim, top-line and preliminary data are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues, more patient data become available and we issue our final clinical trial report. Interim, top-line and preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim, top-line and preliminary data should be viewed with caution until the final data are available. Material adverse changes in the final data compared to the interim data could significantly harm our business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular therapeutic candidate and our company in general, and regulatory agencies may request further data from us. In addition, you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular therapeutic candidate. If the top-line data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize COMP360 or any future product candidate, our business, operating results, prospects or financial condition may be harmed.

The regulatory approval process of the FDA, the EMA, the MHRA and comparable foreign authorities are lengthy, time-consuming and inherently unpredictable, and if we are ultimately

unable to obtain regulatory approval for COMP360 and any future therapeutic candidates, our business will be substantially harmed.

We have not previously submitted a New Drug Application, or NDA, to the FDA, or a Marketing Authorization Application, or MAA, to the EMA or the MHRA. Before obtaining regulatory approvals for the commercial sale of COMP360 or any future therapeutic candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that COMP360 and any future therapeutic candidates are both safe and effective for use in each target indication. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process, and, because COMP360 is in an early stage of development, there is a high risk of failure and we may never succeed in developing marketable products.

The time required to obtain approval by the FDA, the EMA, the MHRA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a therapeutic candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for COMP360. It is possible that neither COMP360 nor any future therapeutic candidates we may seek to develop in the future will ever obtain regulatory approval.

COMP360 or any future therapeutic candidates could fail to receive regulatory approval from the FDA, the EMA, the MHRA or comparable foreign regulatory authorities or be precluded from commercial marketing for many reasons, including the following:

- the FDA, the EMA, the MHRA or comparable foreign regulatory authorities may disagree with, question or request changes in the design or implementation of our clinical trials;
- the FDA, the EMA, the MHRA or comparable foreign regulatory authorities may determine that COMP360 or any future therapeutic candidates are not safe and effective, only moderately effective, or have undesirable or unintended side effects, toxicities, or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use;
- the results of clinical trials may not meet the level of statistical significance required by the FDA, the EMA, the MHRA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that our investigational COMP360 psilocybin therapy or any future therapeutic candidate's clinical and other benefits outweigh its safety risks;
- the FDA, the EMA, the MHRA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our investigational COMP360 psilocybin therapy or any future therapeutic candidates may not be sufficient to support the submission of an NDA or other submission, or to obtain regulatory approval in the United States or elsewhere;
- the FDA, the EMA, the MHRA or comparable foreign regulatory authorities may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies;
- the approval policies or regulations of the FDA, the EMA, the MHRA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval; and

- the potential risk of our novel therapy and delivery method, including the use of third-party clinical trial sites and therapists.

This lengthy approval process, as well as the unpredictability of future clinical trial results, may result in our failing to obtain regulatory approval to market any COMP360 or any future therapeutic candidates, which would significantly harm our business, results of operations and prospects. The FDA, the EMA, the MHRA and other comparable foreign authorities have substantial discretion in the approval process and determining when or whether regulatory approval will be obtained for any of COMP360 or any future therapeutic candidates. Even if we believe the data collected from clinical trials of COMP360 or any future therapeutic candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA, the MHRA or any other regulatory authority. If COMP360 or any future therapeutic candidates fails to obtain approval on the basis of any applicable condensed regulatory approval process, this will prevent such therapeutic candidate from obtaining approval on a shortened time frame, or at all, resulting in increased expenses which would materially harm our business.

In addition, even if we were to obtain approval, regulatory or pricing authorities may approve COMP360 or any future therapeutic candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our therapies, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a therapeutic candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that therapeutic candidate. For example, esketamine, a drug targeting major depressive disorder, or MDD, is only available through a Risk Evaluation and Mitigation Strategy, or REMS, program, under the applicable FDA regulations. Any of the foregoing scenarios may have a negative impact on the commercial prospects for our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

Even if COMP360 or any future therapeutic candidates obtain regulatory approval, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, any such therapeutic candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

If the FDA, the EMA, the MHRA or a comparable foreign regulatory authority approves COMP360 or any future therapeutic candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the therapy and underlying therapeutic substance will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current good manufacturing practices, or cGMPs, and with good clinical practices, or GCPs, for any clinical trials that we conduct post-approval, all of which may result in significant expense and limit our ability to commercialize such therapies. Later discovery of previously unknown problems with any approved therapeutic candidate, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the labeling, distribution, marketing or manufacturing of COMP360 or any future therapeutic candidates, withdrawal of the product from the market, or product recalls;
- untitled and warning letters, or holds on clinical trials;
- refusal by the FDA, the EMA, the MHRA or other foreign regulatory body to approve pending applications or supplements to approved applications we filed or suspension or revocation of license approvals;

- requirements to conduct post-marketing studies or clinical trials;
- restrictions on coverage by third-party payors;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- product seizure or detention, or refusal to permit the import or export of the product; and
- injunctions or the imposition of civil or criminal penalties.

In addition, any regulatory approvals that we receive for COMP360 or any future therapeutic candidates may also be subject to limitations on the approved indicated uses for which the therapy may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase IV clinical trials, and surveillance to monitor the safety and efficacy of such therapeutic candidates. For instance, we believe that COMP360, if approved, would be subject to a REMS program, under the applicable FDA regulations. REMS programs are costly and time-consuming for providers to comply with, involving high administrative burden, which could delay or limit our ability to commercialize our investigational COMP360 psilocybin therapy.

If there are changes in the application of legislation, regulations or regulatory policies, or if problems are discovered with our investigational COMP360 psilocybin therapy or our manufacture of an underlying therapeutic substance, or if we or one of our distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include imposing fines on us, imposing restrictions on the therapeutic or its manufacture and requiring us to recall or remove the therapeutic from the market. The regulators could also suspend or withdraw our marketing authorizations, requiring us to conduct additional clinical trials, change our therapeutic labeling or submit additional applications for marketing authorization. If any of these events occurs, our ability to sell such therapy may be impaired, and we may incur substantial additional expense to comply with regulatory requirements, which could materially adversely affect our business, financial condition and results of operations.

COMP360 and any future therapeutic candidates we may develop may have serious adverse, undesirable or unacceptable side effects which may delay or prevent marketing approval. If such side effects are identified during the development of COMP360 or any future therapeutic candidates or following approval, if any, we may need to abandon our development of such therapeutic candidates, the commercial profile of any approved label may be limited, or we may be subject to other significant negative consequences.

Undesirable side effects that may be caused by COMP360 or any future therapeutic candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials or result in clinical holds and could result in a more restrictive label, a requirement that we implement a REMS plan to ensure that the benefits of the therapy outweigh its risks, or the delay or denial of regulatory approval by the FDA, the EMA, the MHRA or other comparable foreign authorities. We or regulatory authorities may also learn of and take similar actions based on side effects related to COMP360 or compounds similar to COMP360 or any future therapeutic candidates in studies not conducted by us, including in IISs or studies conducted by other sponsors, from spontaneous reports of use of psilocybin outside of the clinical trial setting or from safety reports in literature.

The results of future clinical studies may show that COMP360 or any future therapeutic candidates cause undesirable or unacceptable side effects or even death. There can be no assurance that deaths or serious side effects will not occur, even in a clinical setting. To date, two patients have experienced suspected, unexpected serious adverse reactions, or SUSARs. Both patients and study teams remain blinded to the dose received. One patient experienced a SUSAR of adjustment disorder more than a

month after administration, which led to hospitalization. The event was adjudicated by the investigator to be moderate in severity and possibly related to study medication. Another patient experienced a SUSAR of suicidal ideation several weeks after administration which required hospitalization and was adjudicated by the investigator to be severe and possibly related to study medication. We were also recently notified of a patient death that occurred in August 2020, more than two months after the patient was administered COMP360 supplied by us to an IIS involving MDD patients at the University of Zurich. The patient had shown improvement in symptoms, without side effects, following administration. Based on this and other available information, including the 72 days that elapsed between administration of COMP360 (which has a half-life of approximately three hours) and the reported death, a report by the investigator that the death is unlikely to be related to COMP360 and opinion by the patient's psychiatrist that the death is unrelated to COMP360, we consider the death unlikely to be related to COMP360. There can, however, be no assurance that the death was unrelated. In the event serious side effects occur, our trials could be suspended or terminated and the FDA, the EMA, the MHRA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of COMP360 or any future therapeutic candidates for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Further, because of the high variability in how different individuals react to psilocybin, certain patients may have negative experiences with the treatment that could subject us to liability or, if publicized, reputational harm. Any of these occurrences may harm our business, financial condition and prospects significantly.

Clinical trials are conducted in representative samples of the potential patient population which may have significant variability. Even if we receive regulatory approval for COMP360 or any future therapeutic candidates, we will have tested them in only a limited number of patients during our clinical trials. Clinical trials are by design based on a limited number of subjects and of limited duration for exposure to the therapy used to determine whether, on a potentially statistically significant basis, the planned safety and efficacy of any such therapeutic candidate can be achieved. As with the results of any statistical sampling, we cannot be sure that all side effects of COMP360 or any future therapeutic candidates may be uncovered, and it may be the case that only with a significantly larger number of patients exposed to such therapeutic candidate for a longer duration, may a more complete safety profile be identified. Further, even larger clinical trials may not identify rare serious adverse effects or the duration of such studies may not be sufficient to identify when those events may occur. If our applications for marketing are approved and more patients begin to use our therapy, new risks and side effects associated with our therapies may be discovered. There have been other products and therapies that have been approved by the regulatory authorities but for which safety concerns have been uncovered following approval. Such safety concerns have led to labelling changes or withdrawal of therapies from the market, and our investigational COMP360 psilocybin therapy and any future therapeutic candidates may be subject to similar risks. We might have to withdraw or recall our investigational COMP360 psilocybin therapy and any future therapeutic candidates from the marketplace. We may also experience a significant drop in the potential future sales of our investigational COMP360 psilocybin therapy or any future therapeutic candidates if and when regulatory approvals for such therapy are obtained, experience harm to our reputation in the marketplace or become subject to lawsuits, including class actions. Any of these results could decrease or prevent any sales of our approved therapeutic candidates, if any, or substantially increase the costs and expenses of commercializing and marketing our investigational COMP360 psilocybin therapy and any future therapeutic candidates.

Additionally, if our investigational COMP360 psilocybin therapy or any future therapeutic candidates receive marketing approval and we or others later identify undesirable or unacceptable side effects caused by such therapeutic candidates, a number of potentially significant negative consequences could result, including the following:

- regulatory authorities may withdraw approvals of such therapies and require us to take our approved therapeutic candidates, if any, off the market;

- regulatory authorities may require the addition of labeling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies;
- regulatory authorities may require a medication guide outlining the risks of such side effects for distribution to patients, or that we implement a REMS plan to ensure that the benefits of the therapeutic candidate outweigh its risks;
- we may be required to change the way the therapy is administered, conduct additional clinical trials or change the labeling of the therapeutic candidate;
- we may be subject to limitations on how we may promote the therapeutic candidate;
- sales of the therapy may decrease significantly;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us or our potential future collaborators from achieving or maintaining market acceptance of the affected therapeutic candidate or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenue from the sale of our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

Even if we obtain FDA, EMA or MHRA approval for COMP360 or any future therapeutic candidates that we may identify and pursue in the United States, Europe or the UK, we may never obtain approval to commercialize any such therapeutic candidates outside of those jurisdictions, which would limit our ability to realize their full market potential.

In order to market any products outside of the United States, we must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and effectiveness. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval processes vary among countries and can involve additional product testing and validation and additional or different administrative review periods from those in the United States, including additional preclinical studies or clinical trials, as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a therapeutic candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

Seeking foreign regulatory approval could result in difficulties and costs and require additional nonclinical studies or clinical trials which could be costly and time-consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our investigational COMP360 psilocybin therapy and any future therapeutic candidates in those countries. The foreign regulatory approval process may include all of the risks associated with obtaining FDA, EMA or MHRA approval. We do not have any therapeutic candidates approved for sale in any jurisdiction, including international markets, and we do not have experience in obtaining regulatory approval in international markets for COMP360 or any future therapeutic candidates. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approval in international markets is delayed, our target market will be reduced and our ability to realize the full market potential of our investigational COMP360 psilocybin therapy and any future therapeutic candidates will be harmed.

The results of preclinical studies and early-stage clinical trials of our investigational COMP360 psilocybin therapy or any future therapeutic candidates may not be predictive of the results of later stage clinical trials. Initial success in our ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later stage trials.

Therapeutic candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. Furthermore, there can be no assurance that any of our clinical trials will ultimately be successful or support further clinical development of COMP360 or any future therapeutic candidates. There is a high failure rate for drugs proceeding through clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in clinical development even after achieving promising results in earlier studies.

Research and development of drugs targeting the central nervous system is particularly difficult, which makes it difficult to predict and understand why the drug has a positive effect on some patients but not others.

Discovery and development of new drugs targeting central nervous system, or CNS, disorders are particularly difficult and time-consuming, evidenced by the higher failure rate for new drugs for CNS disorders compared with most other areas of drug discovery. For example, in 2019, both Rapastinel and SAGE-217, two new drugs targeting MDD, failed to meet their primary endpoints in Phase III trials. ALKS 5461, another new drug targeting MDD, was rejected by FDA in 2019 after its Phase III trials as FDA required additional clinical data to provide substantial evidence of effectiveness. Any such setbacks in our clinical development could have a material adverse effect on our business and operating results. In addition, our later stage clinical trials may present challenges related to conducting adequate and well-controlled clinical trials, including designing an appropriate comparator arm in trials given the potential difficulties related to maintaining the blinding during the trial or placebo or nocebo effects.

Due to the complexity of the human brain and the central nervous system, it can be difficult to predict and understand why a drug, including COMP360, may have a positive effect on some patients but not others and why some individuals may react to the drug differently from others. Moreover, most of the patients we treat in clinical trials with COMP360 have previously been treated with other drugs or therapies, including serotonergic antidepressants and we believe that the prior use of these drugs or therapies concurrently or up to two weeks prior to administration may interfere with the mechanism of action of or response to our investigational COMP360 psilocybin therapy. The population of those suffering with TRD is large and heterogenous and individuals may have different levels of severity of TRD. These differences may further result in different reactions to impact the effectiveness of our investigational COMP360 psilocybin therapy. All of these factors may make it difficult to assess the prior use or the overall efficacy of our investigational COMP360 psilocybin therapy.

We depend on enrollment of patients in our clinical trials for COMP360 and any future therapeutic candidates. If we are unable to enroll patients in our clinical trials, our research and development efforts and business, financial condition and results of operations could be materially adversely affected.

Identifying and qualifying patients to participate in our clinical trials is critical to our success. Patient enrollment depends on many factors, including:

- the size of the patient population required for analysis of the trial's primary endpoints and the process for identifying patients;
- identifying and enrolling eligible patients, including those willing to discontinue use of their existing medications;
- the design of the clinical protocol and the patient eligibility and exclusion criteria for the trial;
- safety profile, to date, of the therapeutic candidate under study;

- the willingness or availability of patients to participate in our trials, including due to the perceived risks and benefits, stigma or other side effects of use of a controlled substance;
- the willingness or availability of patients to participate in our trials, including due to impacts of the COVID-19 pandemic;
- perceived risks and benefits of our approach to treatment of indication;
- the proximity of patients to clinical sites;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the availability of competing clinical trials;
- the availability of new drugs approved for the indication the clinical trial is investigating;
- clinicians' and patients' perceptions of the potential advantages of the drug being studied in relation to other available therapies, including any new therapies that may be approved for the indications we are investigating; and
- our ability to obtain and maintain patient informed consents.

Even once enrolled, we may be unable to retain a sufficient number of patients to complete any of our trials.

In addition, any negative results we may report in clinical trials of COMP360 or any future therapeutic candidates may make it difficult or impossible to recruit and retain patients in other clinical trials of that same therapeutic candidate. Delays in the enrollment for any clinical trial of COMP360 or any future therapeutic candidates will likely increase our costs, slow down COMP360 approval process and delay or potentially jeopardize our ability to commence sales of our investigational COMP 360 psilocybin therapy and generate revenue. In addition, some of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of COMP360 or any future therapeutic candidates.

Further, timely enrollment in clinical trials is reliant on clinical trial sites which may be adversely affected by global health matters, including, among other things, pandemics. For example, our clinical trial sites may be located in regions currently affected by the COVID-19 pandemic or which may in the future be impacted by this or other pandemics. Some factors from the COVID-19 pandemic that we believe may adversely affect enrollment in our trials include:

- the diversion of healthcare resources away from the conduct of clinical trial matters to focus on pandemic concerns, including the attention of infectious disease physicians serving as our clinical trial investigators, hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- the limitation of available participants for our trials;
- the inability of patients, therapists or physicians to come to hospitals and universities to participate in our trials, leading to delays and increased costs;
- limitations on travel that interrupt key trial activities, such as clinical trial site initiations and monitoring and patient preparation and integration sessions;

- interruption in global shipping affecting the transport of clinical trial materials, such as investigational drug product and comparator drugs used in our trials; and
- employee furlough days that delay necessary interactions with local regulators, ethics committees and other important agencies and contractors.

These and other factors arising from the COVID-19 pandemic could worsen in countries that are already afflicted with the virus or could continue to spread to additional countries, each of which may further adversely impact our clinical trials. The global outbreak of COVID-19 continues to evolve and the conduct of our trials may continue to be adversely affected, despite efforts to mitigate this impact.

We have never commercialized a therapeutic candidate before and may lack the necessary expertise, personnel and resources to successfully commercialize our therapies on our own or with suitable collaborators.

While we are currently assembling a sales and marketing infrastructure, we have limited organizational experience in the sale or marketing of therapeutic candidates. To achieve commercial success for any approved therapy, we must develop or acquire a sales and marketing organization, outsource these functions to third parties or enter into partnerships.

If our investigational COMP360 psilocybin therapy is approved for commercial sale, we plan on establishing our own market access and commercialization capabilities in primary markets in North America and in the EU. In select geographies, we might also consider relying on the support of a Contract Sales Organization, or CSO, or enter into commercialization arrangements with companies with relevant commercialization capabilities. There are risks involved in establishing our own sales and marketing capabilities, as well as with entering into arrangements with third parties to perform these services. Even if we establish sales and marketing capabilities, we may fail to launch our therapies effectively or to market our therapies effectively since we have limited organizational experience in the sales and marketing of therapeutic substances. In addition, recruiting and training a sales force is expensive and time-consuming, and could delay any therapeutic launch. In the event that any such launch is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel. Factors that may inhibit our efforts to commercialize our therapies on our own include:

- our inability to train an adequate number of therapists to meet the demand for psilocybin therapy;
- the ability of our therapists to perform their roles consistently with our training and our guidelines for the administration of our investigational COMP360 psilocybin therapy;
- our inability to recruit, train and retain effective market access and commercial personnel;
- the inability of commercial personnel to obtain access to or educate adequate numbers of physicians on the benefits of prescribing any future therapies;
- our inability to identify a sufficient number of treatment centers in third-party therapy sites to meet the demands of our therapies;
- the lack of complementary therapies to be offered by our commercial personnel, which may put us at a competitive disadvantage relative to companies with more extensive therapeutic lines;
- unforeseen costs and expenses associated with creating an independent market access and commercial organization; and

- costs of market access and commercialization above those anticipated by us.

If we enter into arrangements with third parties to perform market access and commercial services for any approved therapies, the revenue or the profitability of these revenue to us could be lower than if we were to commercialize any therapies that we develop ourselves. Such collaborative arrangements may place the commercialization of any approved therapies outside of our control and would make us subject to a number of risks including that we may not be able to control the amount or timing of resources that our collaborative partner devotes to our therapies or that our collaborator's willingness or ability to complete its obligations, and our obligations under our arrangements may be adversely affected by business combinations or significant changes in our collaborator's business strategy. We may not be successful in entering into arrangements with third parties to commercialize our therapies or may be unable to do so on terms that are favorable to us. Acceptable third parties may fail to devote the necessary resources and attention to commercialize our therapies effectively, to set up sufficient number of treatment centers in third-party therapy sites, or to recruit, train and retain adequate number of therapists to administer our therapies. In addition, we are exploring ways in which we can use digital technology to improve the patient experience and therapeutic outcomes of our therapies. Commercialization partners may lack incentives to promote our digital technology and we may face difficulties in implementing our digital technologies in third-party therapy sites through such third parties.

If we do not establish commercial capabilities successfully, either on our own or in collaboration with third parties, we may not be successful in commercializing our therapies, which in turn would have a material adverse effect on our business, prospects, financial condition and results of operations.

The future commercial success of our investigational COMP360 psilocybin therapy or any future therapeutic candidates will depend on the degree of market access and acceptance of our potential therapies among healthcare professionals, patients, healthcare payors, health technology assessment bodies and the medical community at large.

We may never have a therapy that is commercially successful. To date, we have no therapy authorized for marketing. Our investigational COMP360 psilocybin therapy requires further clinical investigation, regulatory review, significant market access and marketing efforts and substantial investment before it can produce any revenue. Furthermore, if approved, our therapy may not achieve an adequate level of acceptance by payors, health technology assessment bodies, healthcare professionals, patients and the medical community at large, and we may not become profitable. The level of acceptance we ultimately achieve may be affected by negative public perceptions and historic media coverage of psychedelic substances, including psilocybin. Because of this history, efforts to educate the medical community and third-party payors and health technologies assessment bodies on the benefits of our investigational COMP360 psilocybin therapy may require significant resources and may never be successful, which would prevent us from generating significant revenue or becoming profitable. Market acceptance of our future therapies by healthcare professionals, patients, healthcare payors and health technology assessment bodies will depend on a number of factors, many of which are beyond our control, including, but not limited to, the following:

- acceptance by healthcare professionals, patients and healthcare payors of each therapy as safe, effective and cost-effective;
- changes in the standard of care for the targeted indications for any therapeutic candidate;
- the strength of sales, marketing and distribution support;
- potential product liability claims;
- the therapeutic candidate's relative convenience, ease of use, ease of administration and other perceived advantages over alternative therapies;

- the prevalence and severity of adverse events or publicity;
- limitations, precautions or warnings listed in the summary of therapeutic characteristics, patient information leaflet, package labeling or instructions for use;
- the cost of treatment with our therapy in relation to alternative treatments;
- the steps that prescribers and dispensers must take, given that COMP360 includes a controlled substance, as well as the perceived risks based upon its controlled substance status;
- the ability to manufacture our product in sufficient quantities and yields;
- the availability and amount of coverage and reimbursement from healthcare payors, and the willingness of patients to pay out of pocket in the absence of healthcare payor coverage or adequate reimbursement;
- the willingness of the target patient population to try, and of healthcare professionals to prescribe, the therapy;
- any potential unfavorable publicity, including negative publicity associated with recreational use or abuse of psilocybin;
- any restrictions on the use, sale or distribution of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, including through REMS;
- the extent to which therapies are approved for inclusion and reimbursed on formularies of hospitals and managed care organizations; and
- whether our therapies are designated under physician treatment guidelines or under reimbursement guidelines as a first-line, second-line, third-line or last-line therapy.

If our investigational COMP360 psilocybin therapy or any future therapeutic candidates fail to gain market access and acceptance, this will have a material adverse impact on our ability to generate revenue to provide a satisfactory, or any, return on our investments. Even if some therapies achieve market access and acceptance, the market may prove not to be large enough to allow us to generate significant revenue.

Our business and commercialization strategy depends on our ability to identify, qualify, prepare, certify and support third-party therapy sites offering any approved therapy. If we are unable to do so, our commercialization prospects would be limited and our business, financial condition and results of operations would be harmed.

If we are able to commercialize our investigational COMP360 psilocybin therapy or future therapies, our success will be dependent upon our ability to identify, qualify, prepare, certify and support third-party therapy sites that offer and administer our therapies. Our commercial model of delivering our investigational COMP360 psilocybin therapy will also involve third-party therapists before, during and after the psilocybin administration session, which will be hosted in one of the third-party therapy sites. We intend to commercialize our investigational COMP360 psilocybin therapy and any future therapeutic candidates by building close relationships with qualified third-party therapy sites where these therapists will administer our investigational COMP360 psilocybin therapy. Because we intend to work only with third party sites and providers who agree to adhere strictly to our treatment protocols, we may face limitations on the number of sites available to administer our investigational COMP360 psilocybin therapy. Any such limitations could make it impracticable or impossible for some potential patients to access our investigational COMP360 psilocybin therapy, if approved, which could limit the overall size of our potential

patient population and harm our future results of operations. Although we plan to develop Centers of Excellence to train and certify such third-party therapy sites, conduct further research on and continuously improve our treatment protocol, we expect this to involve significant costs, time and resources, and our efforts may not be successful.

If we are unable to establish a sufficient network of third-party therapy sites certified under applicable standards, including regional, national, state or other applicable standards as needed to render psilocybin therapeutic services, including the certifications that such third-party therapy sites may require, it would have a material adverse effect on our business and ability to grow and would adversely affect our results of operations and commercialization efforts. We expect the therapists to be employed by the third-party therapy sites where the therapists administer our therapies. Third-party therapy sites could, for a number of reasons, demand higher payments for our therapies or take other actions to increase their income from selling our therapies, which could result in higher costs for payors and for our patients to get access to our therapies. For example, legal regimes may have higher levels of licensure which force us to contract with third-party therapy sites that demand higher payment rates to provide psilocybin therapeutic services. In addition, third-party therapy sites may have difficulty meeting regulatory or accreditation requirements.

Given the novel nature of our treatment, third-party therapy sites may face additional financial and administrative burdens in order to deliver any approved therapy, including adhering to a REMS plan in the United States or a Risk Management Program, or RMP, in Europe. The process for a third-party therapy site to obtain a certificate under a REMS plan can be very costly and time-consuming, which could delay a third-party therapy site's ability to provide our therapies and materially adversely affect our commercialization trajectory. Furthermore, third-party therapy sites will need to ensure that they have the necessary infrastructure and equipment in order to deliver our investigational COMP360 psilocybin therapy, such as adequate audio-visual equipment, ancillary equipment and sufficient treatment rooms. This may deter third-party therapy sites from providing our therapeutic candidate and reduce our ability to expand our network and generate revenue. Our ability to develop and maintain satisfactory relationships with third-party therapy sites may otherwise be negatively impacted by other factors not associated with our operations and, in some instances, outside of our direct or indirect control, such as negative perceptions regarding the therapeutic use of psilocybin, changes in Medicare and/or Medicaid or commercial payors reimbursement levels and other pressures on healthcare providers and consolidation activity among hospitals, physician groups and the providers. Reimbursement levels may be inadequate to cover third-party therapy sites' costs of delivering our investigational COMP360 psilocybin therapy. The failure to maintain or to secure new cost-effective contracts with third-party therapy sites may result in a loss of or inability to grow our network of third-party therapy sites, patient base, higher costs to our patients and us, healthcare provider network disruptions and/or difficulty in meeting regulatory or accreditation requirements, any of which could have a material adverse effect on our business, financial condition and results of operations.

We currently rely on qualified therapists working at third-party clinical trial sites to administer our investigational COMP360 psilocybin therapy in our clinical trials and we expect this to continue upon approval, if any, of COMP360 or any future therapeutic candidates. If third-party sites fail to recruit and retain a sufficient number of therapists or effectively manage their therapists, our business, financial condition and results of operations would be materially harmed.

We currently administer our investigational COMP360 psilocybin therapy in our clinical trials through qualified third-party therapists working at third-party clinical trial sites. However, there are currently not enough trained therapists to carry out our investigational COMP360 psilocybin therapy at a commercial scale, and our efforts to facilitate training and certification programs for therapists, including through our planned Centers of Excellence, may be unsuccessful.

While we currently provide training to the therapists and expect to continue providing trainings in the future (either directly or indirectly through third-party providers), we do not currently employ the therapists who deliver our therapies to patients and do not intend to do so in the future. Such therapists are typically

employed by the third-party therapy sites. If our investigational COMP360 psilocybin therapy or any future therapeutic candidates are approved for commercialization, third-party therapy sites may demand substantial financial resources from us to recruit and retain a team of qualified therapists to administer our investigational COMP360 psilocybin therapy or any future therapeutic candidates. If the third-party therapy sites fail to recruit, train and retain sufficient number of therapists, our ability to offer and administer our therapies will be greatly harmed, which may in turn reduce the market acceptance rate of our therapies. If this occurs, our commercialization prospects would be negatively affected and our business, financial condition and results of operations would be harmed.

Although we currently provide training and expect to continue providing training to the therapists (directly or through third-party providers), we generally rely on qualified and certified third-party therapy sites to manage the therapists and monitor the administration of our therapies and ensure that the administration process of our therapies comply with our established protocols. However, if not properly managed and supervised, there is a risk that therapists may deviate from our training protocols, fail to follow the guidelines we have established, or abuse patients during psilocybin administration sessions. The therapists might also administer unauthorized therapies to patients using illegal psilocybin compounds in “underground” clinics. Such illegal activities would put the patients at risk and subject us to potential liabilities, litigations, regulatory proceedings and reputational harm. If this were to occur, we may face serious setbacks for our commercialization process and our financial condition and results of operations would be materially harmed.

Commercialization of our therapeutic candidates is dependent on our relationships with affiliated professional entities, which we do not own, to provide physician services, and our business would be adversely affected if those relationships were disrupted.

There is a risk that U.S. state authorities in some jurisdictions may find that our contractual relationships with our affiliated providers and our Centers of Excellence violate laws prohibiting the corporate practice of medicine and certain other health professions. These laws generally prohibit the practice of medicine and certain other health professions by lay persons or entities and are intended to prevent unlicensed persons or entities from interfering with or inappropriately influencing the professional judgment of clinicians and other health care practitioners. The professions subject to corporate practice restrictions and the extent to which each jurisdiction considers particular actions or contractual relationships to constitute improper influence of professional judgment vary across jurisdictions and are subject to change and evolving interpretations by state boards of medicine and other health professions and enforcement agencies, among others. As such, we must monitor our compliance with laws in every jurisdiction in which we operate on an ongoing basis and we cannot guarantee that subsequent interpretation of the corporate practice laws will not further circumscribe our business operations. State corporate practice restrictions also often impose penalties on health professionals for aiding a corporate practice violation, which could discourage clinicians or other licensed professionals from participating in our network of providers or Centers of Excellence. Any difficulty securing clinicians to participate in our network could impair our ability to provide therapies and could have a material adverse effect on our business.

Corporate practice restrictions exist in some form, whether by statute, regulation, professional board or attorney general guidance, or case law, in at least 42 U.S. states, though the broad variation between jurisdictions with respect to the application and enforcement of the doctrine makes establishing an exact count difficult. Because of the prevalence of corporate practice restrictions on medicine, we contract for provider services and other services provided by the Centers for Excellence through various agreements, such as service agreements, rather than employ providers. We expect that these relationships will continue, but we cannot guarantee that they will. The arrangement in which we have entered to comply with state corporate practice of medicine doctrines could subject us to additional scrutiny by federal and state regulatory bodies regarding federal and state fraud and abuse laws. In addition, a material change in our relationship with the Providers, whether resulting from a dispute among the entities, a change in

government regulation, or the loss of these affiliations, could impair our ability to provide therapies and could have a material adverse effect on our business, financial condition and results of operations.

Changes in methods of therapeutic candidate manufacturing or formulation may result in additional costs or delay.

As therapeutic candidates are developed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, may be altered along the way in an effort to optimize processes and results. Any of these changes could cause our investigational COMP360 psilocybin therapy or any future therapeutic candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of COMP360 or any future therapeutic candidates and jeopardize our ability to commence product sales and generate revenue.

A Breakthrough Therapy designation by the FDA for COMP360 or any future therapeutic candidates may not lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our investigational COMP360 psilocybin therapy or any future therapeutic candidates will receive marketing approval.

We have received Breakthrough Therapy designation for COMP360 for the treatment of TRD and may seek it for any future therapeutic candidates. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA may also be eligible for accelerated approval.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe any future therapeutic candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy designation for COMP360 and any future therapeutic candidates may not result in a faster development process, review or approval compared to drugs considered for approval under non-expedited FDA review procedures and does not assure ultimate approval by the FDA. In addition, even though COMP360 has been designated as a breakthrough therapy, the FDA may later decide that it, or any future therapeutic candidates that are designated by FDA as breakthrough therapies, no longer meet the conditions for qualification.

Fast Track designation by the FDA may not actually lead to a faster development or regulatory review or approval process.

We may seek Fast Track designation for COMP360 or any future therapeutic candidates. If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug sponsor may apply for Fast Track designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular therapeutic candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we receive Fast Track designation for any future therapeutic candidates, we may not experience a faster development process, review or approval compared to non-expedited FDA review procedures. In addition, the FDA may withdraw Fast Track designation for any therapeutic candidate that is granted Fast Track designation if it believes that the designation is no longer supported by data from our clinical development program.

We may in the future enter into collaborations for the discovery, development and/or commercialization of additional therapeutic candidates or research programs. Such collaborations may not result in the development of commercially viable therapeutic candidates or the generation of significant future revenue, or we may fail to enter into profitable relationships.

We may enter into collaborations with pharmaceutical companies or others for the discovery, development and/or commercialization of future therapeutic candidates or research programs. If we fail to enter into or maintain collaborations on reasonable terms, our ability to discover and develop future therapeutic candidates and research programs could be delayed or become more costly. Any future collaborations may subject us to a number of risks, including the following:

- the inability to control the amount and timing of resources that our collaboration partner devotes to our future research programs and therapeutic candidates;
- for collaboration agreements where we may be solely or partially responsible for funding development expenses through a defined milestone event, we may never recoup the costs of these investments if the therapeutic candidate fails to achieve regulatory approval or commercial success;
- we may rely on the information and data received from third parties regarding their research programs and therapeutic candidates without independent verification;
- we may not have control of the process conducted by the third party in gathering and composing data regarding their research programs and therapeutic candidates and we may not have formal or appropriate guarantees with respect to the quality and the completeness of such data;
- we may not have sufficient funds to satisfy any milestone, royalty or other payments we may owe to any third party collaborator;
- our collaboration agreements may contain non-competition provisions which place restrictions on our business operations and the therapeutic candidates and/or indications we may pursue;
- a collaborative partner may develop or commercialize a competing therapeutic candidate either by itself or in collaboration with others, including one or more of our competitors;
- our collaborative partners' willingness or ability to complete their obligations under our collaboration arrangements may be adversely affected by business combinations or significant changes in a collaborative partner's strategy;
- our collaborative partners may experience delays in, or increases in the costs of, the discovery and development of our future therapeutic candidates and research programs and we may be required to pay for any cost increases;
- we may have disagreements with collaborative partners, including disagreements over proprietary rights, selection of lead therapeutic candidates, contract interpretation or the preferred course of development that might cause delays or termination of the research, development or commercialization of therapeutic candidates, might lead to additional responsibilities for us with respect to therapeutic candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- our collaborative partners may not properly obtain, maintain, defend or enforce intellectual property rights; and

- our collaborative partners may infringe, misappropriate or otherwise violate the intellectual property rights of third parties, which may expose us to litigation and potential liability.

We may face significant competition in seeking appropriate collaborative partners. Our ability to reach a definitive agreement for a collaborative partnership depends, among other things, upon our assessment of a potential collaborator's resources and expertise, the terms and conditions of the proposed partnership and the potential collaborator's evaluation of a number of factors. Proposing, negotiating, and implementing collaborations, licensing arrangements, joint ventures, strategic alliances, or partnerships may be a lengthy and complex process. We have limited institutional knowledge and experience with respect to such activities and we may also not realize the anticipated benefits of any such transaction or arrangement.

Should any of the foregoing risks materialize, any collaborations we enter into could fail to result in the development of commercially viable therapeutic candidates or the generation of future revenue, which could have a material adverse effect on our business.

Our business strategy includes developing Centers of Excellence, which we expect will involve significant costs, time and resources. If our efforts are unsuccessful, our business, prospects and financial condition would be adversely affected.

A key element of our business strategy involves setting up research facilities and innovation labs, which we refer to as Centers of Excellence, in key markets. We intend to use these Centers of Excellence to gather evidence to optimize our therapy model, train and certify therapists, conduct clinical trials, including proof of concept studies, develop and test digital technology solutions to improve patient experience and outcomes and pursue other activities to refine our approach to delivering our investigational COMP360 psilocybin therapy safely and cost-effectively. Our efforts to design, build and staff these Centers of Excellence, or identify suitable third parties with whom we may collaborate to open these centers, will involve significant time, costs, including potential capital expenditures to acquire and develop facilities, and other resources, and may divert our management team's focus on executing on other key elements of our business strategy. If we fail to enter into or maintain agreements with third parties to develop and operate these Centers of Excellence on reasonable terms, or at all, our ability to develop our future research programs and therapeutic candidates could be delayed, the commercial potential of our therapies could change and our costs of development and commercialization could increase. If our efforts to develop these Centers of Excellence are unsuccessful, it will have a materially adverse impact on our business, future prospects and financial position.

We may become exposed to costly and damaging liability claims, either when testing our investigational COMP360 psilocybin therapy or any future therapeutic candidates in the clinic or at the commercial stage, and our product liability insurance may not cover all damages from such claims.

We are exposed to potential product liability and professional indemnity risks that are inherent in the research, development, manufacturing, marketing and use of therapeutic substances. Currently, we have no therapies that have been approved for commercial sale; however, the current and future use of our investigational COMP360 psilocybin therapy or any future therapeutic candidates by us and our corporate collaborators in clinical trials, and the potential sale of any approved therapies in the future, may expose us to liability claims. These claims might be made by patients who use our therapies, healthcare providers, pharmaceutical companies, our corporate collaborators or other third parties that sell our therapies. Any claims against us, regardless of their merit, could be difficult and costly to defend and could materially adversely affect the market for our investigational COMP360 psilocybin therapy or any future therapeutic candidates or any prospects for commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. Although the clinical trial process is designed to identify and assess potential side effects, it is always possible that a drug, even after regulatory approval, may exhibit unforeseen side effects. If COMP360 or any future therapeutic candidates causes adverse side effects during clinical trials or after regulatory approval, we may be exposed to substantial liabilities.

Physicians and patients may not comply with warnings that identify known potential adverse effects and describe which patients should not use COMP360 or any future therapeutic candidates. Regardless of the merits or eventual outcome, liability claims may cause, among other things, the following:

- decreased demand for our therapies due to negative public perception;
- injury to our reputation;
- withdrawal of clinical trial participants or difficulties in recruiting new trial participants;
- initiation of investigations by regulators;
- costs to defend or settle the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue from therapeutic sales; and
- the inability to commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates, if approved.

It is possible that our liabilities could exceed our insurance coverage. We intend to expand our insurance coverage to include the sale of commercial therapies if we obtain marketing approval for our investigational COMP360 psilocybin therapy or any future therapeutic candidates. However, we may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business, financial condition and results of operations could be materially adversely affected.

Liability claims resulting from any of the events described above could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Regulatory Compliance

Psilocybin and psilocin are listed as Schedule I controlled substances under the CSA in the U.S., and similar controlled substance legislation in other countries and any significant breaches in our compliance with these laws and regulations, or changes in the laws and regulations may result in interruptions to our development activity or business continuity.

Psilocybin and psilocin are categorized as Schedule I controlled substances under the CSA, Schedule 1 drugs under the UK's Misuse of Drugs Regulations 2001 and are similarly categorized by most states and foreign governments. Even assuming that COMP360 or any future therapeutic candidates containing psilocybin or psilocin are approved and scheduled by regulatory authorities to allow their commercial marketing, the ingredients in such therapeutic candidates would likely continue to be Schedule I, or the state or foreign equivalent. Violations of any federal, state or foreign laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges and penalties, including, but not limited to, disgorgement of profits, cessation of business activities, divestiture, or prison time. This could have a material adverse effect on us, including on our reputation and ability to conduct business, the potential listing of our ADSs, our financial position,

operating results, profitability or liquidity or the market price of our publicly traded ADSs. In addition, it is difficult for us to estimate the time or resources that would be needed for the investigation or defense of any such matters or our final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. It is also illegal to aid or abet such activities or to conspire or attempt to engage in such activities. An investor's contribution to and involvement in such activities may result in federal civil and/or criminal prosecution, including, but not limited to, forfeiture of his, her or its entire investment, fines and/or imprisonment.

Various federal, state, provincial and local laws govern our business in the jurisdictions in which we operate or currently plan to operate, and to which we export or currently plan to export our products, including laws relating to health and safety, the conduct of our operations, and the production, storage, sale and distribution of our products. Complying with these laws requires that we comply concurrently with complex federal, state, provincial and/or local laws. These laws change frequently and may be difficult to interpret and apply. To ensure our compliance with these laws, we will need to invest significant financial and managerial resources. It is impossible for us to predict the cost of such laws or the effect they may have on our future operations. A failure to comply with these laws could negatively affect our business and harm our reputation. Changes to these laws could negatively affect our competitive position and the markets in which we operate, and there is no assurance that various levels of government in the jurisdictions in which we operate will not pass legislation or regulation that adversely impacts our business.

In addition, even if we or third parties were to conduct activities in compliance with U.S. state or local laws or the laws of other countries and regions in which we conduct activities, potential enforcement proceedings could involve significant restrictions being imposed upon us or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on our business, revenue, operating results and financial condition as well as on our reputation and prospects, even if such proceedings conclude successfully in our favor. In the extreme case, such proceedings could ultimately involve the criminal prosecution of our key executives, the seizure of corporate assets, and consequently, our inability to continue business operations. Strict compliance with state and local laws with respect to psilocybin and psilocin does not absolve us of potential liability under U.S. federal law, EU law or English law, nor provide a defense to any proceeding which may be brought against us. Any such proceedings brought against us may adversely affect our operations and financial performance.

Despite the current status of psilocybin and psilocin as Schedule I controlled substances in the United States, there may be changes in the status of psilocybin or psilocin under the laws of certain U.S. cities or states. For instance, the city of Denver voted to decriminalize the possession of psilocybin in 2019 and there is currently a campaign in Oregon to pass a bill in November 2020 for the legal medical use of "psilocybin products," including magic mushrooms, to treat mental health conditions in licensed facilities with registered therapists. The legalization of psilocybin without regulatory oversight may lead to the setup of clinics without proper therapeutic infrastructure or adequate clinical research, which could put patients at risk and bring reputational and regulatory risk to the entire industry, making it harder for us to achieve regulatory approval. Furthermore, the legalization of psilocybin could also impact our commercial sales if we receive regulatory approval as it would reduce the barrier to entry and could increase competition.

We are subject to anti-corruption laws, as well as export control laws, customs laws, sanctions laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures and legal expenses, be precluded from manufacturing COMP360 and developing and selling our investigational COMP360 psilocybin therapy or any future therapeutic candidates outside the United States or be required to develop

and implement costly compliance programs, which could adversely affect our business, results of operations and financial condition.

Our operations are subject to anti-corruption laws, including the UK Bribery Act 2010, or Bribery Act, the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws that apply in countries where we do business and may do business in the future. The Bribery Act, FCPA and these other laws generally prohibit us, our officers, and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage.

The Bribery Act, the FCPA and these other laws generally prohibit us and our employees and intermediaries from authorizing, promising, offering, or providing, directly or indirectly, a financial or other advantage to government officials or other persons to induce them to improperly perform a relevant function or activity (or reward them for such behavior).

Under the Bribery Act, we may also be liable for failing to prevent a person associated with us from committing a bribery offense. We, along with those acting on our behalf and our commercial partners, operate in a number of jurisdictions that pose a high risk of potential Bribery Act or FCPA violations, and we participate in collaborations and relationships with third parties whose corrupt or illegal activities could potentially subject us to liability under the Bribery Act, FCPA or local anti-corruption laws, even if we do not explicitly authorize or have actual knowledge of such activities. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

Compliance with the FCPA, in particular, is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

We may in the future operate in jurisdictions that pose a high risk of potential Bribery Act or FCPA violations, and we may participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under the Bribery Act, FCPA or local anti-corruption laws. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted. If we expand our operations, we will need to dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the UK and the U.S., and authorities in the EU, including applicable export control regulations, economic sanctions on countries and persons, customs requirements and currency exchange regulations, collectively referred to as the Trade Control laws. In addition, various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the U.S., it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from manufacturing COMP360 and developing and selling our investigational COMP360 psilocybin therapy or any future therapeutic candidates outside of the United States, which could limit our growth potential and increase our development costs.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws, including the Bribery Act, the FCPA or other legal requirements, including Trade Control laws. If we are not in compliance with the Bribery Act, the FCPA and other anti-corruption

laws or Trade Control laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions. Any investigation of any potential violations of the Bribery Act, the FCPA, other anti-corruption laws or Trade Control laws by UK, U.S. or other authorities could also have an adverse impact on our reputation, our business, results of operations and financial condition.

We may become subject to U.S. federal and state forfeiture laws which could negatively impact our business operations.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, seizure of assets, disgorgement of profits, cessation of business activities or divestiture. As an entity that conducts business involving psilocybin and psilocin, we are potentially subject to federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative for the federal government or any state (or local police force) that wants to discourage residents from conducting transactions with psilocybin- and psilocin-related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Also, an individual can be required to forfeit property considered to be the proceeds of a crime even if the individual is not convicted of the crime, and the standard of proof in a civil forfeiture matter is lower than the standard in a criminal matter. Depending on the applicable law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

Investors located in jurisdictions where psilocybin and psilocin remains illegal may be at risk of prosecution under conspiracy, aiding and abetting, and money laundering statutes, and be at further risk of losing their investments or proceeds under forfeiture statutes. Many jurisdictions remain fully able to take action to prevent the proceeds of psilocybin and psilocin businesses from entering their state. Our investors and prospective investors should be aware of these potentially relevant laws in considering whether to invest in us.

We are subject to certain tax risks and treatments that could negatively impact our results of operations.

Section 280E of the Code, as amended, prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA). The U.S. Internal Revenue Service, or IRS, has invoked Section 280E in tax audits against various businesses in the United States that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to psilocybin and psilocin businesses.

Changes and uncertainties in the tax system in the countries in which we have operations could materially adversely affect our financial condition and results of operations, and reduce net returns to our shareholders.

We conduct business globally and file income tax returns in multiple jurisdictions. Our consolidated effective income tax rate could be materially adversely affected by several factors, including: changing tax laws, regulations and treaties, or the interpretation thereof; tax policy initiatives and reforms under consideration (such as those related to the Organisation for Economic Co-Operation and Development's, or OECD, Base Erosion and Profit Shifting, or BEPS, Project, the European Commission's state aid

investigations and other initiatives); the practices of tax authorities in jurisdictions in which we operate; the resolution of issues arising from tax audits or examinations and any related interest or penalties. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid.

We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices in jurisdictions in which we operate, could increase the estimated tax liability that we have expensed to date and paid or accrued on our balance sheets, and otherwise affect our financial position, future results of operations, cash flows in a particular period and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders and increase the complexity, burden and cost of tax compliance.

Tax authorities may disagree with our positions and conclusions regarding certain tax positions, or may apply existing rules in an unforeseen manner, resulting in unanticipated costs, taxes or non-realization of expected benefits.

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, Her Majesty's Revenue & Customs, or HMRC, the IRS or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, for example where there has been a technical violation of contradictory laws and regulations that are relatively new and have not been subject to extensive review or interpretation, in which case we expect that we might contest such assessment. High-profile companies can be particularly vulnerable to aggressive application of unclear requirements. Many companies must negotiate their tax bills with tax inspectors who may demand higher taxes than applicable law appears to provide. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

We may be unable to use net operating loss and tax credit carryforwards and certain built-in losses to reduce future tax payments or benefit from favorable UK tax legislation.

As a UK incorporated and tax resident entity, we are subject to UK corporate taxation. Due to the nature of our business, we have generated losses since inception and therefore have not paid any UK corporation tax. As of December 31, 2019, we had cumulative carryforward tax trading losses of \$17.7 million. Subject to any relevant utilization criteria and restrictions (including those that limit the percentage of profits that can be reduced by carried forward losses and those that can restrict the use of carried forward losses where there is a change of ownership of more than half of our ordinary shares and a major change in the nature, conduct or scale of the trade), we expect these to be eligible for carry forward and utilization against future operating profits. The use of loss carryforwards in relation to UK profits incurred on or after April 1, 2017 will be limited each year to £5.0 million per group plus, broadly, an incremental 50% of UK taxable profits.

As a company that carries out extensive research and development activities, we seek to benefit from the UK research and development tax relief programs, being the Small and Medium-sized Enterprises R&D tax relief program, or SME Program, and, to the extent that our projects are grant funded or relate to work subcontracted to us by third parties, the Research and Development Expenditure Credit program, or RDEC Program. Under the SME Program, we may be able to surrender the trading losses that arise from our qualifying research and development activities for a cash rebate of up to 33.35% of such qualifying

research and development expenditures. The majority of our research, clinical trials management and manufacturing development activities are eligible for inclusion within these tax credit cash rebate claims. We may not be able to continue to claim payable research and development tax credits in the future if we cease to qualify as a SME, based on size criteria concerning employee headcount, turnover and gross assets.

We may benefit in the future from the UK's "patent box" regime, which allows certain profits attributable to revenue from patented products (and other qualifying income) to be taxed at an effective rate of 10% by giving an additional tax deduction. We own two UK patents which cover our investigational COMP360 psilocybin therapy, and accordingly, future upfront fees, milestone fees, product revenue and royalties could be eligible for this deduction. When taken in combination with the enhanced relief available on our research and development expenditures, we expect a long-term rate of corporation tax lower than the statutory to apply to us. If, however, there are unexpected adverse changes to the UK research and development tax credit regime or the "patent box" regime, or for any reason we are unable to qualify for such advantageous tax legislation, or we are unable to use net operating loss and tax credit carryforwards and certain built-in losses to reduce future tax payments then our business, results of operations and financial condition may be adversely affected. This may impact our ongoing requirement for investment and the timeframes within which additional investment is required.

Enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates and could have a material adverse effect on our business.

In the United States, the EU and other foreign jurisdictions, there have been a number of legislative and regulatory changes to the healthcare system that could affect our future results of operations. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA, substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. biopharmaceutical industry.

Among the provisions of the ACA of importance to our potential therapeutic candidates are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs, apportioned among these entities according to their market share in certain government healthcare programs, although this fee would not apply to sales of certain products approved exclusively for orphan indications;
- expansion of eligibility criteria for Medicaid programs, a Federal and state program which extends healthcare to low income individuals and other groups, by, among other things, allowing states to offer Medicaid coverage to certain individuals and adding new eligibility categories for certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- expansion of manufacturers' rebate liability under the Medicaid Drug Rebate Program, which requires that drug manufacturers provide rebates to states in exchange for state Medicaid coverage for most of the manufacturers' drugs by increasing the minimum rebate for both branded and generic drugs and revising the definition of "average manufacturer price," or AMP, for calculating and reporting Medicaid drug rebates on outpatient prescription drug prices and extending rebate liability to prescriptions for individuals enrolled in Medicare Advantage plans (i.e., a type of Medicare healthcare plan offered by private companies);

- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for products that are inhaled, infused, instilled, implanted or injected;
- expansion of the types of entities eligible for the 340B drug discount program, which requires drug manufacturers to provide outpatient drugs to eligible healthcare organizations and covered entities at significantly reduced prices;
- establishment of the Medicare Part D coverage gap discount program, which requires manufacturers to provide a 50% point-of-sale discount (increased to 70% pursuant to the Bipartisan Budget Act of 2018, or BBA, effective as of January 1, 2019) off the negotiated price of applicable products to eligible beneficiaries during their coverage gap period as a condition for the manufacturers' outpatient products to be covered under Medicare Part D;
- creation of a new non-profit, nongovernmental institute, called the Patient-Centered Outcomes Research Institute, to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research; and
- establishment of the Center for Medicare and Medicaid Innovation within Centers for Medicare & Medicaid, or CMS, to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription product spending.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Various portions of the ACA are currently undergoing legal and constitutional challenges in the U.S. Supreme Court; the Trump Administration has issued various Executive Orders which eliminated cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices; and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA. It is unclear whether the ACA will be overturned, repealed, replaced, or further amended. We cannot predict what affect further changes to the ACA would have on our business.

Other legislative changes have been proposed and adopted since the ACA was enacted. These new laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on our customers and accordingly, our financial operations. For example, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. The Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year, and, due to subsequent legislative amendments, will remain in effect through 2030 unless additional Congressional action is taken. However, these Medicare sequester reductions have been suspended from May 1, 2020 through December 31, 2020 due to the COVID-19 pandemic. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. In addition, the BBA amended the ACA, effective January 1, 2019, by increasing the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and closing the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole".

New laws and additional health reform measures may result in additional reductions in Medicare and other healthcare funding, which may adversely affect customer demand and affordability for our investigational COMP360 psilocybin therapy and any future therapeutic candidates and, accordingly, the results of our financial operations.

Our business operations and current and future relationships with investigators, health care professionals, consultants, third-party payors and customers may be subject, directly or indirectly, to U.S. federal and state healthcare fraud and abuse laws, false claims laws, health information privacy and security laws, other healthcare laws and regulations and other foreign privacy and security laws. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Although we do not currently have any therapies on the market, our current and future operations may be directly, or indirectly through our relationships with investigators, health care professionals, customers and third-party payors, subject to various U.S. federal and state healthcare laws and regulations, including, without limitation, the U.S. federal Anti-Kickback Statute or the federal Anti-Kickback Statute. Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any therapies for which we obtain marketing approval. These laws impact, among other things, our research activities and proposed sales, marketing and education programs and constrain our business and financial arrangements and relationships with third-party payors, healthcare professionals who participate in our clinical research program, healthcare professionals and others who recommend, purchase, or provide our approved therapies, and other parties through which we market, sell and distribute our therapies for which we obtain marketing approval. In addition, we may be subject to patient data privacy and security regulation by both the U.S. federal government and the states in which we conduct our business, along with foreign regulators (including European data protection authorities). Finally, our current and future operations are subject to additional healthcare-related statutory and regulatory requirements and enforcement by foreign regulatory authorities in jurisdictions in which we conduct our business. These laws include, but are not limited to, the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or paying any remuneration (including any kickback, bribe, or certain rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under U.S. federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations are subject to significant civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, the government may assert that a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act, or the FCA. The definition of the “remuneration” under the federal Anti-Kickback Statute has been interpreted to include anything of value. Further, courts have found that if “one purpose” of remuneration is to induce referrals, the federal Anti-Kickback Statute is violated. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution; but the exceptions and safe harbors are drawn narrowly and require strict compliance in order to offer protection;
- the federal civil and criminal false claims laws, such as the FCA, which prohibits individuals or entities from, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment to, or approval by Medicare, Medicaid, or other federal healthcare programs, knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim or an obligation to pay or transmit money to the federal government, or knowingly concealing or knowingly and improperly avoiding or decreasing or concealing an obligation to pay money to the U.S. federal government. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. The FCA also permits a

private individual acting as a “whistleblower” to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the FCA, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;

- the federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transfer or remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state health care program, unless an exception applies;
- the U.S. federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (i.e., public or private), and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements, in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statute or specific intent to violate it;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, and as amended again by the Final HIPAA Omnibus Rule, published in January 2013, which imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information without appropriate authorization by covered entities subject to the rule, such as health plans, healthcare clearinghouses and certain healthcare providers, as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys’ fees and costs associated with pursuing federal civil actions;
- the FDCA, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices;
- the U.S. federal legislation commonly referred to as Physician Payments Sunshine Act, and its implementing regulations, which requires certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children’s Health Insurance Program to report annually to the CMS information related to certain payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists, and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made during the previous year to certain non-physician providers such as physician assistants and nurse practitioners;
- analogous state laws and regulations, including the following: state anti-kickback and false claims laws, which may be broader in scope than their federal equivalents, and which may apply to our business practices, including research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers; state laws that require pharmaceutical companies to comply with the

pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; state and local laws that require the registration of pharmaceutical sales representatives and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts; and

- the European and other foreign law equivalents of each of these laws, including reporting requirements detailing interactions with and payments to healthcare providers, and privacy-related requirements in Europe and other jurisdictions.

The distribution of pharmaceutical products is subject to additional requirements and regulations, including licensing, extensive record-keeping, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

Further, if any of our Centers for Excellence conduct clinical studies, we may face risks relating to operating a clinical trial site. Such risks may include research misconduct and patient injury. In addition, we may end up possessing a large amount of individually identifiable health information. Such activities are subject to a wide variety of laws, such as the aforementioned HIPAA.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Even if precautions are taken, it is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion of drugs from government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, reputational harm and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, that person or entity may be subject to significant criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. Prohibitions or restrictions on sales or withdrawal of future marketed products could materially affect business in an adverse way.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements.

Failure to comply with health and data protection laws and regulations could lead to U.S. federal and state government enforcement actions, including civil or criminal penalties, private litigation, and adverse publicity and could negatively affect our operating results and business.

We and any potential collaborators may be subject to U.S. federal and state data protection laws and regulations, such as laws and regulations that address privacy and data security. In the United States, numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws, govern the collection, use, disclosure, and protection of health-related and other personal information. In addition, we may obtain health information from third parties, including research institutions from which we obtain clinical trial data, which are subject to privacy and security requirements under HIPAA, as amended by HITECH. To the extent that we act as a business associate to a healthcare provider engaging in electronic transactions, we may also be subject to the privacy and security provisions of HIPAA, as amended by HITECH, which restricts the use and disclosure of patient-identifiable health information, mandates the adoption of standards relating to the privacy and security of patient-identifiable health information, and requires the reporting of certain security breaches to healthcare provider customers with respect to such information. Additionally, many states have enacted similar laws that may impose more stringent requirements on entities like ours. Depending on the facts and circumstances, we could be subject to significant civil, criminal, and administrative penalties if we obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

Additionally, in June 2018, the State of California enacted the California Consumer Privacy Act of 2018, or CCPA, which came into effect on January 1, 2020 and provides new data privacy rights for consumers (as that term is broadly defined) and new operational requirements for companies, which may increase our compliance costs and potential liability. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. While there is currently an exception for protected health information that is subject to HIPAA and clinical trial regulations, as currently written, the CCPA may impact certain of our business activities. The CCPA could mark the beginning of a trend toward more stringent state privacy legislation in the United States, which could increase our potential liability and adversely affect our business.

Compliance with U.S. and foreign privacy and data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure to comply with these laws and regulations could result in government enforcement actions (which could include civil, criminal and administrative penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects, employees and other individuals about whom we or our potential collaborators obtain personal information, as well as the providers who share this information with us, may limit our ability to collect, use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

European data collection is governed by restrictive privacy and security regulations governing the use, processing and cross-border transfer of personal information.

The collection, use, storage, disclosure, transfer, or other processing of personal data (including health data processed in the context of clinical trials) (i) regarding individuals in the EU, and/or (ii) carried out in the context of the activities of our establishment in any EU member state, is subject to the EU General Data Protection Regulation, or GDPR, which became effective on May 25, 2018, as well as other national data protection legislation in force in relevant member states (including the Data Protection Act 2018 in the UK).

The GDPR is wide-ranging in scope and imposes numerous additional requirements on companies that process personal data, including imposing special requirements in respect of the processing of health and other sensitive data, requiring that consent of individuals to whom the personal data relates is obtained in certain circumstances, requiring additional disclosures to individuals regarding data processing activities, requiring that safeguards are implemented to protect the security and confidentiality of personal data, creating mandatory data breach notification requirements in certain circumstances, and requiring that certain measures (including contractual requirements) are put in place when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the United States, and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenue, whichever is greater. The GDPR provides individuals with various rights in respect of their personal data, including rights of access, erasure, portability, rectification, restriction and objection. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR.

The GDPR may increase our responsibility and liability in relation to personal data that we process where such processing is subject to the GDPR. While we have taken steps to comply with the GDPR, and implementing legislation in applicable EU member states, including by seeking to establish appropriate lawful bases for the various processing activities we carry out as a controller or joint controller, reviewing our security procedures and those of our vendors and collaborators, and entering into data processing agreements with relevant vendors and collaborators, we cannot be certain that our efforts to achieve and remain in compliance have been, and/or will continue to be, fully successful.

Following the UK's withdrawal from the EU on January 31, 2020, pursuant to the transitional arrangements agreed between the UK and the EU, the GDPR will continue to have effect in UK law until December 31, 2020, in the same fashion as was the case prior to that withdrawal as if the UK remained an EU member state for such purposes. Following December 31, 2020, it is likely that the data protection obligations of the GDPR will continue to apply to UK-based organizations' processing of personal data in substantially unvaried form, for at least the short term thereafter.

Inadequate funding for the FDA, the SEC and other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new therapies from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new therapies can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical employees and stop critical activities. Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products through April 2020. On March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities and provided guidance regarding the conduct of clinical trials. As of June 23, 2020, the FDA announced that it was conducting mission critical domestic and foreign inspections to ensure compliance of manufacturing facilities with FDA quality standards. On

July 10, 2020, the FDA announced its goal to restart domestic onsite inspections during the week of July 20, 2020, but such activities will depend on data about the virus' trajectory in a given state and locality and the rules and guidelines that are put in place by state and local governments. The FDA has developed a rating system to assist in determining when and where it is safest to conduct prioritized domestic inspections. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. Additionally, as of June 23, 2020, the FDA noted it was continuing to ensure timely reviews of applications for medical products during the COVID-19 pandemic; however, the FDA may not be able to continue its current pace and review timelines could be extended. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, upon completion of this offering and in our operations as an English public company listed in the United States, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

The successful commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates will depend in part on the extent to which governmental authorities and health insurers establish adequate reimbursement levels and pricing policies. Failure to obtain or maintain adequate coverage and reimbursement for our investigational COMP360 psilocybin therapy or any future therapeutic candidates, if approved, could limit our ability to market those therapies and decrease our ability to generate revenue.

The availability and adequacy of coverage and reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors are essential for most patients to be able to afford therapies such as our investigational COMP360 psilocybin therapy or any future therapeutic candidates, if approved. As Schedule I substances under the CSA, psilocybin and psilocin are deemed to have no accepted medical use and therapies that use psilocybin or psilocin are precluded from reimbursement in the United States. Our products must be scheduled as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V) before they can be commercially marketed. Our ability to achieve acceptable levels of coverage and reimbursement for therapies by governmental authorities, private health insurers and other organizations will have an effect on our ability to successfully commercialize, and attract additional collaboration partners to invest in the development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. There is limited clinical data on the long-term efficacy of psilocybin on treating TRD. Certain patients may need repeated treatments over their lifetime to avoid relapse. This may increase treatment costs, making it more difficult for us to secure reimbursement. Even if we obtain coverage for a given therapy by third-party payors, the resulting reimbursement payment rates may not be adequate or may require patient out-of-pocket costs that patients may find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, Europe or elsewhere will be available for any therapy that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

We intend to seek approval to market our investigational COMP360 psilocybin therapy or future therapeutic candidates in both the United States and in selected foreign jurisdictions. If we obtain approval in one or more foreign jurisdictions for COMP360 or our future therapeutic candidates, we will be subject to rules and regulations in those jurisdictions.

In some foreign countries, particularly certain countries in Europe, the pricing of drugs is subject to governmental control and other market regulations which could put pressure on the pricing and usage of our investigational COMP360 psilocybin therapy or our future therapeutic candidates. In these countries, pricing negotiations with governmental authorities can take considerable time after obtaining marketing approval of a therapeutic candidate. In addition, market acceptance and sales of our investigational COMP360 psilocybin therapy or future therapeutic candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our investigational COMP360

psilocybin therapy or future therapeutic candidates and may be affected by existing and future healthcare reform measures.

Third-party payors are increasingly challenging prices charged for therapeutic substances and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when an equivalent generic drug or a less expensive therapy is available. It is possible that a third-party payor may consider our investigational COMP360 psilocybin therapy or any future therapeutic candidates as substitutable and only offer to reimburse patients for the less expensive therapy. Even if we show improved efficacy or improved convenience of administration with our investigational COMP360 psilocybin therapy or any future therapeutic candidates, pricing of existing drugs may limit the amount we will be able to charge. These payors may deny or revoke the reimbursement status of a given drug product or establish prices for new or existing marketed therapies at levels that are too low to enable us to realize an appropriate return on our investment in product development. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates, and may not be able to obtain a satisfactory financial return on therapeutic candidates that we may develop.

Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved therapies. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs will be covered. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs. Some third-party payors may require pre-approval of coverage for new or innovative devices or drug therapies before they will reimburse health care providers who use such therapies. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

Obtaining and maintaining reimbursement status is time-consuming and costly. No uniform policy for coverage and reimbursement for drug therapies exists among third-party payors in the United States. Therefore, coverage and reimbursement for drug therapies can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our therapies to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and we believe that changes in these rules and regulations are likely.

There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to

drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. At the federal level, the Trump administration's budget for fiscal year 2021 includes a \$135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the Trump administration sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the Trump administration previously released a "Blueprint" to lower drug prices and reduce out-of-pocket costs of drugs that contained proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. The U.S. Department of Health and Human Services, or HHS, solicited feedback on some of these measures and has implemented others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. In addition, CMS has also continued to research new payment methodologies, such as bundled payment models. The first cohort of participants in testing these models began participation on October 1, 2018. The second cohort began participating January 1, 2020. On July 24, 2020, the Trump administration announced four executive orders related to prescription drug pricing. While some proposed measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

On the state level, local governments have been very aggressive in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third-party payors or other restrictions could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our therapies or put pressure on our therapeutic pricing, which could negatively affect our business, results of operations, financial condition and prospects.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe, and other countries has and will continue to put pressure on the pricing and usage of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. In many countries, the prices of medical therapies are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical therapies, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our investigational COMP360 psilocybin therapy or any future therapeutic candidates. Accordingly, in markets outside the United States, the reimbursement for our therapies may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU-wide, law and policy. The medicines regulatory regime in respect of the EU applies to the European

Economic Area, or the EEA, which comprises the EU member states as well as Norway, Iceland and Liechtenstein. National governments and health service providers have different priorities and approaches to the delivery of healthcare and the pricing and reimbursement of therapies in that context. In general, however, the healthcare budgetary constraints in many EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with increasing EU and national regulatory burdens on those wishing to develop and market therapies, this could prevent or delay marketing approval of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, restrict or regulate post-approval activities and affect our ability to commercialize any therapies for which we obtain marketing approval.

EU drug marketing regulation may materially affect our ability to market and receive coverage for our therapies in the EU member states. Much like the federal Anti-Kickback Statute prohibition in the United States, the provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal therapies is also prohibited in most countries within the EU. The provision of benefits or advantages to physicians may be governed by the national anti-bribery laws of EU member states, and in respect of the UK (which is no longer a member of the EU), the Bribery Act. Infringement of these laws could result in substantial fines and imprisonment.

Payments made to physicians and other healthcare professionals in certain EU member states must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual EU member states. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in individual EU member states and the particular requirements can therefore vary widely amongst the EU member states. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

In addition, in most foreign countries, including many EU member states, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing and reimbursement vary widely from country to country. For example, individual member states in the EU have the ability to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. Reference pricing used by various EU member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. A Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. In some countries, we may be required to conduct a clinical study or other studies that compare the cost-effectiveness of our investigational COMP360 psilocybin therapy or any of our future therapeutic candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. There can be no assurance that any country that has price controls or reimbursement limitations for biopharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our therapies. Historically, therapies launched in the EU do not follow price structures of the United States and generally prices tend to be significantly lower. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if reimbursement of our therapies is unavailable or limited in scope or amount, our revenue from sales and the potential profitability of our investigational COMP360 psilocybin therapy or any of our future therapeutic candidates in those countries would be negatively affected.

Moreover, increasing efforts by governmental and third-party payors in the EU, the United States and elsewhere to cap or reduce healthcare costs may cause such organizations to limit coverage and the level of reimbursement for newly approved therapies and, as a result, they may not cover or provide adequate payment for our investigational COMP360 psilocybin therapy or any future therapeutic

candidates. In international markets, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific therapies. We expect to experience pricing pressures in connection with the sale of our investigational COMP360 psilocybin therapy or any future therapeutic candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new therapies.

Because we are subject to environmental, health and safety laws and regulations, we may become exposed to liability and substantial expenses in connection with environmental compliance or remediation activities which may adversely affect our business and financial condition.

Our operations, including our research, development, testing and manufacturing activities, are subject to numerous foreign, federal, state and local environmental, health and safety laws and regulations. These laws and regulations govern, among other things, the controlled use, manufacture, handling, release and disposal of and the maintenance of a registry for, hazardous materials, such as chemical solvents, human cells, carcinogenic compounds, mutagenic compounds and compounds that have a toxic effect on reproduction, laboratory procedures and exposure to blood-borne pathogens.

We may incur significant costs to comply with these current or future environmental and health and safety laws and regulations. Furthermore, if we fail to comply with such laws and regulations, we could be subject to fines or other sanctions.

As with other companies engaged in activities similar to ours, we face a risk of environmental liability inherent in our current and historical activities, including liability relating to releases of or exposure to hazardous materials and, as a result, may incur material liability as a result of such release or exposure. Environmental, health and safety laws and regulations are becoming more stringent. We may incur substantial expenses in connection with any current or future environmental compliance or remediation activities, in which case, our production and development efforts may be interrupted or delayed and our financial condition and results of operations may be materially adversely affected. In the event of an accident involving such hazardous materials, an injured party may seek to hold us liable for damages that result.

We could experience difficulty enforcing our contracts.

Due to the nature of our business and the fact that our contracts involve psilocybin and psilocin, the use of which is not legal under U.S. federal law and in certain other jurisdictions, we may face difficulties in enforcing our contracts in U.S. federal and state courts. The inability to enforce any of our contracts could have a material adverse effect on our business, operating results, financial condition or prospects.

In order to manage our contracts with contractors, we ensure that such contractors are appropriately licensed at the state and federal level in the U.S., and at the appropriate level in other territories. Were such contractors to operate outside the terms of these licenses, we may experience an adverse effect on our business, including the pace of development of our investigational COMP360 psilocybin therapy, any future therapeutic candidate.

Risks Related to Intellectual Property

We rely on patents and other intellectual property rights to protect our investigational COMP360 psilocybin therapy, the enforcement, defense and maintenance of which may be challenging and costly. Failure to enforce or protect these rights adequately could harm our ability to compete and impair our business.

Our commercial success depends in part on obtaining and maintaining patents and other forms of intellectual property rights for COMP360, any future therapeutic candidates and associated therapies,

digital therapies, methods used to manufacture the underlying therapeutic substances, and the methods for treating patients using those substances and therapies, or on licensing in such rights. Failure to obtain, maintain protect, enforce or extend adequate patent and other intellectual property rights could materially adversely affect our ability to develop and market our investigational COMP360 psilocybin therapy and any future therapeutic candidates. We also rely on trade secrets and know-how to develop and maintain our proprietary and intellectual property position. Any failure to protect our trade secrets and know-how could adversely affect our operations and prospects.

We cannot be certain that patents will be issued or granted with respect to patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid or unenforceable. The patent position of companies like ours is generally uncertain because it involves complex legal and factual considerations. The standards applied by the European Patent Office, the United States Patent and Trademark Office, or USPTO, and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in pharmaceutical patents. Consequently, patents may not issue from our pending patent applications, and even if they do issue, such patents may not issue in a form that effectively prevents others from developing or commercializing competing therapies. As such, we do not know the degree of future protection that we will have on our proprietary therapies.

The patent prosecution process is expensive, complex and time-consuming, and we and our current or future third party partners, licensors, licensees, or collaboration partners may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our licensors, licensees or collaboration partners will fail to identify patentable aspects of inventions made in the course of research, development or commercialization activities before it is too late to pursue patent protection on them. In addition, although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors, and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Furthermore, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not published until and unless granted. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. Similarly we cannot be certain that for any licensed patents or pending patent applications, the named applicant(s) were the first to make the inventions claimed in such patents or pending patent applications or that the named applicant(s) were the first to file for patent protection for such inventions.

Further, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors', licensees' or collaboration partners' patent rights are highly uncertain. Our and our licensors' pending and future patent applications may not result in patents being issued that protect our therapies, in whole or in part, or that effectively prevent others from commercializing competitive technologies and therapies.

Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from or license to third parties and are reliant on our licensors, licensees or collaboration partners. If our current or future licensors, licensees or collaboration partners fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our licensors, licensees or collaboration partners are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

The patent examination process may require us or our licensors, licensees or collaboration partners to narrow the scope of the claims of our or our licensors', licensees' or collaboration partners' pending and future patent applications, which may limit the scope of patent protection that may be obtained. We cannot assure you that all of the potentially relevant prior art relating to our patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent from issuing from a pending patent application.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Even if patents do successfully issue and even if such patents cover COMP360 and any future therapeutic candidates, third parties may initiate an opposition, interference, re-examination, post-grant review, *inter partes* review, nullification or derivation proceedings in court or before patent offices, or similar proceedings challenging the validity, enforceability or scope of such patents, which may result in the patent claims being narrowed or invalidated.

Our and our licensors', licensees' or collaboration partners' patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover the technology. In addition, patents and other intellectual property rights also will not protect our technology, COMP360 and any future therapeutic candidates if third parties, including our competitors, design around our protected technology and our investigational COMP360 psilocybin therapy and any future therapeutic candidates without infringing, misappropriating or otherwise violating our patents or other intellectual property rights. Moreover, some of our patents and patent applications may in the future be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing therapies and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Because patent applications are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we or our current or future licensors, licensees or collaborators were or will be the first to file any patent application related to a therapeutic candidate. Furthermore, if patent applications of third parties have an effective filing date before March 16, 2013, an interference proceeding can be initiated by such third parties to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. If patent applications of third parties have an effective filing date on or after March 16, 2013, a derivation proceeding can be initiated by such third parties to determine whether our invention was derived from theirs. Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing our invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license. In addition, we may be subject to third-party challenges regarding our exclusive ownership of our intellectual property. If a third party were successful in challenging our exclusive ownership of any of our intellectual property, we may lose our right to use such intellectual property, such third party may be able to license such intellectual property to other third parties, including our competitors, and our competitors could market competing therapies and technology. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Issued patents covering one or more of our investigational therapeutics could be found invalid or unenforceable if challenged in court.

To protect our competitive position, we may from time to time need to resort to litigation in order to enforce or defend any patents or other intellectual property rights owned by or licensed to us, or to

determine or challenge the scope or validity of patents or other intellectual property rights of third parties. Enforcement of intellectual property rights is difficult, unpredictable and expensive, and many of our or our licensors' or collaboration partners' adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our licensors or collaboration partners can. Accordingly, despite our or our licensors' or collaboration partners' efforts, we or our licensors or collaboration partners may not prevent third parties from infringing upon, misappropriating or otherwise violating intellectual property rights we own or control, particularly in countries where the laws may not protect those rights as fully as in the UK, EU and the United States. We may fail in enforcing our rights, in which case our competitors and other third parties may be permitted to use our therapies without payment to us.

In addition, litigation involving our patents carries the risk that one or more of our patents will be narrowed, held invalid (in whole or in part, on a claim-by-claim basis) or held unenforceable. Such an adverse court ruling could allow third parties to commercialize our therapies, and then compete directly with us, without payment to us.

If we were to initiate legal proceedings against a third party to enforce a patent covering one of our investigational therapies, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the United States or in Europe, defendant counterclaims alleging invalidity or unenforceability are commonplace. A claim for a validity challenge may be based on failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. A claim for unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the European Patent Office or the USPTO or made a misleading statement, during prosecution. Third parties may also raise challenges to the validity of our patent claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (i.e., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover COMP360 or any future therapeutic candidates. The outcome following legal assertions of invalidity and unenforceability during patent litigation or other proceedings is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant or third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on COMP360 or one or more of any future therapeutic candidates. Such a loss of patent protection could have a material adverse impact on our business financial condition, results of operations, and prospects. Further, litigation could result in substantial costs and diversion of management resources, regardless of the outcome, and this could harm our business and financial results.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance and annuity fees on any issued patent are due to be paid to the European Patent Office, the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The European Patent Office, the USPTO and various foreign governmental patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In certain circumstances, we rely on our collaboration partners to pay these fees due to United States and comparable foreign patent agencies and take the necessary action to comply with such requirements with respect to our intellectual property. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-

compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we or our licensors or collaboration partners fail to maintain the patents and patent applications covering our investigational therapies, third parties, including our competitors might be able to enter the market with similar or identical therapies or technologies, which would have a material adverse effect on our business, financial condition, results of operations, and prospects.

If we do not obtain protection under the Hatch-Waxman Amendments and similar foreign legislation for extending the term of patents covering each of our investigational therapies, our business may be materially harmed.

In the United States, if all maintenance fees are paid on time, the natural expiration of a patent is generally 20 years from its earliest non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our investigational therapies, their manufacture, or use are obtained, once the patent life has expired, we may be open to competition from competitive therapies. Given the amount of time required for the development, testing and regulatory review of new investigational therapies, patents protecting such candidates and concomitant therapies might expire before or shortly after such candidates and concomitant therapies are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing therapies similar or identical to ours.

Depending upon the timing, duration and conditions of FDA marketing approval of COMP360 and any future therapeutic candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, and similar legislation in the EU. The Hatch-Waxman Act permits a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term loss during product development and the FDA regulatory review process. The patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method of manufacturing it may be extended. However, we may not receive an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that product will not be lengthened and third parties, including our competitors, may obtain approval to market competing therapies sooner than we expect. As a result, our revenue from applicable therapies could be materially reduced and our business, financial condition, results of operations, and prospects could be materially harmed.

Intellectual property rights do not necessarily address all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to make compounds or develop digital assets that are the same as or similar to our investigational COMP360 psilocybin therapy, any future therapeutic candidates and digital assets but that are not covered by the claims of the patents that we own or control;
- the patents of third parties may have an adverse effect on our business;

- we or our licensors or any current or future collaboration partners might not have been the first to conceive or reduce to practice the inventions covered by the issued patent or pending patent application that we own or control;
- we or our licensors or any current or future collaboration partners might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing misappropriating or otherwise violating our intellectual property rights;
- it is possible that our current and future pending patent applications will not lead to issued patents;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by third parties;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive therapies for sale in our major commercial markets;
- third parties performing manufacturing or testing for us using our therapies or technologies could use the intellectual property of others without obtaining a proper license;
- we may not develop additional technologies that are patentable; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property, or otherwise develop similar know-how.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may be subject to claims by third parties asserting that our employees or we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Many of our consultants, advisors and employees, including our senior management, were previously employed at other biotechnology or pharmaceutical companies, including our competitors and potential competitors. Some of these individuals executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we intend that our consultants, advisors and employees do not use proprietary information or know-how of their former employers while working for us, we may be subject to claims that we or these individuals have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. Litigation may be necessary to defend against these claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel or sustain damages. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our therapies. Such a license may not be available on commercially reasonable terms or at all. Even if we successfully prosecute or defend against such claims, litigation could result in substantial costs and distract our management from its day-to-day activities.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Intellectual property rights of third parties could adversely affect our ability to compete or commercialize our investigational therapies, such that we could be required to litigate or obtain licenses from third parties in order to develop or market our investigational therapies. Such litigation or licenses could be costly or not available on commercially reasonable terms.

Our commercial success depends upon our ability and the ability of our future collaborators to develop, manufacture, market, and sell any investigational therapies that we may develop and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of third parties. The various markets in which we plan to operate are subject to frequent and extensive litigation regarding patents and other intellectual property rights. In the past, we have been subject to, and in the future we may become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to COMP360 or any future therapeutic candidates. If the outcome of any such proceeding or litigation is adverse to us, it may affect our ability to compete effectively.

Additionally, our competitive position may suffer if patents issued to third parties or other third-party intellectual property rights cover our therapies or elements thereof, our manufacture or uses relevant to our development plans, the targets of COMP360 or any future therapeutic candidates, or other attributes of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. In such cases, we may not be in a position to develop or commercialize such therapeutic candidates unless we successfully pursue litigation to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, which may not be available on commercially reasonable terms or at all. In the event that a patent has not expired at the time of approval of such investigational therapies or therapeutic candidate and the patent owner were to bring an infringement action against us, we may have to argue that our investigational therapies or the manufacture or use of the underlying therapeutic substances do not infringe a valid claim of the patent in question. Alternatively, if we were to challenge the validity of any issued U.S. patent in court, we would need to overcome a statutory presumption of validity that attaches to every U.S. patent. This means that in order to prevail, we would need to present clear and convincing evidence as to the invalidity of the patent's claims. The same applies to other jurisdictions. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability, or priority. In the event that a third party successfully asserts its patent against us such that such third party's patent is found to be valid and enforceable and infringed by our investigational therapies, unless we obtain a license to such patent, which may not be available on commercially reasonable terms or at all, we could be prevented from continuing to develop or commercialize our investigational therapies. Similarly, the targets for our investigational COMP360 psilocybin therapy have also been the subject of research by other companies, which have filed patent applications or have patents on aspects of the targets or their uses. There can be no assurance any such patents will not be asserted against us or that we will not need to seek licenses from such third parties. We may not be able to secure such licenses on acceptable terms, or at all, and any such litigation would be costly and time-consuming.

It is possible that we have failed, and in the future may fail, to identify relevant patents or applications that may be asserted against us. For example, certain U.S. applications filed after November 29, 2000 can remain confidential until and unless issued as patents, provided that inventions disclosed in the

applications have not and will not be the subject of a corresponding application filed outside the United States. In general, patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our therapies could have been filed by others without our knowledge. Furthermore, we operate in a highly competitive field, and given our limited resources, it is unreasonable to monitor all patent applications in the areas in which we are active. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our therapies or the use of our therapies.

Third-party intellectual property right holders, including our competitors, may actively bring infringement, misappropriation or violation claims against us based on existing or future intellectual property rights, regardless of their merit. We may not be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing our therapies.

If we are unsuccessful defending in any such claim, in addition to being forced to pay damages, we or our licensees may be temporarily or permanently prohibited from commercializing any of our investigational therapies that were held to be infringing. If possible, we might be forced to redesign our investigational COMP360 psilocybin therapy or any future therapeutic candidates so that we no longer infringe the intellectual property rights of third parties, or we may be required to seek a license to any such technology that we are found to infringe, which license may not be available on commercially reasonable terms or at all. Even if we or our licensors or collaboration partners obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us or our licensors or collaboration partners and it could require us to make significant licensing and royalty payments. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar material adverse effect on our business, financial condition, results of operations, and prospects. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

In addition, if the breadth or strength of protection provided by our or our licensors' or collaboration partners' patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future investigational therapies. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Intellectual property litigation could cause us to spend substantial resources, distract our personnel from their normal responsibilities, harming our reputation and our business operations.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our ADSs. Such litigation or proceedings could substantially increase our operating losses and reduce our resources available for development and commercialization activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our

confidential information could be compromised by disclosure during this type of litigation. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

We may not be successful in obtaining or maintaining necessary rights to COMP360 or any future therapeutic candidates through acquisitions and in-licenses.

In the future, our programs may require the use of proprietary rights held by third parties, and the growth of our business will likely depend in part on our ability to acquire, in-license, maintain or use these proprietary rights. In addition, with respect to any patents we co-own with third parties, we may require licenses to such co-owners' interest in such patents. We may be unable to acquire or in-license any compositions, methods of use, processes, or other third-party intellectual property rights from third parties that we identify as necessary for COMP360 or any future therapeutic candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. If we are unable to successfully obtain a license to third-party intellectual property rights necessary for the development of an investigational therapy or program, we may have to abandon development of that investigational therapy or program, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

For example, we sometimes collaborate with U.S. and foreign academic institutions to accelerate our preclinical research or development under written agreements with these institutions. Typically, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Regardless of such option, we may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking our ability to pursue our applicable investigational therapy or program.

Changes in patent laws or patent jurisprudence could diminish the value of patents in general or prevent us from obtaining patents and thereby impair our ability to protect our investigational therapies.

As is the case with other companies in our industry, our success is heavily dependent on our intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical industry involve technological and legal complexity. Therefore, obtaining and enforcing patents for therapeutics is costly, time-consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States or other jurisdictions could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. For example, the America Invents Act, or the AIA, enacted in the United States in 2012 and 2013, has resulted in significant changes to the U.S. patent system.

Prior to the enactment of the AIA, assuming that other requirements for patentability are met, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 16, 2013, under the AIA, the United States transitioned to a "first-to-file" system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention regardless of whether a third party was the first to invent the claimed invention. On or after that date, a third party that files a patent application in the USPTO before us could be awarded a patent covering an invention of ours even if we made the invention before the third party. The AIA will require us to be cognizant going forward of the time from invention to filing of a patent application, but circumstances could prevent us from promptly filing patent applications on our inventions.

Among some of the other changes introduced by the AIA are changes that limit where a patentee may file a patent infringement suit and provide additional opportunities for third parties to challenge any pending patent application or issued patent in the USPTO. Such opportunities include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceeding. This applies to all of our U.S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim in our patents invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. The AIA and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

Additionally, the United States Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the United States Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

If we fail to comply with our obligations under the agreements pursuant to which we license intellectual property rights to or from third parties, or otherwise experience disruptions to our business relationships with our licensors, licensees or collaborators, we could lose the rights to intellectual property that are important to our business.

We are or may become a party to third-party agreements under which we grant or are granted rights to intellectual property that are potentially important to our business and we expect that we may need to enter into additional license or collaboration agreements in the future. Our existing third-party agreements impose, and we expect that future license agreements will impose, various obligations related to, among other things, therapeutic development and payment of royalties and fees based on achieving certain milestones. In addition, under several of our collaboration agreements, we are prohibited from developing and commercializing therapies that would compete with the therapies licensed under such agreements. If we fail to comply with our obligations under these agreements, our licensor or collaboration partner may have the right to terminate the agreement, including any licenses included in such agreement.

The termination of any license or collaboration agreements or failure to adequately protect such license agreements or collaboration could prevent us from commercializing our investigational COMP360 psilocybin therapy or any future therapeutic candidates covered by the agreement or licensed intellectual property. For example, we may rely on license agreements which grant us rights to certain intellectual property and proprietary materials that we use in connection with the development of our therapies. If this agreement were to terminate, we would be unable to timely license similar intellectual property and proprietary materials from an alternate source, on commercially reasonable terms or at all, and may be required to conduct additional bridging studies on our investigational COMP360 psilocybin therapy or any future therapeutic candidates, which could delay or otherwise have a material adverse effect on the development and commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates.

Several of our existing license agreements are sublicenses from third parties which are not the original licensor of the intellectual property at issue. Under these agreements, we must rely on our

licensor to comply with its obligations under the primary license agreements under which such third party obtained rights in the applicable intellectual property, where we may have no relationship with the original licensor of such rights. If the licensors fail to comply with their obligations under these upstream license agreements, the original third-party licensor may have the right to terminate the original license, which may terminate the sublicense. If this were to occur, we would no longer have rights to the applicable intellectual property and, in the case of a sublicense, if we were not able to secure our own direct license with the owner of the relevant rights, which it may not be able to do at a reasonable cost or on reasonable terms, it may adversely affect our ability to continue to develop and commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates incorporating the relevant intellectual property.

Disputes may arise regarding intellectual property subject to a license or collaboration agreement, including the following:

- the scope of rights granted under the agreement and other interpretation-related issues;
- the extent to which our technology and processes infringe on intellectual property of the licensor or collaboration partner that is not subject to the agreement;
- the sublicensing of patent and other rights under any current or future collaboration relationships;
- our diligence obligations under the agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our collaboration partners; and
- the priority of invention of patented technology.

In addition, our third-party agreements are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected therapeutic candidate, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and protect other proprietary information.

We consider proprietary trade secrets, confidential know-how and unpatented know-how to be important to our business. We rely on trade secrets or confidential know-how to protect our technology, especially where patent protection is believed to be of limited value. However, trade secrets and confidential know-how are difficult to maintain as confidential.

To protect this type of information against disclosure or appropriation by third parties and our competitors, our policy is to require our employees, consultants, contractors and advisors to enter into confidentiality agreements with us. However, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or confidential know-how. Also, current or former employees, consultants, contractors and advisers may unintentionally or willfully disclose our trade secrets and confidential know-how to our competitors and other third parties or

breach such agreements, and we may not be able to obtain an adequate remedy for such breaches. Enforcing a claim that a third party obtained illegally and is using trade secrets or confidential know-how is difficult, expensive, time-consuming and unpredictable. The enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction. Furthermore, if a competitor or other third party lawfully obtained or independently developed any of our trade secrets or confidential know-how, we would have no right to prevent such competitor or other third party from using that technology or information to compete with us, which could harm our competitive position. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

Failure to obtain or maintain trade secrets or confidential know-how trade protection could adversely affect our competitive position. Moreover, our competitors may independently develop substantially equivalent proprietary information and may even apply for patent protection in respect of the same. If successful in obtaining such patent protection, our competitors could limit our use of our trade secrets or confidential know-how.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition by potential partners or customers in our markets of interest. If we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. If other entities use trademarks similar to ours in different jurisdictions, or have senior rights to ours, it could interfere with our use of our current trademarks throughout the world.

We may not be able to protect our intellectual property rights throughout the world and may face difficulties in certain jurisdictions, which may diminish the value of intellectual property rights in those jurisdictions.

Filing, prosecuting and defending patents on therapeutic candidates in all countries and jurisdictions throughout the world would be prohibitively expensive and our intellectual property rights in some countries outside of the UK and the United States, could be less extensive than those in the UK and the United States, assuming that rights are obtained in the UK and the U.S. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the UK and the United States, or from selling therapies or importing therapeutic substances made using our inventions in and into the UK and the United States, or other jurisdictions. In addition, we may decide to abandon national and regional patent applications before grant. Finally, the grant proceeding of each national/regional patent is an independent proceeding which may lead to situations in which applications might in some jurisdictions be refused by the relevant patent offices, while granted by others. It is also quite common that depending on the country, the scope of patent protection may vary for the same therapeutic candidate or technology.

Competitors may use our and our licensors' or collaboration partners' technologies in jurisdictions where we have not obtained patent protection to develop their own therapies and, further, may export otherwise infringing therapies to territories where we and our licensors or collaboration partners have patent protection, but enforcement is not as strong as that in the UK and the United States. These therapies may compete with COMP360 or any future therapeutic candidates, and our and our licensors' or collaboration partners' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the UK and the United States, and companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. If we or our licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions.

Some countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors or collaboration partners is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired and our business and results of operations may be adversely affected.

Proceedings to enforce our and our licensors' or collaboration partners' patent rights in foreign jurisdictions could result in substantial costs and divert our and our licensors' or collaboration partners' efforts and attention from other aspects of our business, regardless of whether we or our licensors or collaboration partners are successful, and could put our and our licensors' or collaboration partners' patents at risk of being invalidated or interpreted narrowly. In addition, such proceedings could put our and our licensors' or collaboration partners' patent applications at risk of not issuing and could provoke third parties to assert claims against us or our licensors or collaboration partners. We or our licensors or collaboration partners may not prevail in any lawsuits that we or our licensors or collaboration partners initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Risks Related to Our Dependence on Third Parties

We rely on third parties to supply and manufacture the psilocybin and psilocin incorporated in COMP360 and expect to continue to rely on third parties to supply and manufacture any future therapeutic candidates, and we will rely on third parties to manufacture these substances for commercial supply, if approved. If any third-party provider fails to meet its obligations manufacturing COMP360 or our future therapeutic candidates, or fails to maintain or achieve satisfactory regulatory compliance, the development of such substances and the commercialization of any therapies, if approved, could be stopped, delayed or made commercially unviable, less profitable or may result in enforcement actions against us.

We do not currently have, nor do we plan to acquire, the infrastructure or capability necessary to manufacture COMP360 or any future therapeutic candidates, including the psilocybin and psilocin incorporated into such therapeutic candidates. We rely on, and expect to continue to rely on, contract manufacturing organizations, or CMOs, for the development, manufacture and production of the psilocybin and psilocin used in our investigational therapies administered in our clinical trials and will continue to rely on such CMOs for the development, manufacture and production of any commercial supply, if our investigational therapies are approved. Currently, we engage with multiple different CMOs in the UK for all activities relating to the development, manufacture and production of all components incorporated in COMP360. Reliance on third-party providers, such as CMOs, exposes us to more risk than if we were to manufacture COMP360, or any future therapeutic candidates. We do not control the manufacturing processes of the CMOs we contract with and are dependent on those third parties for the production of COMP360 or any future therapeutic candidates in accordance with relevant regulations (such as the FDA's good laboratory practices, or GLP, cGMPs or similar regulatory requirements outside the US) for the manufacture of drug substances, which includes, among other things, quality control, quality assurance and the maintenance of records and documentation. Some of the suppliers currently engaged in the production process of COMP360, including our current supplier of API, have not in the past been subject to inspection by the FDA and/or EMA and there can be no assurance that it is in

compliance with all applicable regulations. Our failure, or the failure of third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of COMP360 or any future therapeutic candidates, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of COMP360 or any future therapeutic candidates and harm our business and results of operations.

If we were to experience an unexpected loss of supply of or if any supplier were unable to meet our demand for COMP360 or any future therapeutic candidates, we could experience delays in our research or planned clinical studies or commercialization. In addition, quality issues may arise during scale-up activities. We could be unable to find alternative suppliers of acceptable quality, in the appropriate volumes and at an acceptable cost. For example, the extent to which the COVID-19 pandemic impacts our ability to procure sufficient supplies for the development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates will depend on the severity and duration of the spread of the virus, and the actions undertaken to contain COVID-19 or treat its effects. Moreover, our suppliers are often subject to strict manufacturing requirements and rigorous testing requirements, which could limit or delay production. The long transition periods necessary to switch manufacturers and suppliers, if necessary, may significantly delay our clinical studies and the commercialization of our therapies, if approved, which would materially adversely affect our business, prospects, financial condition and results of operations.

In complying with the manufacturing regulations of the FDA, the DEA, the EMA, the MHRA and other comparable foreign authorities, we and our third-party suppliers must spend significant time, money and effort in the areas of design and development, testing, production, record-keeping and quality control to assure that the therapies meet applicable specifications and other regulatory requirements. The failure to comply with these requirements could result in an enforcement action against us, including the seizure of therapies and shutting down of production, any of which could materially adversely affect our business, prospects, financial condition and results of operations. We and any of these third-party suppliers may also be subject to audits by the FDA, the DEA, the EMA, the MHRA or other comparable foreign authorities. If any of our third-party suppliers fails to comply with cGMP or other applicable manufacturing regulations, our ability to develop and commercialize the therapies could suffer significant interruptions. We face risks inherent in relying on a limited number of CMOs, as any disruption, such as a fire, natural hazards or vandalism at the CMO could significantly interrupt our manufacturing capability. We currently do not have disaster recovery facilities available. In case of a disruption, we will have to establish alternative manufacturing sources. This would require substantial capital on our part, which we may not be able to obtain on commercially acceptable terms or at all, and we would likely experience months of manufacturing delays as we build or locate replacement facilities and seek and obtain necessary regulatory approvals. If this occurs, we will be unable to satisfy manufacturing needs on a timely basis or at all. In addition, operating any new facilities may be more expensive than operating our current facility, and business interruption insurance may not adequately compensate us for any losses that may occur, in which case we would have to bear the additional cost of any disruption. For these reasons, a significant disruptive event of the manufacturing facility could have a material adverse effect on our business, including placing our financial stability at risk.

We rely, and expect to continue to rely, on third parties, including independent clinical investigators, academic collaborators and CROs, to conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon third parties, including independent clinical investigators, academic collaborators and third-party CROs, to conduct our preclinical studies and clinical trials and to monitor and manage data for our ongoing preclinical and clinical programs. We rely on these

parties for execution of our preclinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on these third parties does not relieve us of our regulatory responsibilities. We and our third-party contractors and CROs are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA, the EMA, the MHRA and comparable foreign regulatory authorities for all of our therapies in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we, our investigators, academic collaborators or any of our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, the EMA, the MHRA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure, or the failure of our third-party contractors and CROs, to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process and could also subject us to enforcement action up to and including civil and criminal penalties.

Further, these investigators, academic collaborators and CROs are not our employees and we will not be able to control, other than by contract, the amount of resources, including time, which they devote to our investigational COMP360 psilocybin therapy or any future therapeutic candidates and clinical trials. If independent investigators, academic collaborators or CROs fail to devote sufficient resources to the development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, or if their performance is substandard, it may delay or compromise the prospects for approval and commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates that we develop. In addition, the use of third-party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information will be misappropriated. In addition, investigators, academic collaborators and CROs may have difficulty staffing, undergo changes in priorities or become financially distressed or form relationships with other entities, some of which may be our competitors, any of which materially adversely affect our business.

Our CROs have the right to terminate their agreements with us in the event of an uncured material breach. In addition, some of our CROs have an ability to terminate their respective agreements with us if it can be reasonably demonstrated that the safety of the subjects participating in our clinical trials warrants such termination, if we make a general assignment for the benefit of our creditors or if we are liquidated.

There is a limited number of third-party service providers that specialize in or have the expertise required to achieve our business objectives. If any of our relationships with these third-party CROs or clinical investigators terminate, we may not be able to enter into arrangements with alternative CROs, academic collaborators or investigators on commercially reasonable terms or at all. If CROs, academic collaborators or clinical investigators do not successfully carry out their contractual duties or obligations or meet expected deadlines, or if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates. As a result, our results of operations and the commercial prospects for our investigational COMP360 psilocybin therapy or any future therapeutic candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

Switching or adding additional CROs (or investigators) involves additional cost and requires management time and focus. In addition, delays occur during the natural transition period when a new CRO commences work, which can materially impact our ability to meet our desired development timelines. Though we carefully manage our relationships with our CROs, there can be no assurance that

we will not encounter similar challenges or delays in the future, or that these delays or challenges will not have a material adverse impact on our business or financial condition and prospects.

There are a number of third parties that conduct IISs using COMP360 provided by us. We do not sponsor these IISs, and encourage the open publication of all IIS findings. Any failure by a third party to meet its obligations with respect to the clinical development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates may delay or impair our ability to obtain regulatory approval for COMP360. IISs of COMP360 or any future therapeutic candidates may generate clinical trial data that raises concerns regarding the safety or effectiveness of COMP360 and any data generated in IISs may not be predictive of the results in populations or indications in which we are conducting, or plan to conduct, clinical trials.

There are a number of academic and private non-academic institutions that conduct and sponsor clinical trials relating to COMP360. We do not control the design or conduct of the IISs, and the FDA or comparable foreign regulatory authorities could determine that these IISs do not provide adequate support for future clinical trials, whether controlled by us or third parties, for any one or more reasons, including elements of the design or execution of the studies, safety concerns or other study results. These IISs may be conducted using different populations or indications than are used in our clinical trials. We also do not have control over academic or private non-academic institutions' disclosure of information, and these parties may disclose sensitive information or results of studies without our approval or consent.

As a result of these IISs, we will receive certain information rights with respect to the IISs, including access to and the ability to use and reference the resulting data, including for our own regulatory filings. However, we do not have control over the timing and reporting of the data from IISs, nor do we necessarily own or control the data from the IISs. If we are unable to confirm or replicate the results from the IISs or if negative results are obtained, we would likely be further delayed or prevented from advancing further clinical development of COMP360 or any future therapeutic candidates. Any data generated in IISs may not be predictive of the results in populations or indications in which we are conducting, or plan to conduct, clinical trials. Any data perceived to be negative, however, could harm our ability to advance the clinical development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, and we may not be able to investigate whether such negatively perceived data reflects issues with the design and/or conduct of the IIS or if it actually reflects characteristics of our therapeutic approach. Moreover, we rely on our investigators and institutions to provide us timely information. We have in the past, and may in the future, experience delays in receiving notice of reportable adverse events or SUSARs from IISs. For example, we were informed in September 2020 of a SUSAR in an IIS at the University of Zurich that had occurred a few weeks earlier, despite an obligation by the site investigator to report such an event to us immediately. Such delays, or any failures to provide contractually required information, could negatively impact us or cause delays in our reporting requirements to applicable regulatory authorities. Further, if investigators or institutions breach their obligations with respect to the clinical development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, or if the data proves to be inadequate compared to the first-hand knowledge we might have gained had the IISs been sponsored and conducted by us, then our ability to design and conduct any future clinical trials ourselves may be adversely affected.

Additionally, the FDA or comparable foreign regulatory authorities may disagree with the sufficiency of our right of reference to the preclinical, manufacturing or clinical data generated by these IISs, or our interpretation of preclinical, manufacturing or clinical data from these IISs. If so, the FDA or other comparable foreign regulatory authorities may require us to obtain and submit additional preclinical, manufacturing, or clinical data before we may initiate our planned trials and/or may not accept such additional data as adequate to initiate our planned trials.

Risks Related to Our Business Operations, Managing Growth and Employee Matters

A pandemic, epidemic, or outbreak of an infectious disease, such as the COVID-19 pandemic, may materially and adversely affect our business, including our preclinical studies, clinical trials, third parties on whom we rely, our supply chain, our ability to raise capital, our ability to conduct regular business and our financial results.

We are subject to risks related to public health crises such as the COVID-19 pandemic. The COVID-19 pandemic originated in Wuhan, China, in December 2019 and has since spread to a large number of countries, including the United States and most European countries. The pandemic and policies and regulations implemented by governments in response to the pandemic, often directing businesses and governmental agencies to cease non-essential operations at physical locations, prohibiting certain nonessential gatherings and ceasing non-essential travel have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred, supply chains have been disrupted, facilities and production have been suspended, and demand for certain goods and services, such as medical service and supplies, has spiked, while demand for other goods and services, such as travel, has fallen. The full extent to which COVID-19 will ultimately impact our business, preclinical trials and financial results will depend on future developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. Global health concerns, such as the COVID-19 pandemic, could also result in social, economic, and labor instability in the countries in which we or the third parties with whom we engage operate.

In response to the COVID-19 pandemic, we have taken temporary precautionary measures intended to help minimize the risk of the virus to our employees, including closing our executive offices and temporarily requiring all employees to work remotely, suspending all non-essential travel worldwide for our employees and discouraging employee attendance at industry events and in-person work-related meetings, all of which could negatively affect our business. The extent of the impact of the COVID-19 pandemic on our preclinical studies or clinical trial operations, our supply chain and manufacturing and our office-based business operations, will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the pandemic, the severity of the COVID-19 pandemic, or the effectiveness of actions to contain and treat coronavirus. On March 23, 2020, we paused the enrollment of new patients into our clinical trials, including our ongoing Phase IIb clinical trial of COMP360 in TRD. While we have since partially resumed enrollment, there can be no guarantee we will not be forced to pause enrollment again, face difficulties or additional costs in enrolling patients in future clinical trials or that we will be able to achieve full enrollment of our studies within the timeframes we anticipate, or at all.

While we are working closely with our third-party manufacturers, distributors and other partners to manage our supply chain activities and mitigate potential disruptions to the production of COMP360 and any future therapeutic candidates as a result of the COVID-19 pandemic, if the COVID-19 pandemic continues and persists for an extended period of time, we expect there will be significant and material disruptions to our supply chain and operations, and associated delays in the manufacturing and supply of COMP360 and any future therapeutic candidates. Any such supply disruptions would adversely impact our ability to generate sales of and revenue from our approved products and our business, financial condition, results of operations and growth prospects could be materially adversely affected.

The COVID-19 pandemic may also affect employees of third-party CROs located in affected geographies that we rely upon to carry out our clinical trials. For example, the IISs at the University of Copenhagen and at the University of Zurich were both placed on hold. As COVID-19 continues to be present and spread around the globe, we may experience additional disruptions that could severely impact our business and clinical trials, including:

- delays or difficulties in enrolling patients in our clinical trials;

- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of sites or facilities serving as our clinical trial sites and staff supporting the conduct of our clinical trials, including our trained therapists, or absenteeism due to the COVID-19 pandemic that reduces site resources;
- interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal, state or national governments, employers and others or interruption of clinical trial subject visits and study procedures, the occurrence of which could affect the integrity of clinical trial data;
- risk that participants enrolled in our clinical trials will acquire COVID-19 while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events or patient withdrawals from our trials;
- limitations in employee resources that would otherwise be focused on conducting our clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- delays in receiving authorizations from regulatory authorities to initiate our planned clinical trials;
- delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials;
- interruption in global shipping that may affect the transport of clinical trial materials, such as the COMP360 used in our clinical trials;
- changes in local regulations as part of a response to the COVID-19 pandemic which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or the discontinuation of the clinical trials altogether;
- interruptions or delays in preclinical studies due to restricted or limited operations at research and development laboratory facilities;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees; and
- refusal of the FDA, the EMA, the MHRA or the other regulatory bodies to accept data from clinical trials in affected geographies outside the United States or the EU or other relevant local geography.

Any negative impact the COVID-19 pandemic has on patient enrollment or treatment or the development of our investigational COMP360 psilocybin therapy and any future therapeutic candidates could cause costly delays to clinical trial activities, which could adversely affect our ability to obtain regulatory approval for and to commercialize our investigational COMP360 psilocybin therapy and any future therapeutic candidates, if approved, increase our operating expenses, and have a material adverse effect on our financial results. The COVID-19 pandemic has also caused significant volatility in public equity markets and disruptions to the United States and global economies. This increased volatility and economic dislocation may make it more difficult for us to raise capital on favorable terms, or at all. Although we have begun to experience the impact of the COVID-19 pandemic on our business and operations, we cannot currently predict the scope and severity of any potential business shutdowns or disruptions. If we or any of the third parties with whom we engage, however, were to experience

shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively affected, which could have a material adverse impact on our business and our results of operations and financial conditions. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also heighten many of the other risks described in this “Risk Factors” section, such as those relating to the timing and completion of our clinical trials and our ability to obtain future financing.

Our future growth and ability to compete effectively depends on retaining our key personnel and recruiting additional qualified personnel, and on the key personnel employed by our collaborative partners.

Our success depends upon the continued contributions of our key management, scientific and technical personnel, many of whom have been instrumental for us and have substantial experience with our therapies and related technologies. These key management individuals include the members of our board of directors and certain executive officers. We do not currently maintain any key person insurance.

The loss of key managers and senior scientists could delay our research and development activities. In addition, our ability to compete in the highly competitive pharmaceutical industry depends upon our ability to attract and retain highly qualified management, scientific and medical personnel. Many other companies and academic institutions that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. Therefore, we might not be able to attract or retain these key persons on conditions that are economically acceptable. Moreover, some qualified prospective employees may choose not to work for us due to negative perceptions regarding the therapeutic use of psilocybin or other objections to the therapeutic use of a controlled substance. Furthermore, we will need to recruit new managers and qualified scientific personnel to develop our business if we expand into fields that will require additional skills. Our inability to attract and retain these key persons could prevent us from achieving our objectives and implementing our business strategy, which could have a material adverse effect on our business and prospects.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the area of sales and marketing. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

In addition, certain key academic and scientific personnel play a pivotal role in our collaborative partners’ research and development activities. If any of those key academic and scientific personnel who work on development of our research programs, our investigational COMP360 psilocybin therapy and any future therapeutic candidates leave our collaborative partners, the development of our research programs, our investigational COMP360 psilocybin therapy and any future therapeutic candidates may be delayed or otherwise adversely affected.

Our employees, independent contractors, principal investigators, institutions and researchers of IISs, CROs, consultants, vendors, third-party therapy sites, therapists and collaboration partners and third parties may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading, which could have a material adverse effect on our business.

We are exposed to the risk that our employees, independent contractors, principal investigators, institutions and researchers of IISs, CROs, consultants, vendors, third-party therapy sites, therapists and collaboration partners may engage in fraudulent conduct or other illegal activities. Misconduct by these parties could include intentional, reckless and negligent conduct or unauthorized activities that violate,

among other things: (i) the regulations of the FDA, the EMA, the MHRA and other comparable foreign regulatory authorities, including those laws that require the reporting of true, complete and accurate information to such authorities; (ii) manufacturing standards; (iii) federal and state data privacy, security, fraud and abuse and other healthcare laws and regulations in the United States and abroad; or (iv) laws that require the reporting of true, complete and accurate financial information and data. Specifically, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws could also involve the improper use or misrepresentation of information obtained in the course of clinical trials or creating fraudulent data in our preclinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation.

Our commercialization model also entails the risk of malpractice and professional liability claims against both our third-party therapy sites and us as a result of actual or alleged therapist misconduct. Although we, and the third-party therapy sites with which we engage, carry insurance covering malpractice and professional liability claims in amounts that we believe are appropriate in light of the risks attendant to our business, successful malpractice or professional liability claims could result in substantial damage awards that exceed the limits of our insurance coverage and our third-party therapy sites' insurance coverage. In addition, professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to our providers or to us in the future at acceptable costs or at all. Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us and divert the attention of our management and our third-party therapy sites from our operations, which could have a material adverse effect on our business, financial condition and results of operations. In addition, any such claims may materially and adversely affect our business or reputation.

It is not always possible to identify and deter misconduct by employees and other third parties, including our therapists, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgements, possible exclusion from participation in Medicare, Medicaid and other U.S. federal healthcare programs, imprisonment, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, other sanctions, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We face substantial competition and our competitors may discover, develop or commercialize therapies before or more successfully than us, which may result in the reduction or elimination of our commercial opportunities.

The pharmaceutical and psychedelic industry is intensely competitive and subject to rapid and significant technological change. Our competitors include multinational pharmaceutical companies, universities and other research institutions. We also face competition from 501(c)(3) non-profit medical research organizations, including the Usona Institute. Such non-profits may be willing to provide psilocybin-based products at cost or for free, undermining our potential market for COMP360. In addition, a number of for-profit biotechnology companies or institutions are specifically pursuing the development of psilocybin to treat mental health illnesses, including TRD. In addition, an increasing number of companies

are stepping up their efforts in discovery of new psychedelic compounds. It is also probable that the number of companies seeking to develop psychedelic products and therapies for the treatment of mental health illnesses, such as depression, will increase. If any of our competitors is granted an NDA for their psychedelic-assisted therapies before us and manages to obtain approval for a broader indication, and thus access a wider patient population, we may face more intensified competition from such potential psychedelic-assisted therapies and increased difficulties in winning market acceptance of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. All of these risks are heightened because psilocybin, which is a naturally occurring substance and therefore not subject to patent protection, may be deemed an appropriate substitute for COMP360.

We also face competition from major pharmaceutical, biopharmaceutical and biotechnology companies who have developed or are developing non-psilocybin or psychedelic based therapies for the treatment of MDD and TRD, and will face future competition for any other indications we may seek to treat with our investigational COMP360 psilocybin therapy. There are a number of companies that currently market and sell products or therapies, or are pursuing the development of products or therapies, for the treatment of depression, including antidepressants such as SSRIs and serotonergic norepinephrine reuptake inhibitors, or SNRIs, antipsychotics, cognitive behavioral therapy, or CBT, esketamine and ketamine, repeat transcranial magnetic stimulation, or rTMS, electroconvulsive therapy, or ECT, vagus nerve stimulation, or VNS, and deep brain stimulation, or DBS, among others. Many of these pharmaceutical, biopharmaceutical and biotechnology competitors have established markets for their therapies and have substantially greater financial, technical, human and other resources than we do and may be better equipped to develop, manufacture and market superior products or therapies. In addition, many of these competitors have significantly greater experience than we have in undertaking nonclinical studies and human clinical trials of new therapeutic substances and in obtaining regulatory approvals of human therapeutic products. Accordingly, our competitors may succeed in obtaining FDA, EMA or MHRA approval for alternative or superior products. In addition, many competitors have greater name recognition and more extensive collaborative relationships. Smaller and earlier-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies.

The field in which we operate is characterized by a growing and shifting understanding of disease biology, changing technologies, and strong intellectual property barriers to entry, and many companies are involved in the creation, development and commercialization of novel therapeutics and technology platforms. Our competitors may develop therapies that are more effective, more convenient, more widely used and less costly or have a better safety profile than our therapies and these competitors may also be more successful than we are in manufacturing and marketing their therapies. Additionally, there can be no assurance that our competitors are not currently developing, or will not in the future develop, technologies and therapies that are equally or more economically attractive as our investigational COMP360 psilocybin therapy or any future therapeutic candidates. Competing alternative therapies or technology platforms may gain faster or greater market acceptance than our therapies or technology platforms and medical advances or rapid technological development by competitors may result in our investigational COMP360 psilocybin therapy or any future therapeutic candidates or technology platforms becoming non-competitive or obsolete before we are able to recover our research and development and commercialization expenses. If we are unable to compete effectively against these companies, then we may not be able to commercialize our investigational COMP360 psilocybin therapy or any future therapeutic candidates or achieve a competitive position in the market. This would materially and adversely affect our ability to generate revenue. Our competitors also compete with us in recruiting and retaining qualified scientific, management and commercial personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We anticipate that we will face intense and increasing competition as new treatments enter the market.

Acquisitions and investments could result in operating difficulties, dilution and other harmful consequences that may adversely impact our business, financial condition and results of operations. Additionally, if we are not able to identify and successfully acquire suitable businesses, our operating results and prospects could be harmed.

We may in the future make additional acquisitions or investments to add employees, complementary companies, therapies, products, solutions, technologies, or revenue. These transactions could be material to our business, financial condition and results of operations. We also expect to continue to evaluate and enter into discussions regarding a wide array of potential strategic transactions. The identification of suitable acquisition or investment candidates can be difficult, time-consuming and costly, and we may not be able to complete acquisitions or investment on favorable terms, if at all. The process of integrating an acquired company, business or technology and managing our future investments may create unforeseen operating difficulties and expenditures. The areas where we face risks include:

- loss of key employees of the acquired company and other challenges associated with integrating new employees into our culture, as well as reputational harm if integration is not successful;
- diversion of management time and focus from operating our business to addressing acquisition integration and investment management challenges;
- high uncertainty with respect to any investment in companies engaging in early stage drug discovery and development with limited proof of concept, which might result in significant investment loss;
- challenges in identifying suitable investment opportunities in the digital health market and diversion of management time and resources to integrate such investments into our business due to our lack of experience in such market;
- implementation or remediation of controls, procedures, and policies at any acquired company;
- difficulties in integrating and managing the combined operations, technologies, technology platforms and products of any acquired companies and realizing the anticipated economic, operational and other benefits in a timely manner, which could result in substantial costs and delays or other operational, technical or financial problems;
- integration of the acquired company's accounting, human resource and other administrative systems, and coordination of product, engineering and sales and marketing function;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights, or increase our risk for liabilities;
- failure to successfully further develop the acquired technology or realize our intended business strategy;
- our dependence on unfamiliar affiliates and partners of acquired businesses;
- uncertainty of entry into markets in which we have limited or no prior experience or in which competitors have stronger market positions;
- unanticipated costs associated with pursuing investments or acquisitions;
- failure to find commercial success with the products or services of the acquired company;

- difficulty of transitioning the acquired technology onto our existing platforms and maintaining the security standards for such technology consistent with our other solutions;
- responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates, as well as, without limitation, liabilities arising out of their failure to maintain effective data protection and privacy controls and comply with applicable regulations;
- inability to maintain our internal standards, controls, procedures, and policies;
- failure to generate the expected financial results related to an acquisition in a timely manner or at all;
- difficulties in complying with antitrust and other government regulations;
- challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with generally accepted accounting principles, or GAAP;
- potential accounting charges to the extent intangibles recorded in connection with an acquisition, such as goodwill;
- trademarks, client relationships or intellectual property, are later determined to be impaired and written down in value; and
- failure to accurately forecast the impact of an acquisition transaction.

Moreover, we may rely heavily on the representations and warranties provided to us by the sellers of acquired companies or strategic partners, including as they relate to creation of, and ownership and rights in, intellectual property, existence of open source and compliance with laws and contractual requirements. If any of these representations and warranties are inaccurate or breached, such inaccuracy or breach could result in costly litigation and assessment of liability for which there may not be adequate recourse against such sellers, in part due to contractual time limitations and limitations of liability.

Future acquisitions and investments could also result in expenditures of significant cash, dilutive issuances of our equity securities, the incurrence of debt, restrictions on our business, contingent liabilities, amortization expenses or write-offs of goodwill, any of which could harm our financial condition. In addition, any acquisitions or investments we announce could be viewed negatively by collaborative partners, employees, vendors, patients, shareholders, or investors.

Additionally, competition within our industry for acquisitions of business, technologies and assets may become heightened. Even if we are able to identify an acquisition or investment that we would like to consummate, we may not be able to complete the acquisition or investment on commercially reasonable terms or the target may be acquired by another company. We may enter into negotiations for acquisitions or investments that are not ultimately consummated. Those negotiations could result in diversion of management time and significant out-of-pocket costs. If we fail to evaluate and execute acquisitions or investments successfully, we may not be able to realize the benefits of these acquisitions or investments, and our operating results could be harmed. If we are unable to successfully address any of these risks, our business, financial condition and results of operations could be harmed.

If we are not able to maintain and enhance our reputation and brand recognition, our business, financial condition and results of operations will be harmed.

We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with existing and future third-party therapy sites, therapists, patients and collaborators, and

to our ability to attract clinics to become our third-party therapy sites offering our therapies. The promotion of our brand may require us to make substantial investments and we anticipate that, as our market becomes increasingly competitive, these marketing initiatives may become increasingly difficult and expensive. Brand promotion and marketing activities may not be successful or yield increased revenue, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our business, financial condition and results of operations could be harmed. In addition, any factor that diminishes our reputation or that of our management, including failing to meet the expectations of our network of third-party therapy sites, therapists and patients, could harm our reputation and brand and make it substantially more difficult for us to attract new third-party therapy sites, therapists and patients. If we do not successfully maintain and enhance our reputation and brand recognition, our business may not grow and we could lose our relationships with third-party therapy sites, therapists and patients, which would harm our business, financial condition and results of operations.

Our business is subject to economic, political, regulatory and other risks associated with international operations.

Our business is subject to risks associated with conducting business internationally. Accordingly, our future results could be harmed by a variety of factors, including the following:

- economic weakness, including inflation, political instability in particular in foreign economies and markets, and the potentially severe continued United States and global economic impact caused by the COVID-19 pandemic;
- differing regulatory requirements for drug approvals;
- differing jurisdictions potentially presenting different issues for securing, maintaining or obtaining freedom to operate in such jurisdictions;
- potentially reduced protection for intellectual property rights;
- difficulties in compliance with different, complex and changing laws, regulations and court systems of multiple jurisdictions and compliance with a wide variety of foreign laws, treaties and regulations;
- changes in regulations and customs, tariffs and trade barriers;
- changes in currency exchange rates of the euro, U.S. dollar, pound sterling and currency controls;
- changes in a specific country's or region's political or economic environment;
- trade protection measures, import or export licensing requirements or other restrictive actions by governments;
- differing reimbursement regimes and price controls in certain international markets;
- negative consequences from changes in tax laws;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- workforce uncertainty in countries where labor unrest is more common than in the United States and EU;

- difficulties associated with staffing and managing international operations, including differing labor relations;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war, terrorism, pandemics, or natural disasters including earthquakes, typhoons, floods and fires.

Our current and potential future digital technologies may not be successful, which may adversely affect our business, financial condition and results of operations.

We currently employ digital technologies to collect data, educate patients and therapists, collect digital phenotyping information, and harness artificial intelligence. We also plan to expand our research into digital technology to complement and augment our current or future investigational therapies, and may work with technology companies or other third parties to acquire or develop new technologies. Our efforts to develop or acquire these technologies will involve significant time, costs, and other resources, and may divert our management team's attention and focus from executing on other key elements of our strategy. If our efforts to develop or acquire these digital technologies are unsuccessful, it may have a materially adverse impact on our business, future prospects and financial position.

Our current or future digital technology solutions could compromise sensitive information related to our business, patients, healthcare professionals, therapists, third-party therapy sites and collaborators, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

Our current and future digital technology solutions may involve the collection, storage, usage or disclosure of sensitive data, including protected health information, or PHI, and other types of personal data or personally identifiable information, or PII. We may also process and store, and use additional third parties to process and store, sensitive information including intellectual property and other proprietary business information of ours and our third-party collaborators.

We may also be highly dependent on information technology networks and systems, including the internet, to securely process, transmit and store this critical information. Security incidents or breaches of this infrastructure, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, and employee or contractor error, negligence or malfeasance, could create system disruptions, shutdowns or unauthorized disclosure or modifications of confidential information, causing member health information to be accessed, acquired or altered without authorization or to become publicly available. We utilize third-party service providers for important aspects of the collection, storage and transmission of client, user and patient information, and other confidential and sensitive information, and therefore rely on third parties to manage functions that have material cybersecurity risks. We take certain administrative and technological safeguards to address these risks, such as by requiring outsourcing contractors who handle or subcontract the handling of client, user and patient information for us to enter into agreements that contractually obligate those contractors and any subcontractors to use reasonable efforts to safeguard PHI, other PII, and other sensitive information. Measures taken to protect our systems, those of our subcontractors, or the PHI, other PII, or other sensitive data we or our subcontractors process or maintain, may not adequately protect us from the risks associated with the collection, storage and transmission of such information. Although we take steps to help protect confidential and other sensitive information from unauthorized access or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses, failures or breaches due to third-party action, employee negligence or error, malfeasance or other disruptions.

A security breach or privacy violation that leads to disclosure or unauthorized use or modification of, or that prevents access to or otherwise impacts the confidentiality, security, or integrity of, member information, including PHI or other PII, or other sensitive information we or our subcontractors maintain or

otherwise process, could harm our reputation, compel us to comply with breach notification laws, cause us to incur significant costs for remediation, fines, penalties, notification to individuals and for measures intended to repair or replace systems or technology and to prevent future occurrences, potential increases in insurance premiums, and require us to verify the accuracy of database contents, resulting in increased costs or loss of revenue. If we are unable to prevent such security breaches or privacy violations or implement satisfactory remedial measures, or if it is perceived that we have been unable to do so, our operations could be disrupted, we may be unable to provide access to our platform, and could suffer a loss of clients or users or a decrease in the use of our platform, and we may suffer loss of reputation, adverse impacts on client, user and investor confidence, financial loss, governmental investigations or other actions, regulatory or contractual penalties, and other claims and liability. In addition, security breaches and other inappropriate access to, or acquisition or processing of, information can be difficult to detect, and any delay in identifying such incidents or in providing any notification of such incidents may lead to increased harm.

Any such breach or interruption of our systems or any of our third-party information technology partners, could compromise our networks or data security processes and sensitive information could be inaccessible or could be accessed by unauthorized parties, publicly disclosed, lost or stolen. Any such interruption of access, improper or unauthorized access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws and regulations that protect the privacy of member information or other personal information, such as HIPAA, and the GDPR, the CCPA, and regulatory penalties.

Unauthorized access, loss or dissemination could also disrupt our operations, including our ability to perform our services, provide member assistance services, conduct research and development activities, collect, process, and prepare company financial information, provide information about our current and future therapeutic candidates and engage in other user and clinician education and outreach efforts. Any such breach could also result in the compromise of our trade secrets and other proprietary information or that of third parties whose information we maintain, which could adversely affect our business and competitive position. While we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and in any event, insurance coverage would not address the reputational damage that could result from a security incident.

Our business and operations would suffer in the event of computer system failures, cyber-attacks or deficiencies in our cyber security or cyber security of our collaborators, vendors and other partners.

Given our limited operating history, we are still in the process of implementing our internal security measures. Our internal computer systems, which are managed entirely by a third party, and those of current and future third parties on which we rely may fail and are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, pandemics and telecommunications and electrical failure. Any system failure, accident or security breach that causes interruptions in our own or in third-party service vendors' operations could result in a material disruption of our therapeutic development programs. In addition, our information technology and other internal infrastructure systems, including corporate firewalls, servers, leased lines and connection to the Internet, face the risk of systemic failure that could disrupt our operations. While we have not, to our knowledge, experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for the manufacture of COMP360 or any future therapeutic candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or

proprietary information, we could incur liability, our competitive position could be harmed and the further development and commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates could be hindered or delayed. Furthermore, we may incur additional costs to remedy the damage caused by these disruptions or security breaches.

Our current operations are headquartered in one location, and we or the third parties upon whom we depend may be adversely affected by unplanned natural disasters, as well as occurrences of civil unrest, and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster, including earthquakes, outbreak of disease or other natural disasters.

Our current business operations are headquartered in our offices in London, UK, with an additional office in New York in the U.S. Any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics, power shortage, telecommunication failure or other natural or man-made accidents or incidents, including events of civil unrest that result in us being unable to fully utilize our facilities, or the manufacturing facilities of our third-party contract manufacturers, may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates or interruption of our business operations. Such unplanned natural disasters could further disrupt our operations, and have a material and adverse effect on our business, financial condition, results of operations and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. For risks in connection with the COVID-19 pandemic, see “ — A pandemic, epidemic, or outbreak of an infectious disease, such as the COVID-19 pandemic, may materially and adversely affect our business, including our preclinical studies, clinical trials, third parties on whom we rely, our supply chain, our ability to raise capital and our ability to conduct regular business and our financial results.”

The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot ensure that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our third-party contract manufacturers, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. The most recent global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, including due to the impact of the COVID-19 pandemic, could result in a variety of risks to our business, including a reduced ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy or international trade disputes could also strain our third-party suppliers, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

The increasing use of social media platforms presents new risks and challenges.

Social media is increasingly being used to communicate about our clinical development programs and the diseases our investigational COMP360 psilocybin therapy or any future therapeutic candidates are being developed to treat, and we may use appropriate social media in connection with our commercialization efforts of our investigational COMP360 psilocybin therapy following approval of COMP360 or any future therapeutic candidates, if any. Social media practices in the biopharmaceutical industry continue to evolve, and regulations and regulatory guidance relating to such use are evolving and not always clear. This evolution creates uncertainty and risk of noncompliance with regulations applicable to our business, resulting in potential regulatory actions against us, along with the potential for litigation related to certain prohibited activities. For example, patients may use social media channels to comment on their experience in an ongoing clinical trial or to report an alleged adverse event. When such disclosures occur, there is a risk that trial enrollment may be adversely impacted, we fail to monitor and comply with applicable adverse event reporting obligations, or that we may not be able to defend our business or the public's legitimate interests in the face of the political and market pressures generated by social media due to restrictions on what we may say about our investigational COMP360 psilocybin therapy or any future therapeutic candidates. There is also a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on any social networking website. If any of these events were to occur or we otherwise fail to comply with applicable regulations, we could incur liability, face regulatory actions or incur other harm to our business.

Risks Related to the Offering and Ownership of Our ADSs

There has been no prior active trading market for our ADSs and an active and liquid market for our ADSs may fail to develop, which could harm the market price of our ADSs and you may not be able to resell your ADSs at or above the initial public offering price.

This offering constitutes our initial public offering of ADSs, and no public market has previously existed for our ADSs. We have applied to list our ADSs on the Nasdaq Global Market, or Nasdaq, and we expect our ADSs to be quoted on Nasdaq, subject to completion of customary procedures in the United States. Any delay in the commencement of trading of our ADSs on the Nasdaq would impair the liquidity of the market for our ADSs and make it more difficult for holders to sell their ADSs.

Even if our ADSs are listed and quoted on Nasdaq, there is a risk that an active trading market for our ADSs may not develop or be sustained after this offering is completed. The initial offering price was determined by negotiations among the lead underwriters and us. Among the factors considered in determining the initial offering price will be the following:

- our financial information;
- the history of, and the future prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenue;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

Following the offering, our ADSs may not trade at a price equal to or greater than the initial offering price. The initial offering price may not be indicative of the market price of our ADSs after the offering. In the absence of an active trading market for our ADSs, investors may not be able to sell their ADSs at or above the initial offering price or at the time that they would like to sell.

The market price of our ADSs may be volatile and you could lose all or part of your investment.

The price of the securities of publicly-traded emerging pharmaceutical and drug discovery and development companies has been highly volatile and is likely to remain highly volatile in the future. As a result of this volatility, you may not be able to sell your ADSs at or above the initial public offering price. The market price of our ADSs may fluctuate significantly due to a variety of factors, including the following:

- positive or negative results of testing and clinical trials by us, strategic partners or competitors;
- delays in entering into strategic relationships with respect to development or commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates;
- entry into strategic relationships on terms that are not deemed to be favorable to us;
- technological innovations or commercial therapeutic introductions by competitors;
- changes in government regulations and healthcare payment systems;
- developments concerning proprietary rights, including patent and litigation matters;
- public concern relating to the commercial value or safety of any of our investigational COMP360 psilocybin therapy or any future therapeutic candidates;
- negative publicity or public perception of the use of psilocybin as a treatment therapy;
- financing or other corporate transactions;
- publication of research reports or comments by securities or industry analysts;
- the trading volume of our ADSs on Nasdaq;
- sales of our ADSs by us, members of our senior management and directors or our shareholders or the anticipation that such sales may occur in the future;
- general market conditions in the pharmaceutical industry or in the economy as a whole;
- general economic, political, and market conditions and overall market volatility in the United States or the UK as a result of the COVID-19 pandemic or other pandemics or similar events; and
- other events and factors, many of which are beyond our control.

These and other market and industry factors may cause the market price and demand for our securities to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of our ADSs. In addition, the stock market in general, and pharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies, including as a result of the COVID-19 pandemic.

Our executive officers, directors and certain significant shareholders will continue to own a substantial number of our ordinary shares (including ordinary shares represented by ADSs) and, as a result, may be able to exercise control over us, including the outcome of shareholder votes. Certain of our directors and officers hold interests in one of these shareholders and these shareholders may have different interests from us or your interests.

Upon the completion of this offering, our officers, directors, 5% holders and their affiliates will represent beneficial ownership, in the aggregate, of approximately 59.62% of our total outstanding ordinary shares, including 23.43% held by ATAI Life Sciences AG, or ATAI (exclusive of any potential shares that may be purchased as part of this offering). As a result, these parties may be able to determine all matters requiring shareholder approval. For example, these shareholders may be able to exert control over our business, including significant corporate actions such as mergers, schemes of arrangement, sales of substantially all of our assets, and election, re-election and removal of directors. This may prevent or discourage unsolicited acquisition proposals or offers for our ordinary shares (including ordinary shares represented by ADSs), or other such changes in control, that you may feel are in your best interest. The interests of this group of shareholders may not always coincide with your interests or the interests of other shareholders and they may act in a manner that advances their best interests and not necessarily those of who purchase ADSs in this offering, including seeking a premium value for their ordinary shares, and might affect the prevailing market price for our ADSs. In addition, our Chief Executive Officer, Co-Founder and Chairman of our board of directors, George Goldsmith, and our Chief Innovation Officer, Co-Founder and Director, Ekaterina Malievskaia, who are married, together hold a 7.4% equity interest in ATAI, and our President, Chief Business Officer and Co-Founder, Lars Christian Wilde, who was a Co-Founder of ATAI, may in the future receive up to a 5% equity interest in ATAI. To the extent that ATAI pursues similar opportunities to those that we may pursue, these ownership or future ownership interests could result in an actual or perceived conflict of interest.

In addition, upon the completion of this offering and pursuant to our Amended and Restated Shareholders' Agreement, ATAI and McQuade Center for Strategic Research and Development LLC, or MSRD, are each entitled to appoint one member of our board of directors, and for so long as ATAI owns at least 22.5% of our fully diluted share capital, ATAI is entitled to appoint a second member of our board of directors. As of the date of this prospectus, MSRD has appointed Robert McQuade to our board of directors, and ATAI has appointed Florian Brand and Jason Camm to our board of directors. Dr. McQuade, Mr. Brand and Mr. Camm currently serve on our board of directors. Mr. Brand who is one of the current directors appointed by ATAI Life Sciences AG pursuant to our Amended and Restated Shareholders' Agreement, intends to resign following the completion of this offering. We expect that Mr. Brand will be replaced by another nominee appointed by ATAI. See "Management."

For more information regarding our principal shareholders and their affiliated entities, see "Related Party Transactions" and "Principal Shareholders."

Participation in this offering by our existing shareholders and/or their affiliated entities may reduce the public float for our ADSs.

To the extent our existing shareholders who are our affiliates or their affiliated entities participate in this offering, such purchases would reduce the non-affiliate public float of our ADSs after this offering, which is the number of ADSs that are not held by our officers, directors and affiliated shareholders. A reduction in the public float could reduce the number of ADSs that can be traded at any given time, which could adversely impact the liquidity of our ADSs and depress the price at which you may be able to sell ADSs purchased in this offering.

Because we have no present intention to pay dividends on our ordinary shares for the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.

Under current English law, a company's accumulated realized profits must exceed its accumulated realized losses (on a non-consolidated basis) before dividends can be declared and paid. Therefore, we must have distributable profits before declaring and paying a dividend. We have not paid dividends in the past on our ordinary shares. We intend to retain earnings, if any, for use in our business and do not anticipate paying any cash dividends in the foreseeable future. As a result, capital appreciation, if any, on our ADSs will be your sole source of gains for the foreseeable future, and you will suffer a loss on your investment if you are unable to sell your ADSs at or above the initial public offering price. Any recommendation by our board of directors to pay dividends will depend on many factors, including our financial condition (including losses carried forward), results of operations, legal requirements and other factors. We are unlikely to pay dividends or other distributions in the foreseeable future. If the price of our ADSs declines before we pay dividends, you will incur a loss on your investment, without the likelihood that this loss will be offset in part or at all by potential future cash dividends. Investors seeking cash dividends should not purchase our ADSs in this offering.

We have broad discretion in the use of the net proceeds from the offering and may not use them effectively.

Our board of directors will have broad discretion in the application of the net proceeds from the offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our ADSs. The failure by our board of directors to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our ADSs to decline and delay the development of our investigational COMP360 psilocybin therapy or any future therapeutic candidates. Pending their use, we may invest the net proceeds from the offering in a manner that does not produce income or that loses value.

If securities or industry analysts do not publish research or publish inaccurate research or unfavorable research about our business, the price of our ADSs and trading volume could decline.

The trading market of our ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. We do not have control over these analysts. We do not currently have research coverage, and there can be no assurance that analysts will cover us, or provide favorable coverage. If no or few securities or industry analysts cover our company, the trading price of our ADSs would be negatively impacted. If one or more of the analysts who covers us downgrades our ADSs or publishes incorrect or unfavorable research about our business, the price of our ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, or downgrades our ADSs, demand for our ADSs could decrease, which could cause the price of our ADSs or trading volume to decline.

Future sales of our securities by existing shareholders could depress the market price of our ADSs.

If our existing shareholders sell, or indicate an intent to sell, substantial amounts of ADSs in the public market after the 180-day contractual lock-up and other legal restrictions on resale discussed elsewhere in this prospectus lapse, the trading price of our ADSs could decline significantly and could decline below the public offering price. Upon completion of this offering, we will have outstanding 34,005,331 ordinary shares (including ordinary shares represented by ADSs), 27,305,331 of which are subject to the 180-day contractual lock-up referred to above. The representatives of the underwriters may permit us, our directors and members of our executive committee to sell ordinary shares or ADSs prior to the expiration of the lock-up agreements. See "Underwriting."

After the lock-up agreements pertaining to the offering expire, and based on the number of ordinary shares (including ordinary shares represented by ADSs) outstanding upon completion of this

offering, 27,305,331 additional ordinary shares will be eligible for sale in the public market, subject to volume limitations under Rule 144 under the Securities Act of 1933, as amended, or the Securities Act, in the case of our affiliates.

Following the offering, we intend to file one or more registration statements with the SEC covering ordinary shares available for future issuance under our equity incentive plans. Upon effectiveness of such registration statements, any ordinary shares subsequently issued under such plans will be eligible for sale in the public market, except to the extent that they are restricted by the lock-up agreements referred to above and subject to compliance with Rule 144 of the Securities Act, or Rule 144, in the case of our affiliates. Sales of a large number of the ordinary shares issued under these plans in the public market could have an adverse effect on the market price of our ADSs. These sales might also make it more difficult for us to issue or sell equity or equity-related securities in the future at a time and a price that we deem appropriate. See the section of this prospectus titled “Ordinary Shares and ADSs Eligible for Future Sale” for a more detailed description of sales that may occur in the future. If these additional ADSs are sold, or if it is perceived that they will be sold, in the public market, the trading price of our ADSs could decline substantially.

If you purchase our ADSs in the offering, you will experience substantial and immediate dilution.

If you purchase our ADSs in this offering, you will experience substantial and immediate dilution of \$10.16 per ADS in the net tangible book value after giving effect to the offering at an assumed public offering price of \$15.00 per ADS, the midpoint of the estimated price range set forth on the cover page of this prospectus, because the price that you pay will be substantially greater than the net tangible book value per ADS that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the public offering price when they purchased their ordinary shares. You will experience additional dilution upon exercise of any outstanding warrants to purchase ordinary shares under our equity incentive plans, or if we otherwise issue additional ordinary shares below the public offering price. For a further description of the dilution that you will experience immediately after the offering, see the section of this prospectus titled “Dilution.”

Following the completion of the offering, we may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical and biopharmaceutical companies have experienced significant share price volatility in recent years. If we were to be sued, it could result in substantial costs and a diversion of management’s attention and resources, which could harm our business.

Holders of our ADSs are not treated as holders of our ordinary shares.

By participating in this offering you will become a holder of ADSs with underlying ordinary shares in a company incorporated under English law. Holders of ADSs are not treated as holders of our ordinary shares, unless they withdraw the ordinary shares underlying their ADSs in accordance with the deposit agreement and applicable laws and regulations. The depositary is the holder of the ordinary shares underlying our ADSs. Holders of ADSs therefore do not have any rights as holders of our ordinary shares, other than the rights that they have pursuant to the deposit agreement.

Holders of our ADSs will not have the same voting rights as the holders of our ordinary shares, and may not receive voting materials or any other documents that would need to be provided to our shareholders pursuant to English corporate law, including the UK Companies Act 2006, or Companies Act 2006, in time to be able to exercise their right to vote.

Except as described elsewhere in this prospectus and the deposit agreement, holders of the ADSs will not be able to exercise voting rights attaching to the ordinary shares represented by the ADSs. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares,

the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon our request, the depositary shall distribute to the holders as of the record date (i) the notice of the meeting or solicitation of consent or proxy sent by us and (ii) a statement as to the manner in which instructions may be given by the holders. We cannot guarantee that ADS holders will receive the voting materials in time to ensure that they can instruct the depositary to vote the ordinary shares underlying their ADSs.

Otherwise, ADS holders will not be able to exercise their right to vote, unless they withdraw the ordinary shares underlying the ADSs they hold. However, ADS holders may not know about the meeting far enough in advance to withdraw those ordinary shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. As a result, ADS holders may not be able to exercise their right to vote, and there may be nothing they can do if the ordinary shares underlying their ADSs are not voted as they requested or if their shares cannot be voted.

Claims of U.S. civil liabilities may not be enforceable against us.

Most of the members of our senior management and certain members of our board of directors are non-residents of the United States, and all or a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or us in the United States or to enforce judgments obtain in U.S. courts against them or us based on civil liability provisions of the U.S. federal securities laws.

The United States and the UK do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment given by a court in the United States, whether or not predicated solely upon U.S. securities laws, would not automatically be recognized or enforceable in the UK. In addition, uncertainty exists as to whether the courts of England and Wales would entertain original actions brought in the UK against us or our directors or senior management predicated upon securities laws of the U.S. or any state in the United States. Any final and conclusive monetary judgment for a definite sum obtained against us in U.S. courts would be treated by the courts of England and Wales as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues would be necessary, provided that certain requirements are met. Whether these requirements are met in respect of a judgment based upon the civil liability provisions of the U.S. securities laws, including whether the award of monetary damages under such laws would constitute a penalty, is an issue for the court making such decision. If the courts of England and Wales give a judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the courts of England and Wales discretion to prescribe the manner of enforcement.

As a result, U.S. investors may not be able to enforce against us or certain of our directors any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

Fluctuations in the exchange rate between the U.S. dollar and the pound sterling may increase the risk of holding our ADSs.

Our ADSs will trade on Nasdaq in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and the pound sterling may result in temporary differences between the value of our ADSs and the value of our ordinary shares, which may result in heavy trading by investors seeking to exploit such differences.

In addition, as a result of fluctuations in the exchange rate between the U.S. dollar and the pound sterling, the U.S. dollar equivalent of the proceeds that a holder of ADSs would receive upon the sale in the UK of any ordinary shares withdrawn from the depositary and the U.S. dollar equivalent of any cash dividends paid in euros on our ordinary shares represented by ADSs could also decline.

Holders of ADSs may not be able to participate in equity offerings we may conduct from time to time.

Certain shareholders and holders of ADSs, including those in the United States, may, even in the case where preferential subscription rights have not been cancelled or limited, not be entitled to exercise such rights, unless the offering is registered or the ordinary shares are qualified for sale under the relevant regulatory framework. As a result, there is the risk that investors may suffer dilution of their holdings should they not be permitted to participate in preference right equity or other offerings that we may conduct in the future.

Holders of ADSs may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason, subject to the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders meeting or we are paying a dividend on our ordinary shares. In addition, ADS holders may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. See “Description of American Depositary Shares—Share Dividends and Distributions—How will I receive dividends and other distributions on the ordinary shares underlying my ADSs—Rights to Receive Additional Ordinary Shares.”

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing our ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, holders and beneficial owners of ADSs irrevocably waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our ADSs or the deposit agreement.

If this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and our ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or our ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the

depository. If a lawsuit is brought against us and/or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.

Our new articles of association, to be adopted with effect from the completion of this offering, or Articles, will provide that the courts of England and Wales will be the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under the Securities Act or the Exchange Act, and that the United States District Court for the Southern District of New York will be the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

Our Articles will provide that, unless we consent by ordinary resolution to the selection of an alternative forum, the courts of England and Wales shall, to the fullest extent permitted by law, be the exclusive forum for: (a) any derivative action or proceeding brought on our behalf; (b) any action or proceeding asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us; (c) any action or proceeding asserting a claim arising out of any provision of the Companies Act 2006 or our Articles (as may be amended from time to time); or (d) any action or proceeding asserting a claim or otherwise related to our affairs, or the England and Wales Forum Provision. The England and Wales Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Our Articles will further provide that unless we consent by ordinary resolution to the selection of an alternative forum, the United States District Court for the Southern District of New York shall be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act or the Exchange Act, or the U.S. Federal Forum Provision. In addition, our Articles will provide that any person or entity purchasing or otherwise acquiring any interest in our shares is deemed to have notice of and consented to the England and Wales Forum Provision and the U.S. Federal Forum Provision; provided, however, that our shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The England and Wales Forum Provision and the U.S. Federal Forum Provision in our Articles may impose additional litigation costs on our shareholders in pursuing any such claims. Additionally, the forum selection clauses in our Articles may limit the ability of our shareholders to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our shareholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are “facially valid” under Delaware law, there is uncertainty as to whether other courts, including the courts of England and Wales and other courts within the U.S., will enforce our U.S. Federal Forum Provision. If the U.S. Federal Forum Provision is found to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition. The U.S. Federal Forum Provision may also impose additional litigation costs on our shareholders who assert that the provision is not enforceable or invalid. The courts of England and Wales and the United States District Court for the Southern District of New York may also reach different judgments or results than would other courts, including courts where a shareholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our shareholders.

If we were classified as a passive foreign investment company, it would result in adverse U.S. federal income tax consequences to U.S. Holders.

Under the Code, we will be a passive foreign investment company, or PFIC, for any taxable year in which (i) 75% or more of our gross income consists of passive income or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and certain rents and royalties. In addition, for purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as holding and receiving directly its proportionate share of assets and income of such corporation. If we are a PFIC for any taxable year during which a U.S. Holder (as defined below under “Material Income Tax Considerations—Material U.S. Federal Income Tax Considerations for U.S. Holders”) holds our ordinary shares or ADSs, the U.S. Holder may be subject to adverse tax consequences regardless of whether we continue to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred and additional reporting requirements.

Based on the current and expected composition of our income and assets and the value of our assets, we do not expect to be a PFIC for our current taxable year. However, no assurances regarding our PFIC status can be provided for the current taxable year or any future taxable years. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. In addition, our belief that we do not expect to be a PFIC for the current taxable year is based in part upon proposed Treasury Regulations and there is a risk that those proposed Treasury Regulations may be modified or withdrawn, which could result in our being classified as a PFIC for the current taxable year. Under the income test, our status as a PFIC depends on the composition of our income which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by the spending of the cash we raise in any offering, including this offering.

For further discussion of the PFIC rules and adverse U.S. federal income tax consequences in the event we are classified as a PFIC, see the section titled “Material Income Tax Considerations—Material U.S. Federal Income Considerations for U.S. Holders” in this prospectus. Each U.S. Holder should consult its own tax advisors with respect to the potential adverse U.S. tax consequences to it if we are or were to become a PFIC.

If we are a controlled foreign corporation, there could be adverse U.S. federal income tax consequences to certain U.S. Holders

Each “Ten Percent Shareholder” (as defined below) in a non-U.S. corporation that is classified as a “controlled foreign corporation,” or a CFC, for U.S. federal income tax purposes generally is required to include in income for U.S. federal tax purposes such Ten Percent Shareholder’s pro rata share of the CFC’s “Subpart F income,” “global intangible low-taxed income” and investment of earnings in U.S. property, even if the CFC has made no distributions to its shareholders. In addition, if a non-U.S. corporation owns at least one U.S. subsidiary, under current law, any current non-U.S. subsidiaries and any future newly formed or acquired non-U.S. subsidiaries of the non-U.S. corporation will be treated as CFCs, regardless of whether the non-U.S. corporation is treated as a CFC. Subpart F income generally includes dividends, interest, rents, royalties, gains from the sale of securities and income from certain transactions with related parties. In addition, a Ten Percent Shareholder that realizes gain from the sale or exchange of shares in a CFC may be required to classify a portion of such gain as dividend income rather than capital gain. A non-U.S. corporation generally will be classified as a CFC for U.S. federal income tax purposes if Ten Percent Shareholders own, directly or indirectly, more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A “Ten Percent Shareholder” is a United States person (as defined by the

Code) who owns or is considered to own 10% or more of the value or total combined voting power of all classes of stock entitled to vote of such corporation.

We believe that we may be classified as a CFC in the current taxable year prior to the completion of this offering, as well as the current taxable year in which this offering occurs. The determination of CFC status is complex and includes attribution rules, the application of which is not entirely certain. An individual that is a Ten Percent Shareholder with respect to a CFC generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a Ten Percent Shareholder that is a U.S. corporation. Failure to comply with CFC reporting obligations may subject a United States shareholder to significant monetary penalties. We cannot provide any assurances that we will furnish to any Ten Percent Shareholder information that may be necessary to comply with the reporting and tax paying obligations applicable under the CFC rules of the Code. U.S. Holders should consult their own tax advisors with respect to the potential adverse U.S. tax consequences of becoming a Ten Percent Shareholder in a CFC.

We are an “emerging growth company” and are availing ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ADSs less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our ADSs less attractive because we may rely on these exemptions. If some investors find our ADSs less attractive as a result, there may be a less active trading market for our ADSs the price of our ADSs may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year (i) in which we have total annual gross revenue of \$1.07 billion; (ii) following the fifth anniversary of the date of the completion of the offering; or (iii) in which we are deemed to be a “large accelerated filer,” which requires the market value of our ordinary shares that is held by non-affiliates to exceed \$700.0 million as of the prior June 30th, and (2) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three-year period. We cannot predict if investors will find our ADSs less attractive because we rely on these exemptions. If some investors find our ADSs less attractive as a result, there may be a less active trading market for our ADSs and the price of our ADSs may be more volatile.

As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with corporate governance listing standards.

As a foreign private issuer, we are permitted to follow certain home country corporate governance practices as opposed to those requirements that would otherwise be required by Nasdaq for domestic U.S. issuers. Following our home country governance practices allows us to follow English corporate law and the Companies Act 2006 with regard to certain corporate governance matters as opposed to the requirements that would otherwise apply to U.S. companies listed on Nasdaq may provide less protection to our shareholders than what is accorded to investors under the Nasdaq rules applicable to domestic U.S. issuers.

As a foreign private issuer, we are exempt from the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements. Our officers, directors and principal shareholders are also exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file reports

and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act and we are exempt from filing quarterly reports with the SEC under the Exchange Act. Moreover, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information, although we have voluntarily adopted a corporate disclosure policy substantially similar to Regulation FD. These exemptions and leniencies will reduce the frequency and scope of information and protections to which you may otherwise have been eligible in relation to a U.S. domestic issuer.

In accordance with our Nasdaq listing, our audit and risk committee is required to comply with the provisions of Section 301 of the Sarbanes-Oxley Act, and Rule 10A-3 of the Exchange Act. Because we are a foreign private issuer, however, our audit and risk committee is not subject to additional Nasdaq requirements applicable to listed U.S. companies, including an affirmative determination that all members of the audit and risk committee are “independent,” using more stringent criteria than those applicable to us as a foreign private issuer. Furthermore, Nasdaq’s corporate governance rules require listed U.S. companies to, among other things, seek shareholder approval for the implementation of certain equity compensation plans and issuances of ordinary shares, which we are not required to follow as a foreign private issuer. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers.

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2021.

In the future, we would lose our foreign private issuer status if we fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if more than 50% of our securities are held by U.S. residents and more than 50% of the members of our executive committee or members of our board of directors are residents or citizens of the United States, we could lose our foreign private issuer status.

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

We will incur increased costs as a result of operating as an English public company listed in the U.S., and our board of directors will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As an English public company listed in the U.S., and particularly after we no longer qualify as an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq, and other applicable securities rules and regulations impose various requirements on foreign reporting public companies, including the establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our board of directors, management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us

to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors.

However, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, we will be required to furnish a report by our board of directors on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal controls over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe, that our internal controls over financial reporting are effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we experience additional material weaknesses or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our ADSs. In addition, because of our status as an emerging growth company, our independent registered public accounting firm is not required to provide an attestation report as to our internal control over financial reporting for the foreseeable future.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. As a result of becoming a public company, we will be required, pursuant to Section 404, to furnish a report by our management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of the registration statement of which this prospectus is a part. This assessment will need to include disclosures of any material weaknesses identified by our management in our internal control over financial reporting. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We are in the very early stages of the costly and challenging process of planning the activities necessary to perform the evaluation needed to comply with Section 404.

In connection with the preparation of our consolidated financial statements for the years ended December 31, 2018 and 2019, we identified three material weaknesses in our internal control over financial reporting. Specifically, we determined that we lack a sufficient number of trained professionals with an appropriate level of accounting knowledge, training and experience to: (i) design and maintain formal accounting policies, procedures and controls over the fair presentation of our financial statements; (ii) analyze, record and disclose complex accounting matters timely and accurately, including share-based compensation arrangements and other non-routine transactions; and (iii) design and maintain controls

over the preparation and review of account reconciliations, journal entries and financial statements, including maintaining appropriate segregation of duties.

Each of these may result in a misstatement of our accounts or disclosures that would result in a material misstatement of our annual or interim consolidated financial statements that would not be prevented or detected, and accordingly, we determined that these control deficiencies constitute material weaknesses.

Prior to the completion of this offering, we have been a private company with limited accounting personnel to adequately execute our accounting processes and other supervisory resources with which to address our internal control over financial reporting. We are progressing with the activities necessary to implement the appropriate accounting policies, processes and controls required to comply with Section 404 and have identified relevant individuals with requisite expertise to assist in implementation activities designed to improve our internal control over financial reporting and remediate the control deficiencies that led to these material weaknesses, including hiring additional finance and accounting personnel and initiating design and implementation of our financial control environment, including the establishment of controls to account for and disclose complex transactions. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to these material weaknesses in our internal control over financial reporting nor that they will prevent or avoid potential future material weaknesses. We cannot assure you that all of our existing material weaknesses have been identified, or that we will not in the future identify additional material weaknesses.

Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC, or the date we are no longer an “emerging growth company” as defined in the JOBS Act, if we take advantage (as we expect to do) of the exemptions contained in the JOBS Act. We will remain an “emerging growth company” for up to five years, although if the market value of our ADSs that are held by non-affiliates exceeds \$700.0 million as of June 30 of any year before that time, we would cease to be an “emerging growth company” as of December 31 of that year. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid material weaknesses in our internal control over financial reporting in the future.

If we are unsuccessful in building an appropriate accounting infrastructure, we may not be able to prepare and disclose, in a timely manner, our financial statements and other required disclosures, or comply with existing or new reporting requirements. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from Nasdaq or other adverse consequences that would materially harm our business. If we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed and investors could lose confidence in our reported financial information. Any of the foregoing occurrences, should they come to pass, could negatively impact the public perception of our company, which could have a negative impact on the price of ADSs.

If we fail to establish and maintain proper and effective internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our ADSs.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of financial statements in accordance with generally accepted accounting principles. In connection with this offering, we intend to begin the process of documenting, reviewing, and improving our internal controls and procedures for compliance with Section 404, which will require annual management assessment of the effectiveness of our internal control over financial reporting. We have begun recruiting additional finance and accounting personnel with certain skill sets that we will need as an English public company listed in the U.S.

Implementing any appropriate changes to our internal controls may distract our officers and employees from day to day business operations, entail substantial costs to modify our existing processes, and take significant time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and harm our business. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm the price of our ADSs.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited, because we are incorporated under the laws of England and Wales, conduct most of our operations outside the United States and most of our directors and senior management reside outside the United States.

We are incorporated and have our registered office in, and are currently existing under the laws of, England and Wales. In addition, most of our tangible assets are located, and most of our senior management and certain of our directors reside, outside of the United States. As a result, it may not be possible to serve process within the United States on certain directors or us or to enforce judgments obtained in U.S. courts against such directors or us based on civil liability provisions of the securities laws of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce judgments obtained in U.S. courts against them or us, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws.

The United States and the UK do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment given by a court in the United States, whether or not predicated solely upon U.S. securities laws, would not automatically be recognized or enforceable in the UK. In addition, uncertainty exists as to whether courts of England and Wales would entertain original actions brought in England and Wales against us or our directors or senior management predicated upon the securities laws of the U.S. or any state in the U.S. Any final and conclusive monetary judgment for a definite sum obtained against us in U.S. courts would be treated by the courts of England and Wales as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues would be necessary, provided that certain requirements are met.

Whether these requirements are met in respect of a judgment based upon the civil liability provisions of the U.S. securities laws, including whether the award of monetary damages under such laws would constitute a penalty, is subject to determination by the court making such decision. If the courts of England and Wales give a judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the courts of England and Wales discretion to prescribe the manner of enforcement.

As a result, U.S. investors may not be able to enforce against us or certain of our directors any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

As an English public limited company, certain capital structure decisions will require shareholder approval, which may limit our flexibility to manage our capital structure.

English law provides that a board of directors may only allot shares (or grant rights to subscribe for or to convert any security into shares) with the prior authorization of shareholders, such authorization stating the aggregate nominal amount of shares that it covers and being valid for a maximum period of five years, each as specified in the articles of association or relevant ordinary resolution passed by shareholders at a general meeting. Such authority from our shareholders to allot additional shares for a period of five years from September 11, 2020 was included in the ordinary resolution passed by our shareholders on September 11, 2020, which authorization will need to be renewed upon expiration (i.e., at least every five years) but may be sought more frequently for additional five-year terms (or any shorter period).

English law also generally provides shareholders with preemptive rights when new shares are issued for cash. However, it is possible for the articles of association, or for shareholders to pass a special resolution at a general meeting, being a resolution passed by at least 75% of the votes cast, to disapply preemptive rights. Such a disapplication of preemptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the disapplication is contained in the articles of association, but not longer than the duration of the authority to allot shares to which this disapplication relates or from the date of the shareholder special resolution, if the disapplication is by shareholder special resolution. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (i.e., at least every five years). Such authority from our shareholders to disapply preemptive rights for a period of five years was included in the special resolution passed by our shareholders on September 11, 2020, which disapplication will need to be renewed upon expiration (i.e., at least every five years) to remain effective, but may be sought more frequently for additional five-year terms (or any shorter period).

English law also generally prohibits a public company from repurchasing its own shares without the prior approval of shareholders by ordinary resolution, being a resolution passed by a simple majority of votes cast, and other formalities. Such approval may be for a maximum period of up to five years.

Shareholder protections found in provisions under the UK City Code on Takeovers and Mergers, or the Takeover Code, will not apply if our place of central management and control remains outside of the UK (or the Channel Islands or the Isle of Man).

We believe that, as of the date of this prospectus, our place of central management and control is not in the UK (or the Channel Islands or the Isle of Man) for the purposes of the jurisdictional criteria of the Takeover Code. Accordingly, we believe that we are not currently subject to the Takeover Code and, as a result, our shareholders are not currently entitled to the benefit of certain takeover offer protections provided under the Takeover Code, including the rules regarding mandatory takeover bids.

In the event that this changes, or if the interpretation and application of the Takeover Code by the Panel on Takeovers and Mergers, or Takeover Panel, changes (including changes to the way in which the Takeover Panel assesses the application of the Takeover Code to English companies whose shares are listed outside of the UK), the Takeover Code may apply to us in the future.

The Takeover Code provides a framework within which takeovers of companies which are subject to the Takeover Code are regulated and conducted. The following is a brief summary of some of the most important rules of the Takeover Code:

- When any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and an interest in shares held or acquired by persons acting in concert with him or her) carry 30% or more of the voting rights of a company that is subject to the Takeover Code, that person is generally required to make a mandatory offer to all the holders of any class of equity share capital or other class of

transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

- When any person who, together with persons acting in concert with him or her, is interested in shares representing not less than 30% but does not hold more than 50% of the voting rights of a company that is subject to the Takeover Code, and such person, or any person acting in concert with him or her, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he or she is interested, then such person is generally required to make a mandatory offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.
- A mandatory offer triggered in the circumstances described in the two paragraphs above must be in cash (or be accompanied by a cash alternative) and at not less than the highest price paid within the preceding 12 months to acquire any interest in shares in the company by the person required to make the offer or any person acting in concert with him or her.
- In relation to a voluntary offer (i.e., any offer which is not a mandatory offer), when interests in shares representing 10% or more of the shares of a class have been acquired for cash by an offeror (i.e., a bidder) and any person acting in concert with it in the offer period and the previous 12 months, the offer must be in cash or include a cash alternative for all shareholders of that class at not less than the highest price paid for any interest in shares of that class by the offeror and by any person acting in concert with it in that period. Further, if an offeror acquires for cash any interest in shares during the offer period, a cash alternative must be made available at not less than the highest price paid for any interest in the shares of that class.
- If, after making an offer for a company, the offeror or any person acting in concert with them acquires an interest in shares in an offeree company (i.e., a target) at a price higher than the value of the offer, the offer must be increased to not less than the highest price paid for the interest in shares so acquired.
- An offeree company must appoint a competent independent adviser whose advice on the financial terms of the offer must be made known to all the shareholders, together with the opinion of the board of directors of the offeree company.
- Special or favorable deals for selected shareholders are not permitted, except in certain circumstances where independent shareholder approval is given and the arrangements are regarded as fair and reasonable in the opinion of the financial adviser to the offeree.
- All shareholders must be given the same information.
- Each document published in connection with an offer by or on behalf of the offeror or offeree must state that the directors of the offeror or the offeree, as the case may be, accept responsibility for the information contained therein.
- Profit forecasts, quantified financial benefits statements and asset valuations must be made to specified standards and must be reported on by professional advisers.
- Misleading, inaccurate or unsubstantiated statements made in documents or to the media must be publicly corrected immediately.
- Actions during the course of an offer by the offeree company, which might frustrate the offer are generally prohibited unless shareholders approve these plans. Frustrating actions would include,

for example, lengthening the notice period for directors under their service contract or agreeing to sell off material parts of the target group.

- Stringent requirements are laid down for the disclosure of dealings in relevant securities during an offer, including the prompt disclosure of positions and dealing in relevant securities by the parties to an offer and any person who is interested (directly or indirectly) in 1% or more of any class of relevant securities.
- Employees of both the offeror and the offeree company and the trustees of the offeree company's pension scheme must be informed about an offer. In addition, the offeree company's employee representatives and pension scheme trustees have the right to have a separate opinion on the effects of the offer on employment appended to the offeree board of directors' circular or published on a website.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.

We are incorporated under the laws of England and Wales. The rights of holders of ordinary shares and, therefore, certain of the rights of holders of ADSs, are governed by the laws of England and Wales, including the provisions of the Companies Act 2006, and by our Articles. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations. See "Description of Share Capital and Articles of Association—Differences in Corporate Law" in this prospectus for a description of the principal differences between the provisions of the Companies Act 2006 applicable to us and, for example, the Delaware General Corporation Law relating to shareholders' rights and protections.

The principal differences include the following:

- Under English law and our Articles, each shareholder present at a meeting has only one vote unless demand is made for a vote on a poll, in which case each holder gets one vote per share owned. Under U.S. law, each shareholder typically is entitled to one vote per share at all meetings.
- Under English law, it is only on a poll that the number of shares determines the number of votes a holder may cast. You should be aware, however, that the voting rights of ADSs are also governed by the provisions of a deposit agreement with our depositary bank.
- Under English law, subject to certain exceptions and disapplications, each shareholder generally has preemptive rights to subscribe on a proportionate basis to any issuance of ordinary shares or rights to subscribe for, or to convert securities into, ordinary shares for cash. Under U.S. law, shareholders generally do not have preemptive rights unless specifically granted in the certificate of incorporation or otherwise.
- Under English law and our Articles, certain matters require the approval of 75% of the shareholders who vote (in person or by proxy) on the relevant resolution (or on a poll of shareholders representing 75% of the ordinary shares voting (in person or by proxy)), including amendments to the Articles. This may make it more difficult for us to complete corporate transactions deemed advisable by our board of directors. Under U.S. law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions.
- In the UK, takeovers may be structured as takeover offers or as schemes of arrangement. Under English law, a bidder seeking to acquire us by means of a takeover offer would need to make an offer for all of our outstanding ordinary shares/ADSs. If acceptances are not received for 90% or more of the ordinary shares/ADSs under the offer, under English law, the bidder cannot complete

a “squeeze out” to obtain 100% control of us. Accordingly, acceptances of 90% of our outstanding ordinary shares (including those represented by ADSs) will likely be a condition in any takeover offer to acquire us, not 50% as is more common in tender offers for corporations organized under Delaware law. By contrast, a scheme of arrangement, the successful completion of which would result in a bidder obtaining 100% control of us, requires the approval of a majority of shareholders voting at the meeting and representing 75% of the ordinary shares (including those represented by ADSs) voting at the meeting for approval.

- Under English law and our Articles, shareholders and other persons whom we know or have reasonable cause to believe are, or have been, interested in our shares may be required to disclose information regarding their interests in our shares upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares, including prohibitions on certain transfers of the shares, withholding of dividends and loss of voting rights. Comparable provisions generally do not exist under U.S. law.
- The quorum requirement for a shareholders’ meeting is one or more qualifying persons present at a meeting and between them holding (or being the proxy or corporate representative of the holders of) at least thirty-three and one-third percent (33 ⅓%) in number of the issued shares (excluding any shares held as treasury shares) entitled to attend and vote on the business to be transacted. Under U.S. law, a majority of the shares eligible to vote must generally be present (in person or by proxy) at a shareholders’ meeting in order to constitute a quorum. The minimum number of shares required for a quorum can be reduced pursuant to a provision in a company’s certificate of incorporation or bylaws, but typically not below one-third of the shares entitled to vote at the meeting.

Our business and results of operations may be negatively impacted by the UK’s withdrawal from the EU.

On June 23, 2016, the UK held a referendum in which a majority of voters approved an exit from the EU, or Brexit. After nearly three years of negotiation and political and economic uncertainty, the UK’s withdrawal from the EU became effective on January 31, 2020. Under the terms of the withdrawal agreement, the UK and the EU will continue to negotiate the terms of trade and other matters during a transition period that will end on December 31, 2020.

During the Brexit transition period, the UK will continue to be subject to the laws and obligations applicable to all EU members, including laws related to trade and data privacy and the EU’s pharmaceutical laws. However, future regulations that will apply in the UK following the transition period (including financial laws and regulations, tax and free trade agreements, intellectual property rights, data protection laws, supply chain logistics, environmental, health and safety laws and regulations medicine licensing and regulations, immigration laws and employment laws), have yet to be addressed. This lack of clarity on future UK laws and regulations and their interaction with the EU laws and regulations may negatively impact foreign direct investment in the UK, increase costs, depress economic activity and restrict access to capital. Brexit, including developments that occur during the Brexit transition period, may affect our results of operations in a number of ways, including increasing currency exchange risk, generating instability in the global financial markets or negatively impacting the economies of the UK and Europe. In addition, as we are headquartered in the UK, it is possible that Brexit may impact some or all of our current operations. For example, following the transition period, Brexit may impact our ability to freely move employees from our headquarters in the UK to other locations in Europe and it may impact the ability of European therapists to move freely to the UK in order to complete part of their training or work on our clinical trials there. If the UK and the EU are unable to negotiate acceptable agreements or if other EU member states pursue withdrawal, barrier-free access between the UK and other EU member states or among the EEA overall could be diminished or eliminated.

The long-term effects of Brexit will depend in part on any agreements the UK makes during the Brexit transition period to retain access to markets in the EU. Such a withdrawal from the EU is unprecedented, and it is unclear how the UK's access to the European single market for goods, capital, services and labor within the EU, or single market, and the wider commercial, legal and regulatory environment, will impact our current and future operations (including business activities conducted by third parties and contract manufacturers on our behalf) and clinical activities in the UK. In addition to the foregoing, our UK operations support our current and future operations and clinical activities in the EU and EEA and these operations and clinical activities could be disrupted by Brexit.

We may also face new regulatory costs and challenges that could have an adverse effect on our operations as a result of Brexit. Depending on the terms of the UK's withdrawal from the EU, the UK could lose the benefits of global trade agreements negotiated by the EU on behalf of its member states, which may result in increased trade barriers that could make our doing business in the EU and the EEA more difficult. Since the regulatory framework in the UK covering quality, safety and efficacy of therapeutic substances, clinical trials, marketing authorization, commercial sales and distribution of therapeutic substances is derived from EU directives and regulations, Brexit could materially impact the future regulatory regime with respect to the approval of COMP360 or any future therapeutic candidates in the UK. For instance, in November 2017, EU member states voted to move the EMA, the EU's regulatory body, from London to Amsterdam. Operations in Amsterdam commenced in March 2019, and the move itself may cause significant disruption to the regulatory approval process in Europe. It remains to be seen how, if at all, Brexit will impact regulatory requirements for therapeutic candidates and therapies in the UK. Any delay in obtaining, or an inability to obtain, any regulatory approvals, as a result of Brexit or otherwise, would delay or prevent us from commercializing our investigational COMP360 psilocybin therapy or future therapeutic candidates in the UK and/or the EU and restrict our ability to generate revenue and achieve and sustain profitability. If any of these outcomes occur, we may be forced to restrict or delay efforts to seek regulatory approval in the UK and/or EU for COMP360 or any future therapeutic candidates, which could significantly and materially harm our business. Even prior to any change to the UK's relationship with the EU, the announcement of Brexit had created economic uncertainty surrounding the terms of Brexit and its consequences could adversely impact customer confidence resulting in customers reducing their spending budgets on our investigational COMP360 psilocybin therapy or any future therapeutic candidates, if approved, which could adversely affect our business, financial condition, results of operations and could adversely affect the market price of our ADSs.

We expect that following the transition period, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws to replicate or replace, including those related to data privacy and the regulation of medicinal products, as described above. Any of these effects of Brexit, and others we cannot anticipate, could negatively impact our business and results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business,” contains express or implied forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “objective,” “anticipate,” “believe,” “contemplate,” “estimate,” “predict,” “potential,” “continue” and “ongoing,” or the negative of these terms, or other comparable terminology intended to identify statements about the future, although not all forward-looking statements contain these identifying words. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this prospectus are based upon information available to our management as of the date of this prospectus and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Furthermore, it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- the timing, progress and results of COMP360, including statements regarding the timing of initiation and completion of trials or studies and related preparatory work, the period during which the results of the trials will become available and our research and development programs;
- our reliance on the success of our investigational COMP360 psilocybin therapy;
- the timing, scope or likelihood of regulatory filings and approvals;
- our expectations regarding the size of the eligible patient populations for COMP360, if approved for commercial use;
- our ability to identify third-party clinical sites to conduct our trials and our ability to identify and train appropriately qualified therapists to administer COMP360 psilocybin therapy;
- our ability to implement our business model and our strategic plans for our business and our investigational COMP360 psilocybin therapy;
- our ability to identify, develop or acquire digital technologies to enhance our administration of our investigational COMP360 psilocybin therapy;
- our ability to successfully establish and maintain Centers of Excellence;
- our commercialization, marketing and manufacturing capabilities and strategy;
- the pricing, coverage and reimbursement of our investigational COMP360 psilocybin therapy, if approved;
- the scalability and commercial viability of our manufacturing methods and processes;

- the rate and degree of market acceptance and clinical utility of our investigational COMP360 psilocybin therapy, in particular, and psilocybin-based therapies, in general;
- our ability to establish or maintain collaborations or strategic relationships or obtain additional funding;
- our expectations regarding potential benefits of our investigational COMP360 psilocybin therapy and our therapeutic approach generally;
- our expectations around regulatory development paths and with respect to Controlled Substances Act designation;
- the scope of protection we and any current or future licensors or collaboration partners are able to establish and maintain for intellectual property rights covering COMP360;
- our ability to operate our business without infringing, misappropriating, or otherwise violating the intellectual property rights and proprietary technology of third parties;
- regulatory developments in the United States, under the laws and regulations of England and Wales, and other jurisdictions;
- developments and projections relating to our competitors and our industry;
- our ability to remediate our material weaknesses in our internal control over financial reporting;
- our expectations related to the use of proceeds from this offering;
- our estimates regarding expenses, capital requirements and needs for additional financing;
- our ability to effectively manage our anticipated growth;
- our ability to attract and retain qualified employees and key personnel;
- the effect of the COVID-19 pandemic, including mitigation efforts and economic effects, on any of the foregoing or other aspects of our business or operations;
- whether we are classified as a Controlled Foreign Corporation or a Passive Foreign Investment Company for current and future periods;
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act and as a foreign private issuer;
- the future trading price of the ADSs and impact of securities analysts' reports on these prices; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this prospectus, particularly in the section titled "Risk Factors" that we believe may cause our actual results or events to differ materially from those expressed or implied by our forward-looking statements. Moreover, we operate in a competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on

the forward-looking statements contained in this prospectus. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission as exhibits to the registration statement of which this prospectus is a part completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained in this prospectus are made as of the date of this prospectus, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. We qualify all of our forward-looking statements by these cautionary statements.

USE OF PROCEEDS

We estimate that the net proceeds to us in this offering will be \$90.5 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, based on an assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus. If the underwriters exercise their option to purchase additional ADSs in full, we estimate that the net proceeds to us from this offering will be \$104.5 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each \$1.00 increase (or decrease) in the assumed initial public offering price of \$15.00 per ADS, the midpoint of the price range set forth on the cover page of this prospectus, would increase (or decrease) the net proceeds to us from this offering by \$6.2 million, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A 1,000,000 share increase (or decrease) in the number of ADSs offered by us would increase (or decrease) the net proceeds to us from this offering by approximately \$14.0 million, assuming that the initial public offering price per ADS remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We expect to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows:

- approximately \$70.0 million to fund clinical trials, therapist training and other activities to support the development of our investigational COMP360 psilocybin therapy through completion of all ongoing trials through the end of Phase II meetings with the FDA;
- approximately \$11.0 million to fund research and clinical development activities related to our investigational COMP360 psilocybin therapy to support the progression of COMP360 as a therapy for other neuropsychiatric indications and further our mechanistic understanding of psilocybin;
- approximately \$15.0 million to fund our general business development activities, including strategic investments which may aid us in developing digital technologies to complement and augment our therapies, as well as potentially providing access to other novel drug candidates for development in neuropsychiatric and related indications; and
- the remainder to fund general and administrative expenses, working capital and other general corporate purposes.

This expected use of net proceeds from this offering represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. We may also use a portion of the net proceeds to in-license, acquire, or invest in additional businesses, technologies, products or assets. We cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the amounts that we will actually spend on the uses set forth above. Predicting the cost necessary to develop product candidates and commercialize approved products can be difficult and the amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our development, the status of and results from clinical trials, any collaborations that we may enter into with third parties for our therapeutic candidate and any unforeseen cash needs. Our management will retain broad discretion over the allocation of the net proceeds from this offering.

Based on our planned use of the net proceeds from this offering and our existing cash and cash equivalents, we estimate that such funds will be sufficient to fund our operations and capital expenditure

requirements through the end of 2022, although there can be no assurance in that regard. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect.

Pending our use of proceeds from this offering, we plan to invest these net proceeds in a variety of capital preservation instruments, including short-term, interest bearing obligations and investment-grade instruments.

DIVIDEND POLICY

We have never declared or paid any cash dividend, and we do not anticipate declaring or paying any cash dividends in the foreseeable future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business. See the section titled “Risk Factors—Risks Related to the Offering and Ownership of Our ADSs—Because we have no present intention to pay dividends on our ordinary shares for the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.”

Under English law, among other things, we may only pay dividends if we have sufficient distributable reserves (on a non-consolidated basis), which are our accumulated realized profits that have not been previously distributed or capitalized less our accumulated realized losses, so far as such losses have not been previously written off in a reduction or reorganization of capital.

CORPORATE REORGANIZATION

COMPASS Pathways plc was initially incorporated in England and Wales in June 2020 as a private company with limited liability, under the name COMPASS Rx Limited, with nominal assets and liabilities for the purpose of consummating the corporate reorganization described herein. Pursuant to the terms of a share for share exchange agreement entered into on August 7, 2020 as part of our corporate reorganization, all shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them for 1,161 of the same class, with the same shareholder rights, of newly issued shares of COMPASS Rx Limited, and, as a result, COMPASS Pathfinder Holdings Limited became a wholly owned subsidiary of COMPASS Rx Limited. Our financial statements and the related notes, included elsewhere in this prospectus, give retroactive effect to the share exchange. Subsequently, we re-registered COMPASS Rx Limited as a public limited company and renamed it COMPASS Pathways plc, effective on August 21, 2020. Therefore, investors in this offering will only acquire, and this prospectus only describes the offering of, ADSs representing ordinary shares of COMPASS Pathways plc. We refer to the reorganization, pursuant to which COMPASS Rx Limited acquired all of the interests in COMPASS Pathfinder Holdings Limited in exchange for the issuance of the same classes of newly issued shares of COMPASS Rx Limited multiplied by 1,161, and the subsequent re-registration of COMPASS Rx Limited as a public limited company renamed COMPASS Pathways plc, as our “corporate reorganization.”

The corporate reorganization is taking place in several steps, all of which will be completed prior to the completion of this offering.

Exchange of COMPASS Pathfinder Holdings Limited Shares for COMPASS Rx Limited Shares

Prior to the share exchange on August 7, 2020, the share capital of COMPASS Pathfinder Holdings Limited was divided into 83,025 ordinary shares of nominal value £0.01 each; 20,100 preferred shares of nominal value £0.01 each; 54,072 Series A preferred shares of nominal value £0.01 each; and 47,091 Series B preferred shares of nominal value £0.01 each. On August 7, 2020, the shareholders of COMPASS Pathfinder Holdings Limited exchanged each of these classes of shares of COMPASS Pathfinder Holdings Limited for 1,161 of the same classes of shares, with the same shareholder rights, in each case of nominal value £1.00 each in COMPASS Rx Limited. As a result, COMPASS Rx Limited became the sole shareholder of COMPASS Pathfinder Holdings Limited.

Reduction of Capital of COMPASS Rx Limited

Pursuant to Part 17 of the Companies Act 2006, COMPASS Rx Limited reduced its share capital on August 19, 2020 by way of a reduction of the nominal value of each share in the capital of COMPASS Rx Limited from £1.00 to £0.001 in order to satisfy the net asset test requirement in section 92 of the Companies Act 2006 for re-registration as a public limited company and to create distributable reserves.

Re-registration of COMPASS Rx Limited as COMPASS Pathways plc and Reorganization of Shares in COMPASS Pathways plc

Following COMPASS Pathfinder Holdings Limited becoming a wholly owned subsidiary of COMPASS Rx Limited and following COMPASS Rx Limited’s capital reduction, COMPASS Rx Limited was re-registered as a public limited company and renamed COMPASS Pathways plc on August 21, 2020, which required the passing of special resolutions by the shareholders of COMPASS Rx Limited to approve the re-registration of COMPASS Rx Limited as a public limited company, the name change to COMPASS Pathways plc and the adoption of new articles of association of COMPASS Pathways plc.

Compass Pathways plc, on September, 11 2020, passed further resolutions of its shareholders in relation to the Offering and the Reverse Share Split, details of which are set out in the section titled “Description of Share Capital and Articles of Association” and in the paragraph which follows.

Immediately prior to and conditional on the completion of this offering, all of COMPASS Pathways plc's outstanding preferred shares of nominal value £0.001 each, Series A preferred shares of nominal value £0.001 each and Series B preferred shares of nominal value £0.001 each will be converted on a one to one basis into an aggregate of 16,419,172 shares of a single class of ordinary shares of COMPASS Pathways plc. Following this, the Company will undertake a one-for-0.1136 reverse split on all of COMPASS Pathways plc's ordinary shares of nominal value £0.001 each. The fractional entitlements resulting from such reverse split will be consolidated into one deferred share of £0.323 each. Following such reverse split there will be a further sub-division of each ordinary share into one ordinary share of £0.008 each and one deferred share of £0.00080281690140845 each. Following this, the deferred shares arising from the fractional entitlements and the sub-division will be consolidated into one deferred share of £21,921.504 each and transferred to the Company for no consideration and subsequently cancelled. These actions will take effect immediately prior to and conditional on completion of this offering.

Therefore, upon consummation of the corporate reorganization and prior to the completion of this offering, assuming an initial public offering price of \$15.00 per ADS, the current shareholders of COMPASS Pathways plc will hold an aggregate of 27,305,331 ordinary shares of COMPASS Pathways plc.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2020 on:

- an actual basis, not reflecting the Reverse Share Split to be effected immediately prior to and conditional on completion of this offering;
- on a pro forma basis to give effect to (i) the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering, (including the conversion, as part of our Reverse Share Split, of all of our outstanding convertible preferred shares into an aggregate of 15,993,302 ordinary shares upon the completion of this offering) and (ii) the adoption of our articles of association with effect from the completion of this offering; and
- on a pro forma as adjusted basis giving effect to the pro forma adjustments set forth above and to give further effect to the issuance and sale of 6,700,000 ADS in this offering at an assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information below is illustrative only, and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. Cash is not a component of our total capitalization. You should read this information together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the sections titled “Selected Consolidated Financial Data,” “Use of Proceeds” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	As of June 30, 2020		
	Actual	Pro Forma ⁽¹⁾	Pro Forma As adjusted ⁽¹⁾⁽²⁾
	(in thousands, except share and per share amounts) (expressed in U.S. Dollars, unless otherwise stated)		
Cash ⁽¹⁾	\$ 67,606	\$ 67,606	\$ 158,264
Convertible preferred shares, nominal value £0.001 per share; 144,535,212 shares authorized and 140,786,343 shares issued and outstanding actual; no shares authorized, issued or outstanding pro forma or pro forma as adjusted	\$ 116,495	\$ —	\$ —
Shareholders’ equity (deficit):			
Ordinary shares, nominal value £0.001 per share; 94,651,686 shares issued and outstanding, actual; 26,745,731 shares issued and outstanding, pro forma; 33,445,731 shares issued and outstanding, pro forma as adjusted	124	307	384
Additional paid-in capital	18,551	134,863	225,304
Accumulated other comprehensive (loss) income	(1,131)	(1,131)	(1,131)
Accumulated deficit	(62,399)	(62,399)	(62,399)
Total shareholders’ equity (deficit)	(44,855)	71,640	162,158
Total capitalization	\$ 71,640	\$ 71,640	\$ 162,158

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- (1) Does not include \$5.3 million received in August 2020 from the sale of 425,871 additional Series B convertible preferred shares.
- (2) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in-capital, total shareholders' equity (deficit) and total capitalization by \$6.2 million, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same. An increase (decrease) of 1,000,000 in the number of ADSs offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in-capital, total shareholders' equity (deficit) and total capitalization by \$14.0 million, assuming no change in the assumed initial public offering price per ADS.

The number of ordinary shares outstanding in the table above does not include:

- 4,260,255 ordinary shares issuable upon the exercise of options for ordinary shares outstanding as of June 30, 2020, with a weighted-average exercise price of \$0.57 per share, including the vesting of restricted share units and 1,053,637 ordinary shares that will vest immediately upon the completion of this offering;
- an additional 222,800 ordinary shares reserved for issuance to our employees and consultants as of June 30, 2020, which shares will no longer be reserved following this offering;
- an additional 2,074,325 ordinary shares that will be made available for future issuance under our 2020 Option Plan which will become effective in connection with this offering; and
- an additional 340,053 ordinary shares that will be made available for future issuance under our ESPP that will become effective in connection with this offering.

DILUTION

If you invest in our ADSs in this offering, your interest will be immediately diluted to the extent of the difference between the initial public offering price per ADS in this offering and the pro forma as adjusted net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ADS is substantially in excess of the net tangible book value per ADS.

As of June 30, 2020, we had a historical net tangible book value of \$71.2 million, or \$0.30 per ordinary share (equivalent to \$0.30 per ADS). Our net tangible book value per ADS represents total tangible assets (excluding fixed asset investments) less total liabilities, divided by the aggregate number of ordinary and convertible preferred shares outstanding on June 30, 2020.

As of June 30, 2020, our pro forma net tangible book value would have been \$71.2 million, or \$2.66 per ordinary share (equivalent to \$2.66 per ADS). Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities, after giving effect to (i) the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering, (including the conversion, as part of our Reverse Share Split, of all outstanding shares of our convertible preferred shares into an aggregate of 15,993,302 ordinary shares prior to the completion of this offering) and (ii) the adoption of our Articles with effect from the completion of this offering. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares outstanding as of June 30, 2020, after giving effect to the pro forma adjustments described above.

After giving effect to (i) our corporate reorganization and (ii) the sale of 6,700,000 ADSs in this offering at an assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at June 30, 2020 would have been \$4.84 per ordinary share, or \$4.84 per ADS. This represents an immediate increase in pro forma as adjusted net tangible book value of \$2.18 per ADS to new investors and immediate dilution of \$10.16 per ADS to new investors. The following table illustrates this dilution to new investors purchasing ADSs in this offering:

Assumed initial public offering price per ADS	\$	15.00
Historical net tangible book value per ADS as of June 30, 2020	\$	0.30
Increase per share attributable to the pro forma adjustments described above		2.36
Pro forma net tangible book value per share as of June 30, 2020		2.66
Increase attributable to new investors purchasing ADSs in this offering		2.18
Pro forma as adjusted net tangible book value per ADS as of		4.84
Dilution per share to new investors purchasing ADSs in this offering	\$	10.16

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value after this offering by \$0.18 per ADS, and would increase (decrease) dilution to new investors by \$0.82 per ADS, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and the estimated offering expenses payable by us. Each increase of 1,000,000 in the number of ADSs we are offering would increase our pro forma as adjusted net tangible book value after this offering by \$0.26 per ADS, and would increase dilution to new investors by \$0.26 per ADS, assuming the assumed initial public offering price per ADS remains the same. Each decrease of 1,000,000 in the number of ADSs we are offering would decrease our pro forma as adjusted net tangible book value after this offering by \$0.28 per ADS, and would increase dilution to new investors by \$0.28 per ADS, assuming an initial public offering price per ADS remains the same. The

pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters exercise their option to purchase additional ADSs in full, the pro forma as adjusted net tangible book value per ADS after the offering would be \$5.10, the increase in net tangible book value per ADS to existing shareholders would be \$2.44 and the immediate dilution in net tangible book value per ADS to new investors in this offering would be \$9.90.

The following table summarizes, on the pro forma as adjusted basis described above as of June 30, 2020, the differences between the existing shareholders and the new investors in this offering with respect to the number of ordinary shares purchased from us (including ordinary shares underlying ADSs), the total consideration paid to us and the average price per ordinary share (including ordinary shares underlying ADSs), based on an assumed initial public offering price of \$15.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	ORDINARY SHARES/ADSs PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER ORDINARY SHARES/ADS
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing shareholders	26,745,731	79.97%	\$122,553,311	54.94%	\$ 4.58
New investors participating in this offering	6,700,000	20.03%	\$100,500,000	45.06%	15.00
Total	33,445,731	100.00%	\$223,053,311	100.00%	6.67

If the underwriters exercise their option to purchase additional ADSs in full, the percentage of ordinary shares held by existing shareholders will decrease to 77.63% of the total number of ordinary shares outstanding after the offering, and the number of shares held by new investors will be increased to 7,705,000, or 22.37% of the total number of ordinary shares outstanding after this offering.

The above discussion and tables are based on 26,745,731 ordinary shares issued and outstanding as of June 30, 2020 after giving effect to the conversion of all of our outstanding preferred shares as part of our corporate reorganization into 15,993,302 ordinary shares upon the completion of this offering and excludes:

- 4,260,255 ordinary shares issuable upon the exercise of options for ordinary shares outstanding as of June 30, 2020, with a weighted-average exercise price of \$0.57 per share, including the vesting of restricted share units and 1,053,637 ordinary shares that will vest immediately upon the completion of this offering;
- an additional 222,800 ordinary shares reserved for issuance to our employees and consultants as of June 30, 2020, which shares will no longer be reserved following this offering;
- an additional 2,074,325 ordinary shares that will be made available for future issuance under our 2020 Option Plan which will become effective in connection with this offering; and
- an additional 340,053 ordinary shares that will be made available for future issuance under our ESPP that will become effective in connection with this offering.

To the extent that options are issued under our 2020 Option Plan or shares are issued under our ESPP, or we issue additional ordinary shares or ADSs in the future, there will be further dilution to investors participating in this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present our selected consolidated financial data as of the dates and for the periods indicated for COMPASS Pathfinder Holdings Limited. We derived the selected consolidated statements of operations and comprehensive loss data for the years ended December 31, 2018 and 2019 and the selected consolidated balance sheet data as of December 31, 2018 and 2019 from our audited consolidated financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements and, other than pro forma and supplemental pro forma amounts, do not reflect the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering. We derived the selected consolidated statements of operations and comprehensive loss data for the six months ended June 30, 2019 and 2020 and the summary consolidated balance sheet data as of June 30, 2020 from our unaudited quarterly condensed consolidated financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements and, other than pro forma and supplemental pro forma amounts, do not reflect the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering. In the opinion of management, the unaudited data reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the financial information contained in those statements. We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles, or U.S. GAAP, as issued by the Financial Accounting Standards Board, or FASB. The information presented below gives retroactive effect to the share exchange completed pursuant to our corporate reorganization. Please see “Corporate Reorganization” beginning on page 112 for more information.

Our historical results are not necessarily indicative of our future results and the results for the six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the full year ending December 31, 2020 or any other future period. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the sections titled “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Our functional currency is the pound sterling. However, for financial reporting purposes, our financial statements, which are prepared using the functional currency, have been translated into U.S. dollars. Our assets and liabilities are translated at the exchange rates at the balance sheet date, our revenue and expenses are translated at average exchange rates and shareholders’ equity (deficit) is translated based on historical exchange rates. Translation adjustments are not included in determining net income (loss) but are included in foreign exchange translation adjustment to other comprehensive loss, a component of shareholders’ equity (deficit).

As of June 30, 2020, the representative exchange rate was £1.00 = \$1.2369.

	YEAR ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	2018	2019	2019	2020
(in thousands, except share and per share data)				
Consolidated Statement of Operations and Comprehensive Loss Data:				
Operating expenses:				
Research and development	\$ 8,917	\$ 12,563	\$ 4,866	\$ 11,947
General and administrative	3,586	8,616	2,716	14,445
Total operating expenses	12,503	21,179	7,582	26,392
Loss from operations	(12,503)	(21,179)	(7,582)	(26,392)
Other income (expense), net	(716)	1,582	57	1,258
Net loss	(13,219)	(19,612)	(6,297)	(24,834)
Other comprehensive (loss) income:				
Foreign exchange translation adjustment	(522)	337	(19)	(1,033)
Comprehensive loss	\$ (13,741)	\$ (19,275)	\$ (6,316)	\$ (25,867)
Net loss per share attributable to ordinary shareholders — basic and diluted	\$ (0.40)	\$ (0.30)	\$ (0.11)	\$ (0.30)
Weighted-average ordinary shares outstanding — basic and diluted	33,133,480	65,814,221	59,878,864	83,878,882
Pro forma net loss per share attributable to ordinary shareholders — basic and diluted (unaudited) ⁽¹⁾	\$ (3.51)	\$ (2.62)	\$ (0.93)	\$ (2.61)
Pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited) ⁽¹⁾	3,763,973	7,476,422	6,802,151	9,528,596
Supplemental pro forma net loss attributable to ordinary shareholders — basic and diluted (unaudited) ⁽²⁾		\$ (1.14)		\$ (1.14)
Pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited) ⁽²⁾		17,258,928		21,724,644

- (1) As described in Note 2 to our audited financial statements and our unaudited condensed financial statements included in this prospectus, the unaudited pro forma basic and diluted net loss per share to ordinary shareholders and unaudited pro forma weighted-average number of basic and diluted ordinary shares for the years ended December 31, 2018 and 2019, and for the six months ended June 30, 2019 and 2020, give effect to the one-for-0.1136 reverse share split of all ordinary shares, to be effected immediately prior to and conditional on the completion of this offering, but do not give effect to the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares. Such pro forma data will become the historical net loss per share attributable to ordinary shares, basic and diluted, of COMPASS Pathways plc upon consummation of the corporate reorganization.
- (2) As described in Note 2 to our audited financial statements and our unaudited condensed financial statements included in this prospectus, the unaudited supplemental pro forma basic and diluted net loss per share to ordinary shareholders and unaudited pro forma weighted-average number of basic and diluted ordinary shares for the year ended December 31, 2019 and the six months ended June 30, 2020 give effect the Reverse Share Split as if the conversion of all outstanding convertible preferred shares had occurred at the later of January 1, 2019 or the issuance dates of the preferred shares; further, the shares to be sold in this offering are excluded from the unaudited pro forma basic and diluted loss per share to ordinary shareholders and unaudited pro forma weighted-average number of basic and diluted ordinary shares for the year ended December 31, 2019 and for the six months ended June 30, 2020. See Note 12 to our audited financial statements and our unaudited condensed financial statements included in this prospectus for further details on the calculation of unaudited supplemental pro forma basic and diluted net loss per share to ordinary shareholders.

	AS OF DECEMBER 31,		AS OF JUNE 30,	
	2018	2019	2020	
(in thousands)				
Consolidated Balance Sheet Data:				
Cash	\$ 22,907	\$ 24,966	\$ 67,606	
Working capital ⁽³⁾	24,432	8,300	70,856	
Total assets	26,386	32,389	77,079	
Convertible preferred shares	38,908	38,908	116,495	
Total shareholders' deficit	(14,368)	(30,390)	(44,855)	

(3) We define working capital as current assets less current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and related notes appearing elsewhere in this prospectus. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business and our expectations with respect to liquidity and capital resources, includes forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, those risks and uncertainties described in "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in this prospectus. Our actual results could differ materially from the results described in or implied by these forward-looking statements. Share and per share amounts discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" reflect the share exchange of one-for-1,161 as a result of our corporate reorganization, but do not reflect the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering.

Overview

We are a mental health care company dedicated to accelerating patient access to evidence-based innovation in mental health. We are motivated by the need to find better ways to help and empower people suffering with mental health challenges who are not helped by existing therapies, and are pioneering the development of a new model of psilocybin therapy, in which psilocybin is administered in conjunction with psychological support. Our initial focus is on treatment-resistant depression, or TRD, a subset of major depressive disorder, or MDD, comprising patients who are inadequately served by the current treatment paradigm. Early signals from academic studies, using formulations of psilocybin not developed by us, have shown that psilocybin therapy may have the potential to improve outcomes for patients suffering with TRD, with rapid reductions in depression symptoms and effects lasting up to six months, after administration of a single high dose. We have developed a proprietary, high-purity polymorphic crystalline formulation of psilocybin, COMP360. In 2019, we completed a Phase I clinical trial administering COMP360, along with psychological support, to 89 healthy volunteers, the largest randomized controlled trial with psilocybin therapy to date. In this trial, we observed that COMP360 was generally well-tolerated. We are currently evaluating COMP360 in conjunction with psychological support, in a Phase IIb trial and we plan to report data from this trial in late 2021.

Since our formation, we have devoted substantially all of our resources to conducting preclinical studies and clinical trials, organizing and staffing our company, business planning, raising capital and establishing our intellectual property portfolio. We do not have any therapeutic candidates approved for sale and have not generated any revenue. We have funded our operations to date primarily with proceeds from the sale of convertible preferred shares and convertible loan notes. Through June 30, 2020, we had received net cash proceeds of \$111.7 million from sales of our convertible preferred shares and convertible loan notes.

We have incurred significant operating losses since our inception. We incurred total net losses of \$13.2 million, \$19.6 million and \$24.8 million, respectively, for the fiscal years ended December 31, 2018 and 2019 and the six months ended June 30, 2020. As of June 30, 2020, we had an accumulated deficit of \$62.4 million. Our historical losses resulted principally from costs incurred in connection with research and development activities and general and administrative costs associated with our operations. In the future, we intend to continue to conduct research and development, preclinical testing, clinical trials, regulatory compliance, market access, commercialization and business development activities that, together with anticipated general and administrative expenses, will result in incurring further significant losses for at least the next several years. Our operating losses stem primarily from development of our investigational COMP360 psilocybin therapy for TRD, and we expect they will continue to increase as we increase our headcount and further develop our investigational COMP360 psilocybin therapy candidate through clinical trials for TRD, potentially including expanding into additional indications, and initiate

preclinical and clinical development of additional programs for different therapeutic candidates. Furthermore, following the completion of this offering, we expect to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations and other expenses that we did not incur as a private company. As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from sales of therapeutic candidates, if ever, we expect to finance our operations through a combination of equity offerings, debt financings, strategic collaborations and alliances, licensing arrangements or monetization transactions. Our inability to raise capital as and when needed could have a negative impact on our financial condition and ability to pursue our business strategies. There can be no assurances, however, that our current operating plan will be achieved or that additional funding will be available on terms acceptable to us, or at all.

As of June 30, 2020, we had cash and cash equivalents of \$67.6 million. In the second quarter of 2020, we received \$56.3 million of net cash proceeds from the sale of our Series B convertible preferred shares and in August 2020 we received an additional \$5.3 million from the sale of our Series B convertible preferred shares. We believe that our existing cash, cash equivalents and short-term investments, together with the net proceeds from this offering, will be sufficient for us to fund our operating expenses and capital expenditure requirements through the end of 2022. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See “—Liquidity and Capital Resources—Funding Requirements” below.

The spread of COVID-19, which we refer to as the COVID-19 pandemic, and the policies and regulations implemented by governments in response to the pandemic have had a significant impact, both directly and indirectly, on the global economy and our business and operations, including in particular the interruption of our clinical trial activities and potential interruption to our supply chain. For example, the COVID-19 pandemic has delayed enrollment in our ongoing Phase IIb clinical trial of COMP360 psilocybin therapy. While we have resumed enrollment in this trial, the impact of COVID-19 has delayed our anticipated completion date of this trial. The development of our investigational COMP360 psilocybin therapy could continue to be disrupted and materially adversely affected in the future by the COVID-19 pandemic or other epidemics or outbreaks of an infectious disease. If the disruption due to the COVID-19 pandemic continues, our planned future clinical development for our investigational COMP360 psilocybin therapy could also be delayed due to government orders and site policies on account of the pandemic, and some patients may be unwilling or unable to travel to study sites, enroll in our trials or be unable to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services, which would delay our ability to conduct clinical trials or release clinical trial results and could delay our ability to obtain regulatory approval and commercialize our therapeutic candidate. Furthermore, the COVID-19 pandemic could affect our employees or the employees of research sites and service providers, including therapists employed by trial sites involved in our clinical trial of COMP360, on whom we rely as well as those of companies with which we do business, including our suppliers, CROs and contract manufacturing organizations, or CMOs, thereby disrupting our business operations. Quarantines and travel restrictions imposed by governments in the jurisdictions in which we and the companies with which we do business could materially impact the ability of employees to access preclinical and clinical sites, manufacturing sites and offices. We have implemented work-at-home policies and may experience limitations in employee resources. Our increased reliance on personnel working from home may negatively impact productivity, increase the potential risks of data privacy or security breaches, or disrupt, delay, or otherwise adversely impact our business.

We are still assessing our business plans and the impact the COVID-19 pandemic may have on our ability to advance the development and manufacturing of COMP360 as a result of adverse impacts on the research sites, service providers, vendors, or suppliers on whom we rely, or to raise financing to support the development of our investigational COMP360 psilocybin therapy. No assurances can be given that this analysis will enable us to avoid part or all of any impact from the COVID-19 pandemic, including downturns in business sentiment generally or in our sector in particular. We cannot currently predict the scope and severity of any potential business shutdowns or disruptions, but if we or any of the third parties

on whom we rely or with whom we conduct business were to experience shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and adversely impacted.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue and do not expect to generate any revenue from the sale of therapeutic candidates in the foreseeable future. If our development efforts for our investigational COMP360 psilocybin therapy are successful and result in regulatory approval of COMP360, we may generate revenue in the future.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of:

- development costs, including expenses incurred under agreements with contract research organizations, or CROs and CMOs, as well as investigative sites and consultants that conduct our clinical trials, preclinical studies and other scientific development services;
- manufacturing scale-up expenses and the cost of acquiring and manufacturing materials for preclinical studies and clinical trials, the costs of laboratory and trial site supplies and equipment;
- personnel expenses, including salaries, related benefits and travel expense for employees engaged in research and development functions;
- share-based compensation expenses resulting from equity rewards granted to employees engaged in research and development functions; and
- other expenses, including costs related to compliance with regulatory requirements, costs of outside consultants, including their fees, share-based compensation and related travel expenses, allocated facility-related expenses such as direct depreciation costs, allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our consolidated financial statements as a prepaid expense or accrued research and development expenses.

Research and development activities are central to our business model. Product or therapeutic candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials and related product manufacturing expenses. As a result, we expect that our research and development expenses will continue to increase over the next several years as we: (i) expedite the clinical development for our investigational COMP360 psilocybin therapy for TRD; (ii) fund research for our investigational COMP360 psilocybin therapy in other neuropsychiatric indications; (iii) seek to develop digital technologies to complement and augment our therapies, and seek to access other novel drug candidates for development in neuropsychiatric and related indications; (iv) improve the efficiency and scalability of our third-party manufacturing processes and supply chain; and (v) build our third-party or in-house process development, analytical and related capabilities, increase personnel costs and prepare for regulatory filings related to our potential or future therapeutic candidates.

The successful development and commercialization of our investigational COMP360 psilocybin therapy is highly uncertain. This is due to the numerous risks and uncertainties associated with development and commercialization, including the following:

- successful enrollment in and completion of clinical trials and preclinical studies;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- receiving regulatory approvals or clearance for conducting our planned clinical trials or future clinical trials;
- receiving positive data from our clinical trials that support an acceptable risk-benefit profile of COMP360 and any future therapeutic candidates in the intended populations;
- receipt and maintenance of regulatory and marketing approvals from applicable regulatory authorities;
- establishing and scaling up, through third-party manufacturers, manufacturing capabilities of clinical supply for our clinical trials and commercial manufacturing, if any therapeutic candidates are approved;
- entry into collaborations to further the development of our investigational COMP360 psilocybin therapy and our future therapeutic candidates;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for COMP360 and any future therapeutic candidates;
- successfully launching commercial sales of our investigational COMP360 psilocybin therapy and any future therapeutic candidates, if approved;
- acceptance of our current and future therapeutic candidates' benefits and uses, if approved, by patients, the medical community and third-party payors; and
- maintaining a continued acceptable safety profile of our investigational COMP360 psilocybin therapy and our future therapeutic candidates following approval.

A change in the outcome of any of these variables with respect to the development of our investigational COMP360 psilocybin therapy in preclinical and clinical development could mean a significant change in the costs and timing associated with the development of our investigational COMP360 psilocybin therapy. For example, if the U.S. Food and Drug Administration, or FDA, the European Medicines Agency, or EMA, the Medicines and Healthcare products Regulatory Agency, or MHRA, or another regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect, or if we experience significant delays in enrollment in any of our planned clinical trials, we could be required to commit significant additional financial resources and time on the completion of clinical development of that therapeutic candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of:

- personnel expenses, including salaries and related benefits, travel and other expenses incurred by personnel in executive, finance and administrative functions;

- share-based compensation expenses resulting from the equity rewards granted to employees engaged in executive, finance and administrative functions;
- legal and professional fees, including consulting, accounting and audit services; and
- facilities and other expenses, including depreciation costs, allocated expenses for rent, maintenance of facilities and other operating costs.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our investigational COMP360 psilocybin therapy.

We also anticipate we will continue to incur increased accounting, audit, legal, regulatory, compliance, and director and officer insurance costs, as well as investor and public relations expenses associated with being a public company. Additionally, if and when we believe a regulatory approval of a therapeutic candidate appears likely, we anticipate an increase in payroll and other expenses as a result of our preparation for commercial operations, especially as it relates to the sales and marketing of our therapeutic candidate.

Other Income (Expense), Net

Fair Value Change of Convertible Notes

Fair value change of convertible notes related to the convertible notes issued during the years ended December 31, 2018 and 2019. The convertible notes issued during the year ended December 31, 2018 were converted to Series A convertible preferred shares in August 2018. The convertible notes issued during the year ended December 31, 2019 were converted to Series B convertible preferred shares in April 2020.

Benefit from Research and Development Tax Credit

Benefit from research and development, or R&D, tax credit, consists of the R&D tax credit received in the UK, which is recorded within other income, net. As a company that carries out extensive research and development activities, we seek to benefit from the Small and Medium Enterprise, or SME, Program. Qualifying expenditures largely comprise employment costs for research staff, consumables, a proportion of relevant, permitted sub-contract costs and certain internal overhead costs incurred as part of research projects for which we do not receive income.

Based on criteria established by Her Majesty's Revenue and Customs, or HMRC, a portion of expenditures being carried in relation to our pipeline research and development, clinical trial management and third-party manufacturing development activities were eligible for the SME regime for the years ended December 31, 2018 and 2019. We expect such elements of expenditure will also continue to be eligible for the SME regime for future accounting periods.

The UK R&D tax credit is fully refundable to us and is not dependent on current or future taxable income. As a result, we have recorded the entire benefit from the UK research and development tax credit as a benefit which is included in our net loss before income tax and, accordingly, not reflected as part of the income tax provision. If, in the future, any UK R&D tax credits generated are needed to offset a corporate income tax liability in the UK, that portion would be recorded as a benefit within the income tax provision and any refundable portion not dependent on taxable income would continue to be recorded within other income, net.

Other Income (Expense), net

Other income (expense), net primarily consists of foreign exchange gain or loss arising from foreign currency transactions.

Income Tax Expense

We are subject to corporate taxation in the United States and the UK. Due to the nature of our business, we have generated losses since inception and have therefore not paid UK corporation tax. Our income tax (expense) benefit represents only income taxes in the United States.

Unsurrendered UK losses may be carried forward indefinitely and may be offset against future taxable profits, subject to numerous utilization criteria and restrictions. The amount that can be offset each year is limited to £5.0 million plus an incremental 50% of UK taxable profits. After accounting for tax credits receivable, we had accumulated tax losses for carry forward in the UK of \$6.8 million and \$17.7 million as of December 31, 2018 and 2019, respectively.

Results of Operations

Comparison of the Six months Ended June 30, 2019 and 2020

The following table summarizes our results of operations for the six months ended June 30, 2019 and 2020 (in thousands):

	Six months Ended June 30,		
	2019	2020	Change
Operating expenses:			
Research and development	\$ 4,866	\$ 11,947	\$ 7,081
General and administrative	2,716	14,445	11,729
Total operating expenses	7,582	26,392	18,810
Loss from operations	(7,582)	(26,392)	(18,810)
Other income (expense), net:			
Other income (expense), net	57	1,258	1,201
Fair value change of convertible notes	—	(1,740)	(1,740)
Benefit from R&D tax credit	1,228	2,083	855
Total other income (expense), net	1,285	1,601	316
Loss before income taxes	(6,297)	(24,791)	(18,494)
Income tax benefit (expense)	—	(43)	(43)
Net loss	\$ (6,297)	\$ (24,834)	\$ (18,537)

Research and Development Expenses

The table below summarizes our research and development expenses for the six months ended June 30, 2019 and 2020 (in thousands):

	Six months Ended June 30,		
	2019	2020	Change
Development costs	\$ 3,416	\$ 5,996	\$ 2,580
Personnel expenses	894	1,888	994
Non-cash share-based compensation expense	426	3,517	3,091
Other expenses	130	546	416
Total research and development expenses	\$ 4,866	\$ 11,947	\$ 7,081

Research and development expenses increased by \$7.0 million from \$4.9 million for the six months ended June 30, 2019 to \$11.9 million for the six months ended June 30, 2020. The increase in research and development expenses was primarily attributable to the following:

- an increase of \$2.6 million in development expenses, which primarily relates to increases of \$1.6 million in clinical trial expenses and \$1.1 million in preclinical studies to assess additional

indications for our investigational COMP360 psilocybin therapy development, offset by a decrease of \$0.1 million in therapist training costs;

- an increase of \$1.0 million in personnel expenses, as a result of hiring additional personnel in our research and development department to support the requirements of increased clinical activities;
- an increase of \$3.1 million in non-cash share-based compensation reflecting a significant charge due to 8,942,022 options that were granted in May 2020 to our president and chief business officer of which 8,569,341 options vested during the six months ended June 30, 2020, resulting in the recognition of \$8.9 million in share-based compensation expense, \$2.2 million, or 25%, of which was allocated to research and development expenses based on an estimate of time spent indirectly supporting research and development activities. The increase in non-cash share-based compensation also resulted from other share option grants made to recruit and retain staff to support the increase in our overall research and development activities; and
- an increase of \$0.4 million in other expenses, which was primarily related to increases in consulting expenses.

We expect these costs to increase materially in the near future, consistent with our plan to advance our investigational COMP360 psilocybin therapy through clinical development.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the six months ended June 30, 2019 and 2020 (in thousands):

	Six months Ended June 30,		Change
	2019	2020	
Personnel expenses	\$ 1,303	\$ 2,270	\$ 967
Non-cash share-based compensation expense	255	7,885	7,630
Legal and professional fees	795	3,146	2,351
Facilities and other expense	363	1,144	781
Total general and administrative expenses	\$ 2,716	\$ 14,445	\$ 11,729

General and administrative expenses increased by \$11.7 million from \$2.7 million for the six months ended June 30, 2019, to \$14.4 million for the six months ended June 30, 2020. The increase in general and administrative expenses was primarily attributable to the following:

- an increase of \$1.0 million in personnel costs, primarily due to an increase in headcount related to the hiring of additional personnel in general, administrative and commercial functions to support our growth initiatives, including our progression towards becoming a public company;
- an increase of \$7.6 million in non-cash share-based compensation reflecting a significant charge due to 8,942,022 options that were granted in May 2020 to our president and chief business officer, of which 8,569,341 options vested during the six months ended June 30, 2020, resulting in the recognition of \$8.9 million in share-based compensation expense, \$6.7 million or 75% of which was allocated to general and administrative expenses based on an estimate of time spent on general and administrative activities. The increase in non-cash share-based compensation also resulted from other share option grants made to recruit and retain staff to support the requirements of increased general, administrative and commercial activities;
- an increase of \$2.3 million in legal and professional fees, primarily related to preparation of initial public offering and other corporate activities as we continued to grow our business; and

- an increase of \$0.8 million in facilities and other expenses, including rent, depreciation and insurance.

We expect these costs to increase consistent with our plans to increase our headcount in conjunction with our initial public offering and ongoing requirements as a public company.

Total Other Income (Expense), Net

- *Benefit from Research and Development Tax Credit*

During the six months ended June 30, 2019 and 2020, we recognized an R&D tax credit from the UK as a benefit within other income for \$1.2 million and \$2.1 million, respectively.

- *Fair value change of convertible notes*

There was no loss resulting from the fair value change of the convertible notes during the six months ended June 30, 2019 as no convertible notes were outstanding during this period compared with \$1.7 million during the six months ended June 30, 2020.

- *Other income (net)*

Other income (net) increased by \$1.2 million from \$0.1 million for the six months ended June 30, 2019, to \$1.3 million for the six months ended June 30, 2020, primarily related to a \$1.1 million increase in exchange gain arising from the translation of cash balances generated from the issuance of Series B convertible preferred shares in the second quarter of 2020 that were maintained in USD, which was different from the legal entity's functional currency (GBP) giving rise to foreign currency gains. There was also a \$0.1 million increase in interest income.

Comparison of the Years Ended December 31, 2018 and 2019

The following table summarizes our results of operations for the years ended December 31, 2018 and 2019 (in thousands):

	Year Ended December 31,		Change
	2018	2019	
Operating expenses:			
Research and development	\$ 8,917	\$ 12,563	\$ 3,646
General and administrative	3,586	8,616	5,030
Total operating expenses	12,503	21,179	8,676
Loss from operations	(12,503)	(21,179)	(8,676)
Other income (expense), net:			
Other income (expense), net	1	(8)	(9)
Fair value change of convertible note	(2,682)	(1,139)	1,543
Benefit from R&D tax credit	1,965	2,729	764
Total other income (expense), net	(716)	1,582	2,298
Loss before income taxes	(13,219)	(19,597)	(6,378)
Income tax benefit (expense)	—	(15)	(15)
Net loss	\$ (13,219)	\$ (19,612)	\$ (6,393)

Research and Development Expenses

The table below summarizes our research and development expenses incurred for the years ended December 31, 2018 and 2019 (in thousands):

	Year Ended December 31,		Change
	2018	2019	
Development costs	\$ 6,944	\$ 7,568	\$ 624
Personnel expenses	807	2,702	1,895
Non-cash share-based compensation expense	709	1,817	1,108
Other expenses	457	476	19
Total research and development expenses	\$ 8,917	\$ 12,563	\$ 3,646

Research and development expenses increased by \$3.7 million from \$8.9 million for the year ended December 31, 2018 to \$12.6 million for the year ended December 31, 2019. The increase in research and development expenses was primarily attributable to:

- an increase of \$0.6 million in development expenses, which primarily relates to increases of \$0.3 million in contract manufacturing costs, \$0.1 million in clinical trial expenses, \$0.1 million in therapist training costs and \$0.1 million in preclinical studies to assess additional indications for our investigational COMP360 psilocybin therapy development;
- an increase of \$1.9 million in personnel expenses, as a result of hiring additional personnel in our research and development department to support the requirements of increased clinical activities;
- an increase of \$1.1 million in non-cash share-based compensation reflecting share option grants made to recruit and retain staff to support the increase in our overall research and development activities; and
- an increase of \$0.1 million was related to increases in rent expenses.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for years ended December 31, 2018 and 2019 (in thousands):

	Year Ended December 31,		Change
	2018	2019	
Personnel expenses	\$ 1,358	\$ 3,599	\$ 2,241
Non-cash share-based compensation expense	709	1,436	727
Legal and professional fees	1,138	2,657	1,519
Facilities and other expense	381	924	543
Total general and administrative expenses	\$ 3,586	\$ 8,616	\$ 5,030

General and administrative expenses increased by \$5.0 million from \$3.6 million for the year ended December 31, 2018, to \$8.6 million for the year ended December 31, 2019. The increase in general and administrative expenses was primarily attributable to the following:

- an increase of \$2.2 million in personnel costs, primarily due to an increase in headcount related to the hiring of additional personnel in general, administrative and commercial functions to support our growth initiatives, including our progression towards becoming a public company;

- an increase of \$0.7 million in non-cash share-based compensation reflecting share option grants made to recruit and retain staff to support the requirements of increased general, administrative and commercial activities;
- an increase of \$1.5 million in legal and professional fees, primarily related to expenses associated with our convertible loan note issued in 2019, business development activities and accountancy and tax support; and
- an increase of \$0.5 million in facilities and other expenses, including rent, depreciation and insurance.

Total Other Income (Expense), Net

- *Benefit from Research and Development Tax Credit*

During the years ended December 31, 2018 and 2019, we recognized a R&D tax credit from the UK as a benefit within other income for \$2.0 million and \$2.7 million, respectively.

- *Fair value change of convertible notes*

The change resulted from the fair value change of the convertible notes which decreased from \$2.7 million during the year ended December 31, 2018 to \$1.1 million during the year ended December 31, 2019.

Liquidity and Capital Resources

We are a clinical-stage mental health care company and we have not yet generated any revenue to date. We have incurred significant operating losses since our formation. We have not yet commercialized any therapeutic candidates and we do not expect to generate revenue from sales of any therapeutic candidates for several years, if at all. As a result, we will need additional capital to fund our operations, which we may obtain from additional equity or debt financings, collaborations, licensing arrangements, or other sources. We have funded our operations to date primarily with proceeds from private placements of equity and convertible notes.

In 2018, we received net cash proceeds of \$24.7 million from the sale of our Series A convertible preferred shares.

In August 2018, we converted a £5.0 million promissory note and a £1.1 million promissory note that were issued in February 2018 and March 2018, respectively, into 18,732,735 Series A convertible preferred shares.

In the second quarter of 2020, we received net cash proceeds of \$56.3 million from the sale of our Series B convertible preferred shares, and in August 2020, we received an additional \$5.3 million from the sale of our Series B convertible preferred shares.

In April 2020, we converted £15.0 million promissory notes issued in August 2019 into 15,169,626 Series B convertible preferred shares.

As of December 31, 2018 and 2019 and June 30, 2020, we had cash and cash equivalents of \$22.9 million, \$25.0 million and \$67.6 million, respectively.

Cash Flows

The following table summarizes our cash flows for each of the periods (in thousands):

	Year Ended December 31,		Six months Ended June 30,	
	2018	2019	2019	2020
Net cash used in operating activities	\$ (9,801)	\$ (17,813)	\$ (6,347)	\$ (10,714)
Net cash used in investing activities	(130)	(165)	(63)	(581)
Net cash provided by financing activities	32,961	18,379	—	55,886
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,168)	1,676	5	(1,944)
Net increase (decrease) in cash	\$ 21,862	\$ 2,077	\$ (6,405)	\$ 42,647

Net Cash Used in Operating Activities

During the six months ended June 30, 2019, net cash used in operating activities was \$6.3 million, primarily resulting from our net loss of \$6.3 million, offset by non-cash share-based compensation of \$0.7 million. The net loss was also adjusted by \$0.7 million related to changes in components of working capital, including a \$1.6 million decrease in prepaid expenses and other assets which related to prepaid research and development, and a \$0.8 million increase in accounts payable and accrued expenses which relate to increased research and development expenses incurred on our preclinical and clinical trials.

During the six months ended June 30, 2020, net cash used in operating activities was \$10.7 million, primarily resulting from our net loss of \$24.8 million, offset by non-cash share-based compensation of \$11.4 million, depreciation and amortization of \$0.1 million and a loss due to the change in fair value of our convertible notes of \$1.7 million. The net loss was also adjusted by \$0.9 million related to changes in components of working capital, including a \$1.1 million decrease in prepaid expenses and other assets which related to the R&D tax credit receivable, and a \$2.0 million increase in accounts payable and accrued expenses which related to increased research and development expenses incurred on our preclinical and clinical trials and increased general and administrative spending resulting from increased professional and legal expenses we have incurred in conjunction with our preparation for becoming a public company.

During the year ended December 31, 2018, net cash used in operating activities was \$9.8 million, primarily resulting from our net loss of \$13.2 million, offset by the loss due to the change in fair value of our convertible notes of \$2.7 million and non-cash share-based compensation of \$1.4 million. The net loss was also adjusted by \$0.7 million related to changes in components of working capital, including a \$1.5 million decrease in prepaid expenses and other assets which related to the R&D tax credit receivable, and a \$0.8 million increase in accounts payable and accrued expenses which relate to increased research and development expenses incurred on our preclinical and clinical trials.

During the year ended December 31, 2019, net cash used in operating activities was \$17.8 million, primarily resulting from our net loss of \$19.6 million, offset by non-cash share-based compensation of \$3.3 million and the loss due to the change in fair value of our convertible notes of \$1.1 million. The net loss was also adjusted by \$2.7 million related to changes in components of working capital, including a \$3.4 million decrease in prepaid expenses and other assets which related to the R&D tax credit receivable, and a \$0.7 million increase in accounts payable and accrued expenses which relate to increased research and development expenses incurred on our preclinical and clinical trials and increased general and administrative spending resulting from increased professional and legal expenses we have incurred in conjunction with our preparation for becoming a public company.

Net Cash Used in Investing Activities

During the six months ended June 30, 2019, net cash used in investing activities was \$0.1 million, primarily driven by our purchases of property and equipment, which largely consisted of operating and computer equipment.

During the six months ended June 30, 2020, net cash used in investing activities was \$0.6 million, comprising the \$0.5 million investment to acquire 8% (on a fully diluted basis) shareholding in Delix Therapeutics, Inc., a drug discovery and development company researching novel small molecules for use in central nervous system indications, and a \$0.1 million in purchase of property and equipment.

During the year ended December 31, 2018, net cash used in investing activities was \$0.1 million, primarily driven by purchases of property and equipment related to operating and computer equipment.

During the year ended December 31, 2019, net cash used in investing activities was \$0.2 million, primarily driven by our purchases of property and equipment, which largely consisted of operating and computer equipment.

Net Cash Provided by Financing Activities

There was no financing activity during the six months ended June 30, 2019.

During the six months ended June 30, 2020, net cash provided by financing activities was \$55.9 million, primarily related to \$56.0 million net cash proceeds from our sale and issuance of Series B convertible preferred shares, offset by a \$0.1 million payment of costs relating to preparation for our initial public offering.

During the year ended December 31, 2018, net cash provided by financing activities was \$33.0 million, consisting of \$24.7 million net cash proceeds from our sale and issuance of Series A convertible preferred shares, \$8.5 million cash proceeds from issuance of convertible notes in 2018 and offset by \$0.2 million repayment of a related party note payable.

During the year ended December 31, 2019, net cash provided by financing activities was \$18.4 million, consisting of net cash proceeds from our issuance of convertible notes in 2019.

Funding Requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the preclinical activities, manufacturing and clinical trials of COMP360. In addition, upon the completion of this offering, we expect to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations and other expenses that we did not incur as a private company. Our expenses will also increase as we:

- continue the clinical development of our investigational COMP360 psilocybin therapy in active clinical trial sites across Europe and North America;
- establish and expand the network of public healthcare institutions and private clinics that administer our investigational COMP360 psilocybin therapy;
- continue the training of qualified therapists, psychiatrists and other healthcare professionals to deliver our investigational COMP360 psilocybin therapy;
- establish a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any therapeutic candidates, therapy sessions, or digital support, for which we may obtain regulatory approval, including COMP360;

- advance our commercialization strategy in Europe and North America, including using digital technologies and solutions to enhance our therapeutic offering;
- continue the research and development program for our other preclinical stage therapeutic candidates and discovery-stage programs;
- discover and/or develop additional therapeutic candidates;
- seek regulatory approvals for any therapeutic candidates that successfully complete clinical trials;
- pursue necessary scheduling-related decisions to enable us to commercialize any therapeutic candidates containing controlled substances for which we may obtain regulatory approval, including COMP360;
- explore external business development opportunities through acquisitions, partnerships, licensing deals to enhance our pipeline and add additional therapeutic candidates to our portfolio;
- obtain, maintain, expand and protect our intellectual property portfolio, including litigation costs associated with defending against alleged patent or other intellectual property infringement claims;
- add clinical, scientific, operational, financial and management information systems and personnel, including personnel to support our therapeutic development and potential future commercialization efforts;
- experience any delays or encounter any issues with respect to any of the above, including failed studies, ambiguous trial results, safety issues or other regulatory challenges, including delays and other impacts as a result of the COVID-19 pandemic;
- expand our operations in the United States, Europe and potential other geographies; and
- incur additional legal, accounting and other expenses associated with operating as an English public company listed in the United States.

Following this offering, we will be a publicly traded company and will incur significant legal, accounting and other expenses that we were not required to incur as a private company. In addition, the Sarbanes-Oxley Act, as well as rules adopted by the Securities and Exchange Commission, or SEC, requires public companies to implement specified corporate governance practices that are currently not applicable to us as a private company. Pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, we will first be required to furnish a report by our management on our internal control over financial reporting for the year ending December 31, 2021. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. We expect these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

We believe our existing cash of \$67.6 million at June 30, 2020, together with the proceeds of our additional Series B convertible preferred shares financing round, which closed on August 6, 2020, and the

net proceeds from this offering, will be sufficient for us to fund our operating expenses and capital expenditure requirements through the end of 2022. We have based these estimates on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. As we progress with our development programs and the regulatory review process, we expect to incur significant commercialization expenses related to product manufacturing, pre-commercial activities and commercialization.

Because of the numerous risks and uncertainties associated with research, development and commercialization of therapeutic candidates and programs, we are unable to estimate the exact amount of our working capital requirements. Our future funding requirements will depend on and could increase significantly as a result of many factors, including:

- the progress, timing and completion of preclinical testing and clinical trials for COMP360 for the treatment of TRD, and for indications outside of TRD or any future therapeutic candidates;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA, the EMA, the MHRA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more nonclinical studies or clinical trials than those that we currently expect or change their requirements on studies that had previously been agreed to;
- the outcome and timing of any scheduling-related decisions by the United States Drug Enforcement Agency, or DEA, individual states, and comparable foreign authorities;
- the number of potential new therapeutic candidates we identify and decide to develop, either internally through our research and development efforts or externally through acquisitions, licensing or other collaboration agreements;
- the costs involved in growing our organization to the size needed to allow for the research, development and potential commercialization of our investigational COMP360 psilocybin therapy and future therapeutic candidates;
- the costs involved in filing patent applications and maintaining and enforcing patents or defending against claims of infringements raised by third parties;
- the time and costs involved in obtaining regulatory approval for COMP360 or future therapeutic candidates and any delays we may encounter as a result of evolving regulatory requirements or adverse results with respect to COMP360 or any of our future therapeutic candidates;
- selling and marketing activities undertaken in connection with the potential commercialization of our investigational COMP360 psilocybin therapy or any future therapeutic candidates, if approved, and costs involved in the creation of an effective sales and marketing organization;
- the amount of revenues, if any, we may derive either directly or in the form of royalty payments from future sales of our investigational COMP360 psilocybin therapy and future therapeutic candidates, if approved; and
- the costs of operating as a public company.

Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through equity offerings, debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity, current ownership interests will be diluted. If we raise additional funds through government or third-party funding, collaboration agreements, strategic alliances, licensing arrangements or marketing and distribution

arrangements, we may have to relinquish future revenue streams, research programs or therapeutic candidates or grant licenses on terms that may not be favorable to us. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or therapeutic candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of December 31, 2019 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

As of December 31, 2019	Total	Less than 1 Year	1 to 2 Years	3 to 5 Years	More than 5 Years
Operating lease commitments	\$ 2,070	\$ 1,035	\$ 1,035	\$ —	\$ —
Total	\$ 2,070	\$ 1,035	\$ 1,035	\$ —	\$ —

As further discussed in Note 2 to our consolidated financial statements appearing elsewhere in this prospectus, we have not yet adopted ASU No. 2016-02 (Topic 842) Leases, and in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, the obligations listed above relate to expenses associated with future periods that are not currently reflected in our consolidated balance sheets.

We enter into contracts in the normal course of business with CROs and other third-party vendors for clinical trials, clinical and commercial supply manufacturing, support for pre-commercial activities, research and development activities and other services and therapeutic candidates for our operations. Our agreements generally provide for termination within 30 days' notice. Such agreements are cancelable contracts and not included in the table of contractual obligations and commitments.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our consolidated financial statements appearing at the end of this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Accrued Research and Development Expenses

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued research and development expenses. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual costs. We make estimates of our accrued expenses as of each balance sheet date in the consolidated financial statements based on facts and

circumstances known to us at that time. We periodically confirm the accuracy of these estimates with the service providers and make adjustments if necessary. To date, such adjustments have not been material. The estimate of accrued research and development expense is dependent, in part, upon the receipt of timely and accurate reporting from CROs, CMOs, and other third-party service providers. Examples of estimated accrued research and development expenses include fees paid to:

- vendors in connection with preclinical development activities;
- CROs and investigative sites in connection with preclinical studies and clinical trials; and
- CMOs in connection with drug substance and drug product formulation of preclinical study and clinical trial materials.

We base our expenses related to preclinical studies and clinical trials on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple research institutions and CROs that conduct and manage preclinical studies and clinical trials on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the expense.

Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from the estimate, we adjust the accrual or the amount of prepaid expenses accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to our prior estimates of accrued research and development expenses.

Research and Development Incentives and Receivables

We are subject to corporate taxation in the UK. Due to the nature of our business, we have generated losses since our inception. The benefit from research and development, or R&D, tax credits is recognized in our consolidated statements of operations and comprehensive loss as a component of other income (expense), net, and represents the sum of our R&D tax credits recoverable in the UK.

The UK R&D tax credit is fully refundable to us and is not dependent on current or future taxable income. As a result, we have recorded the entire benefit from the UK R&D tax credit as a benefit which is included in our net loss before income tax and accordingly, not reflected as part of our income tax provision. If, in the future, any UK R&D tax credits generated are needed to offset a corporate income tax liability in the UK, that portion would be recorded as a benefit within the income tax provision and any refundable portion not dependent on taxable income would continue to be recorded within other income (expense), net.

As a company we carry out extensive R&D activities and, therefore, benefit from the UK R&D tax credit regime under the scheme for SMEs. Under the SME regime, we are able to surrender some of our trading losses that arise from qualifying R&D activities for a cash rebate of up to 33.35% of such qualifying R&D expenditure. We meet the conditions of the SME regime. Qualifying expenditures largely comprise employment costs for research staff, consumables, outsourced contract research organization costs and utilities costs incurred as part of our research projects. Certain subcontracted qualifying R&D expenditures are eligible for a cash rebate of up to 21.67%. A large portion of costs relating to R&D, clinical trials and manufacturing activities are eligible for inclusion within our tax credit cash rebate claims.

We have recorded a benefit from the R&D tax credit in other income, net of \$2.0 million and \$2.7 million for the years ended December 31, 2018 and 2019, respectively. We have recorded a benefit from the R&D tax credit in other income, net of \$1.2 million and \$2.1 million for the six months ended June 30, 2019 and 2020, respectively.

The refund is denominated in pounds sterling and, therefore, the receivable is remeasured into U.S. dollars as of each reporting date. As of December 31, 2018, and 2019 and June 30, 2020, our tax incentive receivable from the UK government was \$1.9 million, \$4.8 million and \$4.7 million, respectively.

Share-Based Compensation

We measure non-cash share-based awards granted to employees, non-employees and directors based on the fair value on the date of the grant. Forfeitures are accounted for as they occur. We issue non-cash share-based awards with service-based vesting conditions. For equity awards that vest based on a service condition, the non-cash share-based compensation expense is recognized on a straight-line basis over the requisite service period.

Determination of the Fair Value of the Ordinary Shares

As there has been no public market for our ordinary shares to date, the estimated fair value of our ordinary shares has been determined by our board of directors as of the date of each grant, with input from management, considering our most recently available third-party valuations of our ordinary shares, and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. Our ordinary share valuations were prepared using an option pricing method, or OPM, which used market approaches to estimate our enterprise value. The OPM treats ordinary shares and convertible preferred shares as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the ordinary share has value only if the funds available for distribution to shareholders exceeded the value of the convertible preferred share liquidation preferences at the time of the liquidity event, such as a strategic sale or a merger. A discount for lack of marketability of the ordinary share is then applied to arrive at an indication of value for the ordinary share. The future value of the ordinary share is discounted back to the valuation date at an appropriate risk-adjusted discount rate to arrive at an indication of value for the ordinary share. These third-party valuations were performed at various dates between January 1, 2019 and June 30, 2020, which resulted in the following per share valuation of our ordinary shares:

Valuation Date	Fair Value per Ordinary Share
July 20, 2019	\$ 0.25
December 31, 2019	\$ 0.26
March 30, 2020	\$ 0.61
May 19, 2020	\$ 1.02
June 15, 2020	\$ 1.11

In addition to considering the results of these third-party valuations, our board of directors considered various objective and subjective factors to determine the fair value of our ordinary shares as of each grant date, including:

- the prices at which we sold convertible preferred shares;
- the progress of our R&D programs, including the status of preclinical studies and planned clinical trials for COMP360 psilocybin therapy;

- our stage of development and our business strategy;
- external market conditions affecting the biotechnology industry, and trends within the biotechnology industry;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our ordinary and convertible preferred shares;
- the likelihood of achieving a liquidity event, such as an initial public offering, or IPO, or a sale of our company in light of prevailing market conditions; and
- the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry.

The assumptions underlying these valuations represent management's best estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our non-cash share-based compensation expense could be materially different.

Once a public trading market for our ordinary shares has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our ordinary shares in connection with our accounting for granted share options and other such awards we may grant, as the fair value of our ordinary shares will be determined based on the quoted market price of our ordinary shares.

Ordinary Shares granted with vesting restrictions

We have granted ordinary shares with restrictions on vesting. The following table sets forth, by grant date, the number of shares subject to the equity awards granted from January 1, 2018 through June 30, 2020 and the fair value of ordinary shares per share on each grant date:

Grant Date	Number of Shares Granted	Fair value of Ordinary Shares
October 11, 2019	1,771,686	\$ 0.25

Restricted Share Unit granted with vesting restrictions

We have granted restricted share units with restrictions on vesting. The following table sets forth, by grant date, the number of shares subject to the equity awards granted from January 1, 2018 through June 30, 2020 and the fair value of restricted share units per share on each grant date:

Grant Date	Number of Shares Granted	Fair value of Restricted Share Units
June 30, 2020	2,268,594	\$ 1.11

Determination of the Fair Value of the Share Options

We measure share options granted to employees and members of our board of directors for their services as directors based on the fair value on the date of the grant and recognize the corresponding compensation expense of those share options over the requisite service period, which is generally the vesting period of the respective share options. We have only issued share options with service-based vesting conditions and record the expense for these awards using the straight-line method.

We estimate the fair value of each share options grant using the Black-Scholes option-pricing model, which uses as inputs the estimated fair value of our ordinary shares and assumptions we make for the volatility of our ordinary shares, the expected term of our share options, the risk-free interest rate for a period that approximates the expected term of our share options and our expected dividend yield.

We determined the assumptions for the Black-Scholes option-pricing model as discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

- **Fair Value of Our Ordinary Shares.** Prior to the completion of this offering, our ordinary shares were not publicly traded, and therefore we estimated the fair value of our ordinary shares, as discussed in “Determination of the Fair Value of Ordinary Shares” above.
- **Expected Term.** The expected term represents the period that the share-based awards are expected to be outstanding. The expected term of share options granted has been determined using the simplified method, which uses the midpoint between the vesting date and the contractual term.
- **Risk-Free Interest Rate.** The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury constant maturity notes with terms approximately equal to the share-based award’s expected term.
- **Expected Volatility.** Because we do not have a trading history of our ordinary shares, the expected volatility was derived from the average historical stock volatilities of several public companies within our industry that we consider to be comparable to our business over a period equivalent to the expected term of the share-based awards.
- **Dividend Rate.** The expected dividend is zero as we have not paid and do not anticipate paying any dividends in the foreseeable future.

If any of the assumptions used in the Black-Scholes model change significantly, share-based compensation for future awards may differ materially compared with the awards granted previously.

No share options were granted during the year ended December 31, 2018. The weighted-average fair value of share options granted during the year ended December 31, 2019 was \$0.21. No share options were granted during the six months ended June 30, 2019. The weighted-average fair value of share options granted during the six months ended June 30, 2020 was \$0.82. The weighted-average assumptions utilized to determine the fair value of options granted are presented in the following table:

	Year Ended December 31, 2019	Six months Ended June 30, 2020
Expected term (in years)	5.90 years	5.89 years
Expected volatility	63.36 %	65.79 %
Expected dividend yield	0.00 %	0.00 %
Risk-free interest rate	1.88 %	0.44 %
Fair value of underlying ordinary shares	\$ 0.25	\$ 0.96

The following table sets forth by grant date the number of shares subject to options granted since January 1, 2018, the per share exercise price of the options, the fair value of ordinary shares per share on each grant date, and the per share estimated fair value of the options:

Grant Date	Number of Shares Subject to Share Options Granted	Per Share Exercise Price of Share Options	Fair Value per Ordinary Shares on Grant Date ⁽¹⁾
July 20, 2019	4,115,745	\$ 0.16	\$ 0.25
July 29, 2019	3,486,483	\$ 0.16	\$ 0.25
July 29, 2019	5,948,964	Less than \$0.01	\$ 0.25
March 30, 2020	1,474,470	\$ 0.53	\$ 0.61
March 30, 2020	1,757,754	\$ 0.26	\$ 0.61
March 30, 2020	2,571,615	Less than \$0.01	\$ 0.61
May 19, 2020	8,942,022	Less than \$0.01	\$ 1.02
June 30, 2020	6,936,975	Less than \$0.01	\$ 1.11

(1) The Per Share Exercise Price of options granted to our U.S. employees represents the per share fair value of our ordinary shares on the date of grant, as determined by our board of directors, after considering our most recently available contemporaneous valuation of our ordinary shares as well as additional factors that may have changed since the date of such contemporaneous valuation through the date of grant.

Valuation of Convertible Notes

The convertible notes were valued using a scenario-based discounted cash flow analysis. Two primary scenarios were considered and probability weighted to arrive at the valuation conclusion for each convertible note. The first scenario considers the value impact of conversion at the stated discount to the issue price if we raise over £25.0 million in an equity financing before the first anniversary of the issuance date, or the Qualified Financing, while the second scenario assumes the convertible notes are held to maturity. As of the issuance date of the convertible notes, an implied yield was calculated such that the probability weighted value of the convertible note was equal to the principal investment amount. The average implied yield of previously issued convertible notes is carried forward and used as the primary discount rate for subsequent valuation dates.

We determined the fair value of the convertible notes based on the proceeds received for the convertible notes; the terms of the convertible notes, including the rate at which the notes convert into the Qualified Financing securities; the probability and timing of a qualified equity financing; and the fair value of the underlying convertible preferred shares. Estimates and assumptions impacting the fair value measurement include the probability of a qualified equity financing as defined in the convertible notes' agreement, the expected timing of such event, and the then fair value of our convertible preferred shares. We estimated the probability and timing of the qualified equity financing based on our assumptions and knowledge of specified events at issuance and as of each reporting date.

Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles, or GAAP. As a result of becoming a public company, we will be required, pursuant to Section 404, to furnish a report by our management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of the registration statement of which this prospectus is a part. This assessment will need to include disclosures of any material weaknesses identified by our management in our internal control over financial reporting. A "material weakness" is a deficiency, or a combination of

deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We are in the very early stages of the costly and challenging process of planning the activities necessary to perform the evaluation needed to comply with Section 404.

In connection with the preparation of our consolidated financial statements for the years ended December 31, 2018 and 2019, we identified material weaknesses in our internal control over financial reporting. Specifically, we determined that we lack a sufficient number of trained professionals with an appropriate level of accounting knowledge, training and experience to: (a) design and maintain formal accounting policies, procedures and controls over the fair presentation of our financial statements; (b) analyze, record and disclose complex accounting matters timely and accurately, including share-based compensation arrangements and other non-routine transactions; and (c) design and maintain controls over the preparation and review of account reconciliations, journal entries and financial statements, including maintaining appropriate segregation of duties.

Each of these control deficiencies could result in a misstatement of our accounts or disclosures that would result in a material misstatement of our annual or interim consolidated financial statements that would not be prevented or detected, and accordingly, we determined that these control deficiencies constitute material weaknesses.

Prior to the completion of this offering, we have been a private company with limited accounting personnel to adequately execute our accounting processes and other supervisory resources with which to address our internal control over financial reporting. We are progressing with the activities necessary to implement the appropriate accounting policies, processes and controls required to comply with Section 404 and have identified the relevant individuals with the requisite expertise to assist in implementation activities designed to improve our internal control over financial reporting and remediate the control deficiencies that led to these material weaknesses, including hiring additional finance and accounting personnel and initiating design and implementation of our financial control environment, including the establishment of controls to account for and disclose complex transactions. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to these material weaknesses in our internal control over financial reporting nor that they will prevent or avoid potential future material weaknesses. We cannot assure you that all of our existing material weaknesses have been identified, or that we will not in the future identify additional material weaknesses.

Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC, or the date we are no longer an “emerging growth company” as defined in the Jumpstart Our Business Startups Act, or JOBS Act, if we take advantage (as we expect to do) of the exemptions contained in the JOBS Act. We will remain an “emerging growth company” for up to five years, although if the market value of our ordinary shares (including ordinary shares represented by ADSs) that is held by non-affiliates exceeds \$700.0 million as of June 30 of any year before that time, we would cease to be an “emerging growth company” as of December 31 of that year. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid material weaknesses in our internal control over financial reporting in the future.

If we are unsuccessful in building an appropriate accounting infrastructure, we may not be able to prepare and disclose, in a timely manner, our financial statements and other required disclosures, or comply with existing or new reporting requirements. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from the Nasdaq Global Market or other adverse consequences that could materially harm our business. If we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed.

and investors could lose confidence in our reported financial information. Any of the foregoing occurrences, should they come to pass, could negatively impact the public perception of our company, which could have a negative impact on our share price.

There is also no assurance that we have identified all of our material weaknesses or that we will not in the future have additional material weaknesses. See “Risk Factors—Risks Related to this Offering and the ADSs—In preparation of this offering, we identified material weaknesses in our internal control over financial reporting. If we are unable to successfully remediate the existing material weaknesses in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected.”

Emerging Growth Company Status

On April 5, 2012, the JOBS Act was enacted. The JOBS Act provides that, among other things, an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. As an emerging growth company, we have elected to use the extended transition period under the JOBS Act until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We intend to rely on certain of the other exemptions and reduced reporting requirements provided by the JOBS Act. As an emerging growth company, we are not required to, among other things, (i) provide an auditor’s 127 attestation report on our system of internal controls over financial reporting pursuant to Section 404(b), or (ii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis).

Off-Balance Sheet Arrangements

As of December 31, 2018 and 2019, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, such as the use of unconsolidated subsidiaries, structured finance, special purpose entities or variable interest entities.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our unaudited condensed consolidated financial statements appearing at the end of this prospectus.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business, which are principally limited to interest rate fluctuations and foreign currency exchange rate fluctuations. We maintain significant amounts of cash and cash equivalents that are in excess of federally insured limits in various currencies, placed with one or more financial institutions for varying periods according to expected liquidity requirements.

Interest Rate Risk

As of June 30, 2020, we held cash of \$67.6 million. Our exposure to interest rate sensitivity is impacted by changes in the underlying United States and UK bank interest rates. Our surplus cash has been invested in interest-bearing savings and money market accounts from time to time. We have not entered into investments for trading or speculative purposes. Due to the conservative nature of our investment portfolio, which is predicated on capital preservation of investments with short-term maturities, we do not believe an immediate one percentage point change in interest rates would have a material

effect on the fair market value of our portfolio, and therefore we do not expect our operating results or cash flows to be significantly affected by changes in market interest rates.

Foreign Currency Exchange Risk

We maintain the consolidated financial statements of COMPASS Pathfinder Holdings Limited in pounds sterling, but for financial reporting purposes our financial statements have been presented in U.S. dollars, the reporting currency. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from foreign currency transactions are included in other income (expense), net in the consolidated statement of comprehensive loss. The financial statements of entities are translated from their functional currency into the reporting currency as follows: assets and liabilities are translated at the exchange rates at the balance sheet dates, revenue and expenses are translated at the average exchange rates and shareholders' equity (deficit) is translated based on historical exchange rates. Translation adjustments are not included in determining net loss but are included as a foreign exchange adjustment to other comprehensive loss, a component of shareholders' equity (deficit).

We do not currently engage in currency hedging activities in order to reduce our currency exposure, but in the future we will maintain a spread of deposits in U.S. dollars, pounds sterling and euros to broadly reflect our expected expenditures in those currencies over time, to provide a natural hedge against the impact of foreign exchange rate movements, but there can be no assurance that we will be fully protected against material foreign currency fluctuations.



A letter from our founders

Thank you for taking the time to read our prospectus, and for considering investing in our company. We often describe COMPASS as an “involuntary start-up,” something that had to be created because the world is in a mental health crisis and there has to be a way to deliver better outcomes for more people. Before we embark on the detail of our business, we would like to share some thoughts on who we are and what we are seeking to achieve.

COMPASS is a mental health care company

- Our focus is on improving the lives of those who are suffering with mental health challenges and who are not helped by current treatments
- We will work with all parts of the healthcare system to develop scalable, evidence-based innovation to improve mental health care outcomes
- Mental health care needs integrated, compassionate models that support patients with personalized approaches combining therapies, medicine and self-directed care
- We created COMPASS to accelerate affordable patient access to innovation, and to improve patient engagement and outcomes. We believe we have a responsibility to build a sustainable business that creates shared value for health systems and patients

Our vision is a world of mental wellbeing

We have a big vision. We see a world of mental wellbeing, a world in which mental health isn't simply the absence of mental illness, but the ability to flourish. We want to reduce the stigma surrounding mental health, to acknowledge that “everyone has a story”, and to create a system of care for all who are not helped by the existing system and existing therapies.

This is what our initial public offering is about, and our first priority is to bring our psilocybin therapy to some of the millions of people who suffer with treatment-resistant depression, or TRD.

For many years, mental health care has been sidelined and innovation in the field has been limited. This is changing as advances in neuroscience and technology create a better understanding of underlying mechanisms and new opportunities to develop real-world evidence. We are starting here, with TRD, because the need is so great and the impact on individuals and society so deep.

We are on a mission to transform mental health care. We want to develop new models of care, supported by evidence that we develop in clinical trials and in the real world. We will work to achieve this by being compassionate, bold, rigorous, and inclusive.

• Compassionate

Patient need drives everything we do. Everyone who suffers with mental health challenges should have options. Mental health care needs to be better for more people.

- **Bold**

We are not afraid to push the boundaries of discovery to effect much-needed and large-scale change. Our number one priority is to develop our psilocybin therapy for TRD. But we believe this is just the beginning. We believe psilocybin therapy could be helpful across many other mental health and neurological conditions.

We also want to develop new therapies and technologies to enable us to keep doing more to help patients. We'll focus on more precise and personalized treatment, and on predicting outcomes and preventing relapse. Our goal is to get people well and keep them well.

- **Rigorous**

We base our decisions on clinical data. We are committed to delivering socially responsible science and ensuring that our therapies are accessible and affordable to all who might be helped by them.

We want to bring our innovation to patients as quickly as possible, but in a way that prioritizes safety, efficacy and quality. We will work closely with regulators and payors around the world to understand the evidence we need to do this.

- **Inclusive**

We can't do this alone. We have been working with multiple stakeholders right from the start, including scientists, clinicians, patients, regulators, payors, and investors. Our priority is, and will always be, to help patients.

Continuing our journey as a public company

With our move to public ownership, our focus will not change. We remain committed to a world of mental wellbeing and we hope our shareholders will share this long-term goal.

We are no longer the small start-up we were a few years ago, but our 50-person team shares a continued strong sense of purpose and determination to reduce the personal and economic burden of mental health suffering. As co-founders, we have all been touched personally by mental health challenges and have experienced tremendous frustration with existing treatment options. We know we are not the only ones. We look forward to welcoming you on our journey as we work to transform mental health care.

George Goldsmith	Ekaterina Malievskaia	Lars Wilde
Chairman and Chief Executive Officer	Chief Innovation Officer	President and Chief Business Officer

BUSINESS

Overview

We are a mental health care company dedicated to accelerating patient access to evidence-based innovation in mental health. We are motivated by the need to find better ways to help and empower people suffering with mental health challenges who are not helped by existing therapies, and are pioneering the development of a new model of psilocybin therapy, in which psilocybin is administered in conjunction with psychological support. Our initial focus is on treatment-resistant depression, or TRD, a subset of major depressive disorder, or MDD, comprising patients who are inadequately served by the current treatment paradigm. Early signals from academic studies, using formulations of psilocybin not developed by us, have shown that psilocybin therapy may have the potential to improve outcomes for patients suffering with TRD, with rapid reductions in depression symptoms and effects lasting up to six months, after administration of a single high dose. We have developed a proprietary, high-purity polymorphic crystalline formulation of psilocybin, COMP360. In 2019, we completed a Phase I clinical trial administering COMP360, along with psychological support, to 89 healthy volunteers, the largest randomized, controlled trial with psilocybin therapy to date. In this trial, we observed that COMP360 was generally well-tolerated and supported continued progression of Phase IIb studies. We are currently evaluating COMP360 in conjunction with psychological support in a Phase IIb trial and we plan to report data from this trial in late 2021. We believe that a single dose of our COMP360 monotherapy with psychological support from specially trained therapists could offer a new approach to depression care.

Globally, more than 320 million people suffer with MDD. The economic burden of MDD in the United States, accounting for comorbid physical and psychiatric conditions, is estimated to be over \$200 billion per year. TRD, a condition affecting the approximately 100 million patients worldwide who are not helped after two or more existing depression treatments, has even greater economic and societal cost than non-TRD MDD. TRD patients are often unable to perform daily tasks, are more likely to receive disability or welfare benefits and more frequently have co-occurring conditions compared with non-TRD MDD patients. Direct medical costs for TRD patients are estimated to be two to three times higher than for non-TRD MDD patients, caused by, among other factors, increased rates of hospitalization and longer average hospital stays. In addition, there is approximately a seven-fold increase in suicide rate for TRD patients compared with non-TRD MDD patients.

Patients suffering with depression are treated through a variety of approaches, each of which can have significant shortcomings in certain subsets of patients. Most pharmacotherapies for depression employ the same mechanism of action, targeting the modulation of the brain's neurotransmitter monoamine levels, and have exhibited limited efficacy in a significant portion of patients and can result in high relapse rates. There are only two pharmacotherapies specifically approved for TRD in the U.S.: esketamine, and a combination of olanzapine (an atypical antipsychotic) and fluoxetine (a selective serotonergic reuptake inhibitor). Esketamine was recently approved by the U.S. Food and Drug Administration, or FDA. Mixed efficacy and limited durability were observed in clinical trials as well as potential side effects, including dissociation and cognitive impairment. The olanzapine-fluoxetine combination has also shown mixed efficacy and can commonly lead to side effects such as dizziness, drowsiness and weight gain. In addition to pharmacotherapies, various forms of somatic intervention are also used, although these treatments tend to be invasive and/or onerous, and there are limited data supporting their long-term benefit. Psychotherapy is another common treatment approach, but it requires a significant time commitment and is subject to large variability in availability and administration. Despite the range of treatments and therapies available for depression, patients suffering with TRD continue to be underserved, prolonging a significant health, social and economic burden. We believe patients suffering with TRD need a paradigm-shifting treatment that can deliver rapid and sustained relief of their depression.

Psilocybin is considered a serotonergic hallucinogen and is an active ingredient in some species of mushrooms. While classified as a Schedule I drug, there is an accumulating body of evidence that

psilocybin may have beneficial effects on depression and other mental health conditions. Therefore, the FDA and the U.S. Drug Enforcement Administration, or DEA, have permitted the use of psilocybin in clinical studies for the treatment of a range of psychiatric conditions. In 2018, we received Breakthrough Therapy designation from the FDA for COMP360 for the treatment of TRD.

We believe that our investigational COMP360 psilocybin therapy may confer beneficial effects in depression and other mental health conditions through COMP360's mechanism of action on the central nervous system, or CNS. By activating the 5-hydroxytryptamine (serotonin) 2A, or 5-HT_{2A}, receptor, psilocybin and its active metabolite psilocin induce a range of downstream effects that may cause important, sustained changes in brain function. These effects include altered extracellular release of serotonin and dopamine, changes in brain network connectivity, and increased levels of neuroplasticity, whereby the nervous system is able to reorganize its structure, function, and connections, all of which we believe contribute to our psilocybin therapy's potential to generate rapid-onset and sustained positive mood effects.

The potential of psilocybin therapy in mental health conditions has been demonstrated in a number of academic-sponsored studies over the last decade. In these early studies, it was observed that psilocybin therapy provided rapid reductions in depression symptoms after a single high dose, with antidepressant effects lasting for up to at least six months for a number of patients. These studies assessed symptoms related to depression and anxiety through a number of widely used and validated scales. The data generated by these studies suggest that psilocybin is generally well-tolerated and has the potential to treat depression when administered with psychological support.

COMP360 is our proprietary psilocybin formulation that includes our pharmaceutical-grade polymorphic crystalline psilocybin, optimized for stability and purity. Our investigational COMP360 psilocybin therapy comprises administration of our COMP360 with psychological support from specially trained therapists with specific professional and educational qualifications. We believe this support, or therapy, is as important to the psilocybin therapy as the psilocybin itself. The psilocybin administration session lasts approximately six to eight hours, with patients supported by therapists in a non-directive manner. Psilocybin administration sessions are preceded by preparation sessions, in which patients are given a thorough orientation, and followed by integration sessions to help patients process the range of emotional and physical experiences facilitated by COMP360 administration.

In 2019, we completed a Phase I trial in 89 healthy volunteers, the largest controlled trial of psilocybin to date, with our investigational COMP360 psilocybin therapy. In this trial, we observed that COMP360 was generally well-tolerated and supported continued progression of Phase IIb studies. The trial also showed the feasibility of simultaneous administration of COMP360 to up to six people in the same facility, with 1:1 therapist support, which we believe will accelerate future clinical trials and commercial scale-up upon potential regulatory approval. In August 2020, the FDA approved our request for a 1:1 model of therapist support and we intend to use this model in future clinical trials. We previously conducted a series of *in vitro* and *in vivo* toxicology studies, including tests for genotoxicity and cardiotoxicity. We are now undertaking an additional series of safety pharmacology and toxicity studies, to be completed prior to commencement of our anticipated Phase III program.

We are currently conducting a randomized controlled Phase IIb clinical trial in 216 patients suffering with TRD, in 20 sites across North America and Europe. This dose-finding trial is investigating the safety and efficacy of COMP360 combined with psychological support, for the treatment of TRD, and aims to determine the optimal dose of COMP360, with three doses (1mg, 10mg, 25mg) being explored. The primary endpoint of this clinical trial is to evaluate the efficacy of COMP360, as assessed by the change in the Montgomery-Åsberg depression rating scale, or MADRS, a widely accepted scale for depression that has been used as a primary endpoint in pivotal trials of other depression treatments. This trial has been designed to capture a statistically significant reduction in MADRS. We plan to report data from this trial in late 2021. We are using digital technology in this trial, including an online portal to help patients prepare for their psilocybin experience, and a web-based "shared knowledge" interactive platform to

complement therapist training. We are also collecting digital phenotyping information through the measurement of human-smartphone interactions. After the trial, these data will be compared with information collected from validated psychiatric scales, such as MADRS, to develop potential digital applications to help anticipate relapse of depression. In the future we plan to expand our research into additional digital technologies to complement and augment our therapies.

The need for innovation in mental health care is significant, given that the current paradigm is ineffective for millions of people. Our vision is a world of mental wellbeing – a world in which mental health isn't simply the absence of mental illness, but the ability to flourish. We want to help reduce the stigma surrounding mental health, to acknowledge that “everyone has a story,” and to create a system of care for all who are not helped by the existing system and existing therapies.

OUR STRATEGY

Our mission is to accelerate patient access to evidence-based innovation in mental health. Key elements of our strategy to achieve this include:

- **Advance our investigational COMP360 psilocybin therapy for the treatment of TRD, including initiating additional and larger clinical trials.** We are conducting a randomized controlled Phase IIb clinical trial in 216 TRD patients. We plan to report data from this trial in late 2021, and if successful, we intend to follow with a Phase III registrational program.
- **Expand our investigational COMP360 psilocybin therapy into new indications and explore other compounds and therapies to address areas of unmet need.** We believe that our investigational COMP360 psilocybin therapy may confer beneficial effects in other mental health and neurological conditions. We are generating preclinical and clinical data to further our mechanistic understanding and explore the potential benefits of our psilocybin therapy in other indications. We are performing some of these studies ourselves and some through collaborations with academic institutions. The outcomes of these studies will inform which indications we may pursue. In addition, we intend to develop and evaluate other compounds and therapies that might be effective in the treatment of mental health conditions.
- **Maximize the reach and value of our investigational COMP360 psilocybin therapy by creating a new model for mental health care.** We retain global development and commercialization rights for our investigational COMP360 psilocybin therapy and are developing a commercial rollout plan, working with payors to enable reimbursement and with health systems to enable broad patient access. We plan to set up research facilities and innovation labs, which we refer to as Centers of Excellence, in key markets. Through these, we intend to gather evidence to optimize our therapy model, training and certification of therapists, and prototype digital technology solutions to improve patient experience and outcomes. In 2020, we plan to launch our first Center of Excellence in the United States. We believe this will give us a firm foundation from which to grow and develop potential new models as we seek to expand access to our investigational COMP360 psilocybin therapy, if approved.
- **Use digital technology to improve access to and impact of our investigational COMP360 psilocybin therapy.** We are exploring ways to use digital technology to make our therapeutic model more scalable, and to improve patient experience and outcomes. We plan to build upon the technologies we currently use in our Phase IIb clinical trial, which include a patient portal to help patients prepare for their experience, and a web-based “shared knowledge” interactive platform to complement our face-to-face and clinical therapist training. In our Phase IIb trial, we are collecting patient data in a remote setting using mobile technologies and using a third-party technology that tracks human-smartphone interactions. After the trial, this data will be compared with information collected from validated psychiatric scales, such as MADRS, to develop potential digital applications to help detect early signs of post-treatment relapse. We plan to collaborate with other digital

companies to research, develop and ultimately commercialize proprietary digital technology solutions that have the potential to complement and augment our investigational COMP360 psilocybin therapy. We believe this may enable us to offer a personalized, preventative and predictive care model.

Our Market Opportunity


We are developing our investigational COMP360 psilocybin therapy for the treatment of a range of mental health conditions, with an initial focus on TRD. There is a large unmet need for new therapies to improve the response rate and durability of response for patients suffering with TRD. We believe our investigational COMP360 psilocybin therapy, if successfully developed and approved, represents a promising therapeutic option for TRD, as well as potentially for other mental health and neurological conditions.

MDD and TRD Prevalence

MDD is a condition characterized by a persistent feeling of sadness and heightened negative emotions. It is considered a unipolar condition, suggesting a distinction between MDD and bipolar depression, the latter of which is often associated with an emotional state fluctuating between depression and hypomania or mania. MDD is a chronic, relapsing, recurring and serious mental health condition associated with high mortality rates, morbidity and diminished quality of life. The World Health Organization, or WHO, estimates that more than 320 million people worldwide are suffering with MDD and that MDD currently accounts for an average of 7.5% of years of life lost due to disability globally, as defined by disability-adjusted life years, or DALYs, or the sum of years of healthy life lost to either mortality or non-fatal illness or impairment.

Due to the limitations of existing treatments, nearly one-third of those suffering with MDD are not adequately helped after two or more existing depression treatments. This condition is referred to as TRD. We estimate the TRD population to be approximately 100 million people globally, based on the most recently available data in 2010. To date, only two pharmacotherapies have been approved specifically for the treatment of TRD in the U.S.

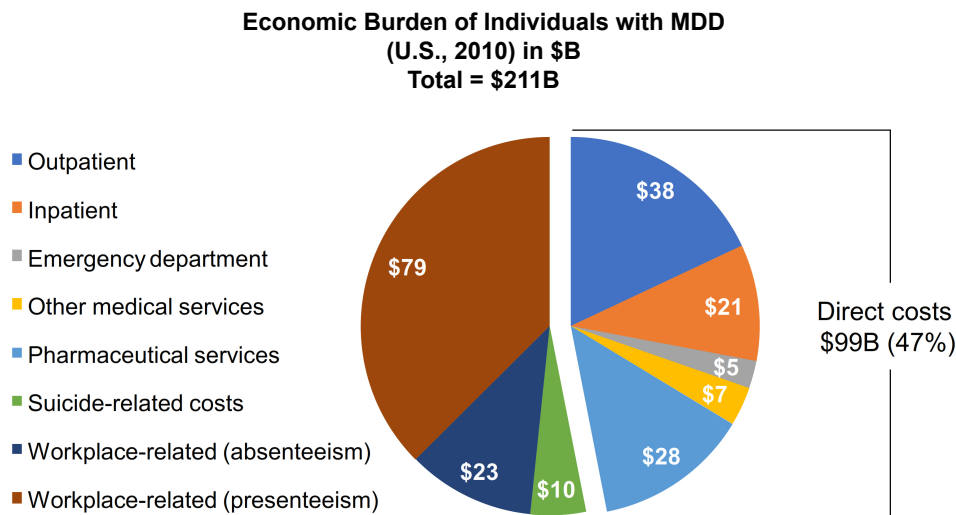
The following table indicates the worldwide estimated patient populations suffering with new onset MDD, persistent MDD and TRD, and the primary treatment options available.

Treatment pathway stage	New onset depression Major depressive disorder (MDD)	Persistent depression Major depressive disorder (MDD)	Treatment-resistant depression (TRD)
Line of therapy	First line	Second line	Third line + 
Patients (Worldwide)	320 million	200 million	100 million (~33% of total)
Available treatments	<ul style="list-style-type: none">AntidepressantsPsychological interventions eg, CBT*	<ul style="list-style-type: none">AntidepressantsAntidepressant combinationsPsychological interventions	<ul style="list-style-type: none">AntidepressantsAugmentation therapy (antidepressants, mood stabilizers, anticonvulsants, atypical antipsychotics, esketamine)KetamineSomatic therapy (rTMS*, tDCS*, ECT*, DBS*)High-intensity psychological interventions
% relapse	60-70%	50-75%	80-90%

* CBT = cognitive behavioral therapy; rTMS = repetitive transcranial magnetic stimulation; tDCS=transcranial direct current stimulation; ECT=electroconvulsive therapy; DBS=deep brain stimulation

Economic and Societal Burden

The economic burden of MDD in the United States, accounting for comorbid physical and psychiatric conditions, is estimated to be over \$200 billion per year as of 2010. Approximately 47% of this figure is attributable to direct costs including outpatient, inpatient, emergency, medical and pharmaceutical cost, while the rest is attributable to indirect costs, including loss of productivity, absenteeism and suicide. Between 2005 and 2010, the economic burden of MDD rose by \$37.3 billion, an increase of 21.5%. A large proportion of this increase can be attributed to direct costs such as outpatient and inpatient medical services, with an increase of 27.5% from \$77.5 billion in 2005 to \$98.9 billion in 2010. This figure demonstrates that the economic burden of MDD is large and we believe it is likely to continue to grow over time.



TRD has a greater economic and societal cost than non-TRD MDD. TRD patients are often unable to perform daily tasks, are less productive at work and have higher rates of unemployment. They are also more likely to receive disability or welfare benefits than non-TRD MDD patients. Employees suffering with TRD have higher rates of workplace absenteeism compared with those without a mental health condition. In addition, co-occurring conditions, such as hypertension, anemia and diabetes, are more common in TRD patients versus non-TRD MDD patients.

Direct medical costs for TRD patients are estimated to be two to three times higher than for non-TRD MDD patients. An analysis from commercial claims and Medicare/Medicaid data in the United States points to average annual healthcare costs of between \$17,000 and \$25,000 per TRD patient per year. This compares with less than \$10,000 per year for non-TRD MDD patients. TRD patients have higher prescriptions costs, more doctor visits and increased rates of hospitalization. TRD patients also have, on average, twice the number of inpatient visits compared with non-TRD MDD patients and, on average, their hospital stay is approximately 36% longer.

Every year, approximately 800,000 people die from suicide globally. For each adult suicide death, estimates suggest there may have been more than 20 other attempts. There is approximately a seven-fold increase in the suicide rate for TRD patients compared with non-TRD MDD patients. Research conducted in 2018 suggests that the proportion of patients suffering with TRD attempting suicide at least once during their lifetime could be as high as 30%.

Existing Therapies for Depression

Because depression has biological, social, psychological, environmental, genetic, and stress-related determinants, many of which co-occur, treatment options are wide-ranging and often combined. Current pharmacological and non-pharmacological treatments, such as antidepressants and psychotherapy, respectively, are well-established and efficacious for a subset of MDD patients. However, many patients experience relapses. Clinicians lack high-quality evidence and often rely on a trial and error approach, course correcting as patients experience these relapses or difficult side effects. Experts are beginning to recommend a shift to more multi-modal treatments where different types of therapy are delivered concomitantly (i.e., a mix of pharmacotherapy, psychological/behavioral, and device interventions).

Patients suffering with TRD are treated through a variety of approaches, each of which is associated with significant shortcomings. Consequently, there remains a need for a fast-acting, tolerable treatment that provides a durable response. Despite the condition's largely heterogeneous nature, most pharmacotherapies for depression use the same mechanism of action, targeting the modulation of the brain's neurotransmitter monoamine levels. As evidenced by the low response and high relapse rates, these treatments are not effective for a large number of patients. Various forms of somatic intervention are also used, although there is limited data supporting their long-term benefit. Esketamine, a newly approved TRD therapy, demonstrated mixed efficacy in its pivotal clinical trials, with rapid relapse rates even with adjunctive antidepressants and protracted withdrawal reactions. We believe currently available options do not adequately meet the needs of patients suffering with TRD and there is a significant need for a new therapeutic approach.

The following table includes representative ranges and approximate costs for existing treatments of depression as well as their methods of delivery.

Therapy	Route	Frequency and duration	Strategy	Reimbursement ¹	Approximate annual cost per patient ²
Antidepressants: SSRI/SNRI*	Oral	1/day, chronic	Mono/ Adjunctive therapy	Broad	\$500 - 900
Atypical antipsychotics	Oral	1/day - chronic	Adjunctive therapy	Broad	\$3,000 - 9,000 ³
CBT	Face-to-face or online	10-20 sessions, 3-4 months	Mono/ Adjunctive therapy	Broad	Averaging \$1,000
Esketamine	Intranasal	Up to 56 sessions/year, under supervision of a healthcare professional	Adjunctive therapy	Limited	\$33,000 - 49,000
Ketamine	Intravenous	Up to 9 injections	Adjunctive therapy	No	\$2,500 - 5,000
rTMS	Magnetic brain stimulation without anesthesia	5 sessions/ week, 4-5 weeks	Mono/Adjunctive therapy	Limited	\$6,000 - 12,000
ECT	Electric brain stimulation under anesthesia	3 sessions/ week, 4+ weeks	Mono/Adjunctive therapy	Limited	\$5,000 - 15,000
VNS	Electric pulses sent to the brain	Duration varies from patient to patient – stimulator must first be implanted and given at a starting low dose every 5 minutes from day to night	Mono/Adjunctive therapy	Limited	\$40,000 - 45,000 for surgical implementation (excluding costs of post-operative device adjustments)
DBS	Electrical impulses to the brain through implanted electrodes	3-6 hour operations; follow up visits	Mono/Adjunctive therapy	Limited	\$200,000 - 250,000 for surgical implementation (excluding costs of battery replacements required every 12-24 months costing ~\$95,000 for hardware replacement and surgery)

Key: orange: established common pharmacotherapies for depression; blue: common psychotherapy for depression; grey: novel pharmacotherapies for depression; green: somatic therapies for depression

* SSRI = selective serotonergic reuptake inhibitor; SNRI =serotonergic norepinephrine reuptake inhibitor

1 Government reimbursement or private insurance coverage; 2. Assumes one treatment course over the year, direct treatment cost only (not total healthcare costs); 3. Based on a year of treatment, 150mg/day, augmentation with fluoxetine for U.S. or citalopram for UK

Pharmacotherapies

There are five main categories of antidepressants available on the market. These are selective serotonergic reuptake inhibitors, or SSRIs, and serotonergic norepinephrine reuptake inhibitors, or SNRIs, atypical antidepressants, monoamine oxidase inhibitors, or MAOIs, and tricyclic antidepressants, or TCAs. These are frequently used in first- and second-line treatment of depression and can also be used after this point. Studies have shown that approximately 50% of patients are not helped by their initial antidepressant treatment. This figure rises to as high as 70% for subsequent treatments.

Currently approved antidepressants have significant limitations, including delayed onset of action, poor therapy adherence rates and various side effects. The onset of action for the most commonly used antidepressants is typically between two and three weeks. Adherence levels are relatively low, with approximately 50% of individuals in primary and psychiatric care not adhering to their prescribed antidepressant medication.

There is limited evidence to effectively guide clinical decisions following non-response or partial response to first-line antidepressant medications. Recommended treatment approaches include optimizing the current antidepressant dose or switching to an antidepressant in the same or different class. Partial response or lack of response thereafter is recommended to be addressed by combining antidepressants from different pharmacological classes, or augmenting with an alternative medication, primarily with atypical antipsychotics, but also mood stabilizers, anticonvulsants, thyroid hormones and stimulants, and N-methyl-D-aspartate, or NMDA, antagonists.

Antipsychotics, such as olanzapine, quetiapine and aripiprazole are typically used as adjunctive therapies when there is a lack of notable efficacy with an antidepressant. There is an approved combination of olanzapine and fluoxetine (an SSRI) for TRD. However, using antidepressants and antipsychotics together can have serious side effects, such as weight gain, other metabolic complications, sedation, extrapyramidal side effects (movement disorders), and QTc prolongation, which means the ventricles of the heart take longer than usual to recharge between beats.

Psychotherapies (Including Cognitive Behavioral Therapy, or CBT)

Psychotherapy is a form of talk therapy often recommended as first-line treatment in mild depression and often used as adjunctive therapy for MDD patients. Two frequently used psychotherapies for depression are CBT and interpersonal therapy, or IPT. CBT focuses on changing negative thought and behavior patterns. IPT also looks at negative thoughts and behaviors, but only as they apply to interpersonal relationships and social functioning. The incremental efficacy of psychotherapy in more severe cases and in later lines of treatment remains questionable. Psychotherapeutic approaches can be effective for many individuals but require a significant time commitment from patients and are subject to variability in their availability and delivery.

Esketamine/Ketamine

Ketamine is an NMDA receptor antagonist that has been used for several decades in sedation, anesthesia and chronic pain. The S-enantiomer of ketamine, esketamine, is administered intranasally as a spray and has recently been approved by the FDA to treat TRD. There are mixed efficacy results associated with the use of esketamine. Ketamine and esketamine require multiple administration sessions and are associated with a high abuse potential. Esketamine treatments typically need to be frequently administered, in a controlled environment under medical supervision. This frequency makes administration costly for payors and burdensome for patients, resulting in limited clinical adoption and patient access.

Somatic Therapies

Patients who suffer with severe TRD and have tried several courses of antidepressants are often treated with resource-intensive somatic therapies like electroconvulsive therapy, or ECT, repetitive transcranial magnetic stimulation, or rTMS, vagal nerve stimulation, or VNS, and deep brain stimulation, or DBS. These therapies are generally administered in inpatient settings. Somatic and device-related interventions like ECT and VNS are associated with significant adverse reactions and interventional concerns, such as use of general anesthesia and memory loss in the case of ECT, and surgical intervention and infection risk with VNS implantation. Limitations of rTMS include inadvertent seizures, pain, face twitching and application discomfort. Similarly, DBS has the potential to cause pain and seizures as well as a high risk of infection due to the invasiveness of the surgical procedure. These treatments are typically reserved for patients who have not been helped by other treatments, and are characterized as high-cost treatment options with reimbursement limited for a subset of these therapies.

Despite the range of treatments and therapies available for MDD, patients suffering with TRD continue to be underserved, prolonging a significant health, social and economic burden. We believe patients suffering with TRD need a paradigm-shifting treatment that can deliver rapid and sustained relief of their depression.

Based on early signals from psilocybin therapy studies (not involving the use of COMP360), which showed a rapid reduction in depression symptoms and effects lasting up to six months for some patients following administration of a single high dose, we believe psilocybin therapy has the potential to transform the current paradigm for TRD and other mental health and neurological conditions.

Psilocybin Therapy

History of Psilocybin Usage

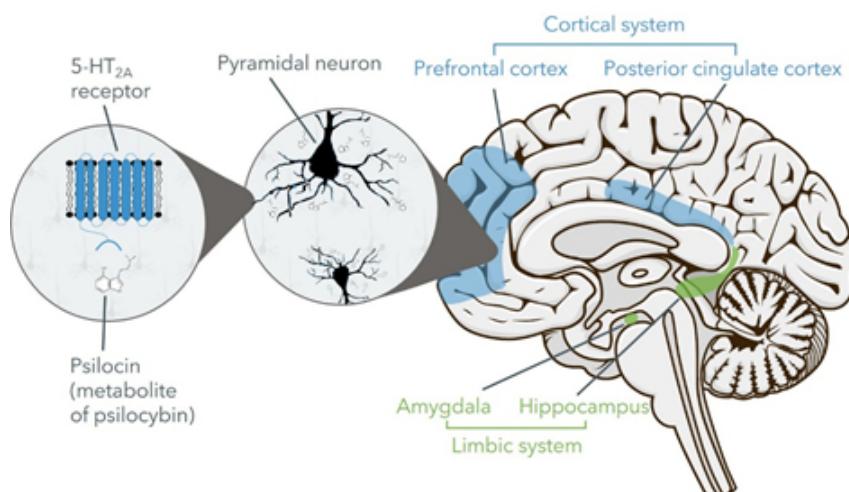
Psychedelics are a class of psychoactive drugs that act primarily through an agonist action on neurotransmitter receptors and cause psychological, visual and auditory changes, as well as an altered state of consciousness. Prior to psychedelics being classified as Schedule I drugs in the early 1970s, clinical research in psychedelics was widespread, with more than 40,000 patients suffering with mental health conditions participating in clinical studies and case reports. Accumulating evidence suggests that many psychedelic drugs may have psychopharmacological effects on the brain, including increasing the number, density and connections of neurons. This body of evidence has driven a resurgence of interest in the evaluation of psychedelic drugs for therapeutic use to treat a range of mental health conditions. Two major academic centers, Imperial College London and Johns Hopkins University, have established dedicated psychedelic research laboratories in the last 18 months.

Psilocybin is considered a serotonergic hallucinogen, along with other tryptamines such as dimethyltryptamine, or DMT, ergolines such as lysergic acid diethylamide, or LSD, and phenethylamines such as mescaline. It is an active ingredient in some species of mushrooms and was first isolated from psilocybe mushrooms by Dr. Hofmann and synthesized in the late 1950s. While classified as a Schedule I drug, the FDA and DEA began permitting the use of psilocybin in clinical studies for the treatment of a range of psychiatric conditions in the 1990s. Psilocybin has been researched as a potential treatment for a range of CNS diseases for over 60 years.

Mechanism of Action

There is an accumulating body of evidence that psilocybin may have beneficial effects on depression and other mental health conditions. We believe the benefits of psilocybin are largely derived from its mechanism of action. As shown in the graphic below, by activating a distinct set of receptors in brain areas critical to mood and cognition, psilocybin acts to induce a range of downstream effects that may have important, sustained effects on brain function. In this way, evidence of the molecular, cellular, and

systemic effects of psilocybin in the CNS supports the potential for psilocybin in the treatment of mental health conditions.



1. Stimulation of 5-HT_{2A} receptors results in downstream cascades via G-protein signaling.
2. Altered extracellular release of dopamine leads to enhanced positive mood.
3. Down-regulation of the default mode network, or DMN, and de-synchronization of cortical activity as well as the emergence of new patterns of functional connectivity across the brain.
4. Sustained cellular changes leading to neuroplasticity and "window of opportunity" for therapy.

Molecular Effects of Psilocybin: Partial Agonism of Serotonin Receptors

At the molecular level, psilocybin is rapidly metabolized to its active metabolite psilocin, which is a partial agonist at several 5-hydroxytryptamine (serotonin) 2A, or 5-HT, receptors, also known as serotonin receptors, including 5-HT_{2A}, 2C, and 1A receptors. This means that psilocin binds to and activates these receptors, all of which are expressed in neurons in different areas of the CNS. In particular, many of the prominent acute effects of psilocybin, such as changes in emotion and cognition, are thought to be mediated by 5-HT_{2A} receptor stimulation, an interpretation that is supported by the fact that blocking the 5-HT_{2A} receptor prevents the psychedelic effects of psilocybin in humans. This mechanism of 5-HT_{2A} receptor stimulation is also implicated as a possible component of the antidepressant action of SSRIs, although these operate by inhibiting reuptake of serotonin by presynaptic neurons. In contrast, psilocin is believed to initiate an antidepressant effect by directly activating this receptor. The relevance of 5-HT_{2A} receptors in modulating depressive symptoms may also be supported by the fact that these receptors are abundantly expressed in multiple areas of the brain that have important roles in regulating cognitive and emotional processing. For instance, 5-HT_{2A} receptors are predominately expressed in cortical pyramidal neurons, the most abundant type of neuron found in the human cerebral cortex, and thus may be implicated in executive function. Additionally, 5-HT_{2A} receptors are expressed in other key regions of the brain, like the hippocampus and nucleus accumbens, which are associated with crucial biological functions like memory and reward processing, respectively.

Cellular Effects: Activation of Downstream Signaling Cascades

Activation of 5-HT_{2A} receptors by agonist ligands such as psilocin can modulate a number of downstream signaling cascades to alter the structure and function of neurons, which are the primary signaling components of the CNS. The 5-HT_{2A} receptor is a G-protein coupled receptor, which means that

it predominantly relays signals through a family of proteins called G-proteins. Specifically, the main signaling cascade downstream of 5-HT_{2A} receptors occurs via the G_{q/11} protein and leads to increased intracellular calcium release within the cell. In turn, this may promote neuron growth and function. However, non-canonical 5-HT_{2A} receptor signaling cascades specific to certain cell or tissue types may also exist, as there is evidence of certain downstream effects of psychedelic agonists occurring via the G_{i/o} protein, which typically downregulates signaling pathways related to neurotransmitter release, for example, within neurons. This diverse range of cellular signaling cascades that may be modulated by psilocin likely underlie some of the local circuit-level effects of the drug.

Local Circuit-Level Effects: Neurotransmitter Release and Neuroplasticity

The consequences of 5-HT receptor signaling cascades as modulated by psilocin include (i) changes in activation of neurons in the brain, (ii) neuroplasticity, and (iii) alteration of neurotransmitter release. The activation of neurons, or depolarization, corresponds to positive ions flowing into these cells, which ultimately drives signal transmission and communication between neurons.

Neuroplasticity refers to the ability of the nervous system to reorganize its structure, function, and connections. This can involve the generation of new neurons, changes in neuron morphology and connectivity, and neurobiochemical changes in receptor and neurotransmitter levels. In particular, the expression of immediate early genes, or IEGs, such as Early Growth Receptor-1, or EGR-1 and Early Growth Receptor-2, or EGR-2, is induced by psilocin. IEGs are genes activated in response to external stimuli and are associated with depolarization. IEGs produce transcription factors that may cause wider changes in gene regulation and, in turn, could enable longer-term neuroplastic changes through structural and connectivity changes at the synapse. The fact that EGR-1 and EGR-2 appear to be induced specifically by psychedelic compounds suggests that these genes could be relevant to the acute and sustained effects of these drugs.

Alterations in neurotransmitter release are another local circuit-level consequence of psilocin that may be relevant to its psychoactive and mood effects. Specifically, evidence from rodent studies suggests that psilocybin may alter extracellular release of serotonin and dopamine in brain areas such as the prefrontal cortex. By virtue of the extracellular neurotransmitter release changes in certain brain areas, which have established roles in, for example, executive function, psilocybin may drive positive mood effects.

Systemic Effects: Changes in Brain Activity and Functional Connectivity

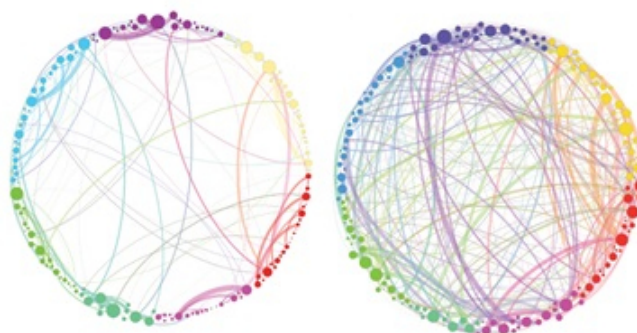
At the systemic level, psilocybin has been shown to alter the synchronicity of neuronal activation within and between different brain networks, during the psychedelic experience and afterwards. One network that has displayed altered functioning after psilocybin treatment in recent studies is the default mode network, or DMN, a network of brain areas that shows increased activation during self-referential mental activity and recollection of prior experiences and reduced activation during attention-demanding tasks. During the acute experience, psilocybin appears to temporarily reduce synchronicity of areas within the DMN, whereas connectivity between other brain areas and networks is substantially increased.

The below figure is a visualization of the acute changes in brain network connectivity when healthy volunteers were administered with placebo (left) or psilocybin (right). Lines represent connections between or within brain networks (shown as nodes), with the width of those lines representing the weight of each connection. The size of each node corresponds to the sum of its weighted connections. Colors represent communities of networks or regions that are more commonly connected to one another than networks in different communities.

Simplified Visualization of the Acute Changes in Brain Network Connectivity

Placebo

Psilocybin



Study analyzed fMRI (functional magnetic resonance imaging) data from healthy volunteers to compare resting-state functional brain connectivity after intravenous infusion of placebo and psilocybin. Adapted from Petri et al, 2014

On the day after these acute effects, individuals administered with psilocybin may exhibit increased synchronicity within the DMN, as well as changes between areas of the DMN and other brain regions. These brain network alterations may indicate the emergence of novel patterns of connectivity upon decoupling of the DMN and could lead to longer-term changes, such as altered emotional processing, that may ultimately affect behavior.

Psilocybin Academic Studies

The therapeutic potential of psilocybin in depressive and anxiety conditions has been demonstrated in a number of academic-sponsored studies over the last decade. In these studies, psilocybin, when administered in conjunction with psychological support, provided rapid reductions in depression symptoms after a single high dose, with antidepressant and anxiolytic effects occurring on the day of administration and lasting up to the six-month follow-up period for a number of participants. These studies used a range of widely used and validated scales to assess symptoms related to depression and anxiety. Some of these scales are self-reported and others are rated by clinicians.

These studies have shown psilocybin to be generally well-tolerated, with low toxicity and no serious adverse events, or SAEs, reported. The low toxicity profile of psilocybin is corroborated by early non-clinical studies that indicate that very high levels of psilocybin, in excess of 200mg/kg when administered intravenously, are required to induce toxic effects in rodents. A 2004 study estimated a lethal dose to be 6,000mg of psilocybin in an average, healthy 70kg adult, which vastly exceeds a therapeutic dose range.

Psilocybin is categorized as a Schedule I drug in the U.S. and a Class A drug in the UK, due to its abuse potential reported in the 1960s. However, despite evidence of recreational use of natural sources of psilocybin, a recent and comprehensive review used the structure of the eight factors of the U.S. Controlled Substance Act to assess the abuse potential of medically administered psilocybin. It suggested that in a medical context psilocybin does not have a high abuse potential and that there is no clear evidence for a physical dependence potential, based on animal and human data.

The totality of these data suggest that psilocybin therapy may exhibit clinical activity in patients with depression and anxiety, when administered with psychological support from specially trained therapists. The table below summarizes the key findings from academic-sponsored studies that we believe support the use of psilocybin therapy for treating mental health conditions. None of these studies used COMP360.

	University of California Los Angeles Grob et al (2011) (n=12)^(a)	New York University Ross et al (2016) (n=29)^(a)	Johns Hopkins Griffiths et al (2016) (n=51)^(a)	Imperial College London Carhart-Harris et al (2016, 2018) (n=20)^(a)	Johns Hopkins Griffiths et al (Ongoing) (n=21)^{(a)(d)}
Disorder	Anxiety related to advanced-stage cancer	Anxiety or depression related to cancer	Anxiety or depression in life-threatening cancer	TRD	MDD
Design	Double-blinded, placebo-controlled	Randomized, double-blinded, placebo-controlled	Randomized, double-blinded	Open-label	Randomized
Dose	14mg/70kg	21mg/70kg	Low (1 or 3mg/70kg) High (22 or 30mg/70kg)	10mg and subsequently 25mg	20mg/70kg (first) 30mg/70kg (second) ^(b)
Outcome measures	BDI, STAI, POMS	HADS, BDI, STAI	GRID-HAM-D, HAM-A	QIDS-SR-16	GRID-HAM-D
Safety findings	No SAEs attributed to psilocybin administration	No SAEs attributed to psilocybin administration	No SAEs attributed to psilocybin administration	No SAEs attributed to psilocybin administration; only mild and transient adverse events	No SAEs attributed to psilocybin administration
Efficacy findings	<ul style="list-style-type: none"> BDI: 30% improvement at 1 and 6 months vs baseline and significant reduction from mild to minimal depression POMS: Trend reduced adverse mood at week 2, returned to baseline at 6 months STAI: Sustained decrease in trait anxiety sub-score at every time point for 6 months 	<ul style="list-style-type: none"> Significant reductions (mild/moderate to normal/minimal) in HADS, BDI and STAI measures ~60-80% of participants continued with clinically significant responses^(c) on depression and anxiety measures 	<ul style="list-style-type: none"> At 5 weeks and 6 months, 92% and 79% of high-dose participants, respectively, continued to show clinically significant responses^(c) on depression and anxiety measures 	<ul style="list-style-type: none"> QIDS-SR-16 scores showed significant improvement at all post-treatment time points Max effect at 5 weeks with 65% response (including 20% remission) No patients sought conventional antidepressant treatment within 5 weeks after psilocybin therapy 	<ul style="list-style-type: none"> 62% of participants had a clinically significant response^(d) in depression scores and 39% achieved clinical remission^(d) at both 1 and 4 weeks

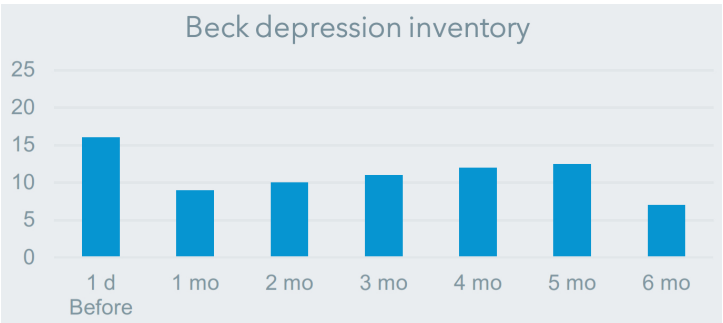
- (a) "N" numbers indicate the number of patients that completed at least one administration session. In some studies, not all administration sessions and/or follow-up measures were completed for all patients. Reasons provided for patients not completing the studies included patients becoming too ill due to cancer progression, death due to cancer, or resumption of antidepressant medications.
- (b) Some patients received the 20mg/70 kg dose again for their second dose.
- (c) As used herein, "clinically significant response" is defined as a >50% reduction in depression or anxiety scores relative to baseline. "Clinical remission" in the ongoing Griffiths et al study is defined as GRID-HAMD scores <7. Responses and remission shown for ongoing Griffiths et al study are for "Immediate treatment" group that had already received psilocybin therapy.
- (d) Data as of December 2019. Study aims to ultimately enroll 24 patients.

Abbreviations: BDI, Beck Depression Inventory; GRID-HAM-D, GRID Hamilton Depression Rating Scale; HADS, Hospital Anxiety and Depression Scale; HAM-A, Hamilton Anxiety Rating Scale; HAM-D, Hamilton Depression Rating Scale; STAI, State-Trait Anxiety Inventory; POMS, Profile of Mood States questionnaire; QIDS-SR-16, Quick Inventory of Depressive Symptomatology

University of California Los Angeles, Grob et al, 2011 - Existential Distress: Feasibility and Safety for Cancer Patients

In this 2011 study, 12 patients with anxiety related to advanced stage cancer (defined as diagnosis of acute stress disorder, generalized anxiety disorder, anxiety disorder due to cancer, or adjustment disorder with anxiety) underwent two experimental sessions spaced several weeks apart. In one session, each patient received 14mg/70kg psilocybin and in the other session each patient received a placebo control (250mg niacin), and the order in which they were administered was randomized. The BDI, POMS and STAI scoring scales were assessed one day before, one day after, and two weeks after each session. Each measure was assessed again once a month for up to six months after the final session. There was a trend showing decreased BDI scores at two weeks compared to one day before the first session. BDI scores were reduced by almost 30% at one month after the second treatment. This change was sustained and became significant at six months. The POMS indicated a trend for reduced adverse mood tone at two weeks after the first session compared to one day prior to psilocybin treatment. Although no significant changes were observed on the STAI state anxiety score, a sustained decrease that was significant at one and three-months post-treatment was evident on the STAI trait anxiety score. No SAEs were attributed to psilocybin administration.

Significant Reduction in BDI Scores at Six Months Post Treatment Compared with Baseline

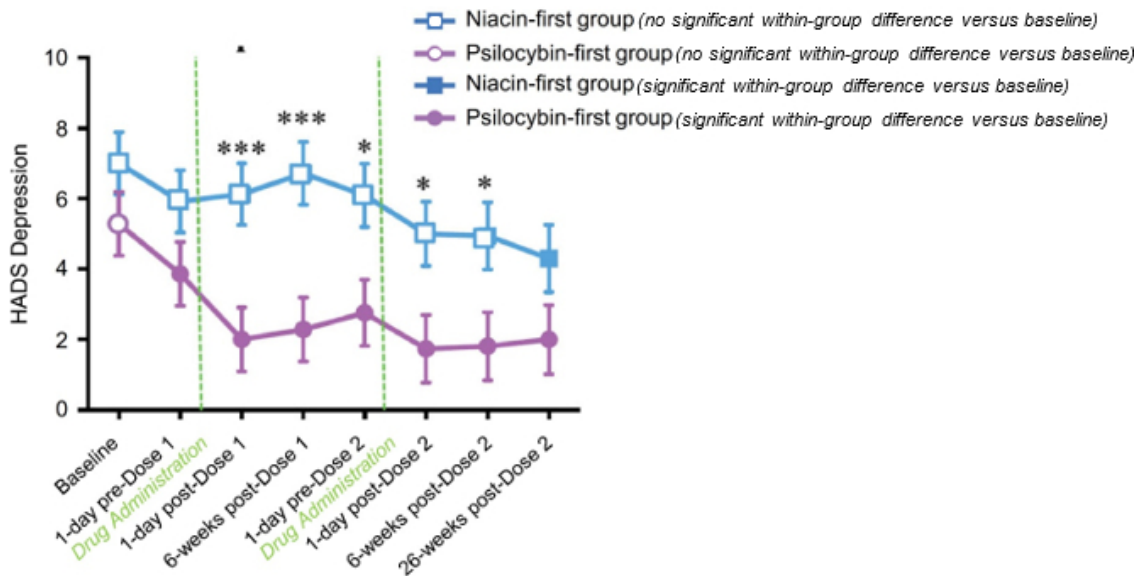


Graph displays changes in depression severity represented by Beck Depression Inventory (BDI) score between baseline and six months following second administration session. A reduction in BDI score was reported at the six month timepoint, compared to baseline. Effect sizes not reported. P-value = 0.03, calculated by performing a t-test to compare the six month score with one day before the first administration. Adapted from Grob et al 2011.

New York University, Ross et al, 2016 – Existential Distress

This 2016 study recruited 29 patients with life-threatening cancer and clinically significant anxiety or depression (defined as a primary diagnosis of acute stress disorder, generalized anxiety disorder, anxiety disorder due to cancer, or adjustment disorder with anxiety and/or depression). Patients underwent two administration sessions, one in which 21mg/70kg psilocybin was administered and one in which they received a placebo (250mg niacin). The administration sessions were spaced seven weeks apart and the order in which they were administered was randomized. Baseline measurements were collected two to four weeks prior to the first session. Statistically significant reductions in measures of anxiety and depression were observed up to 26 weeks following the second dose in patients who received psilocybin first, compared with baseline. Although no significant changes were observed in the placebo-first group prior to crossover, these patients also experienced statistically significant, sustained reductions in a majority (five out of six) of anxiety and depressions measures following psilocybin treatment. At 26 weeks following the final treatment, both groups exhibited antidepressant or anxiolytic, or reduction of anxiety, response rates of 60-80% across a variety of measures, including BDI remission and response rates as well as HADS, as demonstrated in the following graphic. No SAEs were attributed to psilocybin administration.

Statistically Significant Decrease in HADS Depression Scores at 26 Weeks Post Treatment



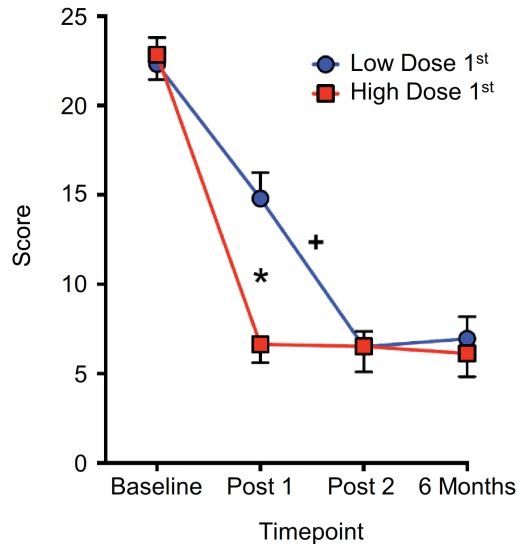
Graph illustrates changes in mean HADS Depression scores in niacin-first (blue) and psilocybin-first (purple) groups between baseline and 26-weeks after second treatment. The psilocybin-first group exhibited significant reductions in depressed symptoms compared to the placebo group after the first administration session. The niacin-first group also showed significant reductions in depressive symptoms 26 weeks after receiving psilocybin compared with baseline. *p<0.05, **p<0.01, ***p<0.001, calculated by performing between-group t-tests. Solid symbols indicate significant within-group differences versus baseline. Data shown as mean ± Standard Error (SE). Adapted from Ross et al, 2016.

Johns Hopkins University, Griffiths et al, 2016 - Existential Distress

This 2016 study enrolled 51 patients with life-threatening cancer and a Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM-IV) diagnosis that included anxiety and/or mood symptoms. The patients were randomized to receive either a low (1 or 3mg/70kg) or a high (22 or 30mg/70kg) dose of psilocybin first. At a second administration session five weeks later, patients who had received the low dose first were given a high dose, whereas the high-dose first group were given a low dose of psilocybin. In the high-dose first group, psilocybin treatment resulted in significant reductions in measures of depression and anxiety at five weeks following the first session. Of the high-dose first group, 92% showed a clinically significant response (≥50% reduction in GRID-HAMD depression scores relative

to baseline) at this five-week timepoint, compared with 32% of the low-dose first group. These significant changes were sustained at the six-month follow-up in both groups, with 79% of the high-dose first group and 77% of the low-dose first group continuing to show clinical response. More than two thirds of patients described psilocybin therapy as among the top five most meaningful experiences of their lives, alongside the birth of a child or the death of a parent, six months after their psilocybin therapy session. No SAEs were attributed to psilocybin administration.

Statistically Significant Reductions in Depression and Anxiety (GRID-HAMD) Sustained Six Months Post Treatment

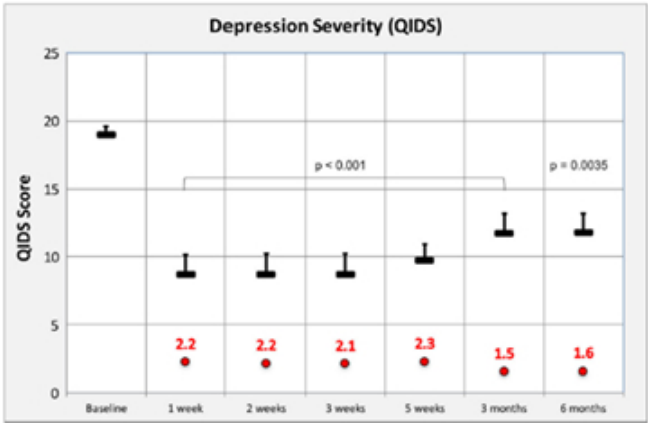


Graph displays changes in GRID-HAMD scores between baseline and six months following first treatment, in groups receiving psilocybin low dose first or psilocybin high dose first. These changes demonstrate the antidepressant effect of psilocybin in this population and supported greater efficacy for the high dose of psilocybin. *p<0.05 and +p<0.05, calculated using planned comparison t-tests. Asterisk indicates significant difference between the groups following session 1 (Post 1) and cross denotes significant difference between scores at Post 1 and Post 2 timepoints in the group that received the psilocybin low dose first. Data shown as mean ± SEM. Adapted from Griffiths *et al*, 2016.

Imperial College London, Carhart-Harris *et al*, 2016, 2018 - TRD

In this study, conducted in 2016, 20 TRD patients with moderate to severe depression were dosed with 10mg psilocybin and 25mg psilocybin in two separate administration sessions that occurred one week apart. All patients received the lower dose in the first session. Among the 19 patients who completed the entire follow-up period, a statistically significant reduction in depressive symptoms was observed for up to six months, compared with baseline. The maximum effect size (on the QIDS-SR-16) was observed at five weeks post-treatment, at which point nine patients met the criteria for response (≥50% reduction in BDI score compared with baseline). No patients had sought conventional antidepressant treatment within five weeks of receiving the high psilocybin dose. Only mild and transient adverse events were observed and no SAEs were attributed to psilocybin administration.

Significant Reduction in Depressive Symptoms Observed up to Six Months Post Treatment

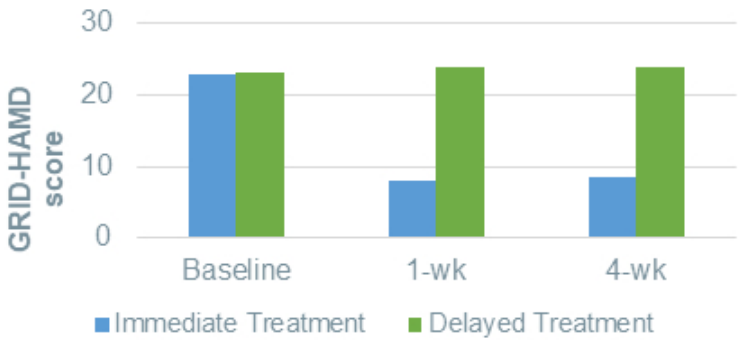


Graph shows changes in depression severity represented by QIDS score between baseline and six months after the second treatment. These changes demonstrated a significant reduction in depressive symptoms following psilocybin treatment in TRD. Effect size comparing pre- to post-treatment scores is represented by Cohen's *d* values in red. Adapted from Carhart-Harris et al 2018.

Johns Hopkins University, Griffiths et al, ongoing - MDD

Preliminary data from this study, on the first 21 patients, was reported as of December 2019. The study is intended to recruit a total of 24 MDD patients who will be randomized into two groups. One group is to receive treatment immediately following baseline measurements (“immediate treatment”), while a waitlist control group is to receive treatment eight weeks after baseline measurements (“delayed treatment”). Each patient will receive 20mg/70kg psilocybin in a first session and either 20 or 30mg/70kg psilocybin in a second administration session. A preliminary analysis of data from the first 21 patients revealed a significant difference between the two treatment groups in depressive symptoms measured using the GRID-HAMD at one and four weeks post-treatment (when the “delayed treatment” group were still awaiting their first administration session), caused by a decrease in scores of the “immediate treatment” group. In addition, at four weeks following treatment, 62% and 39% of participants in the “immediate treatment” group met the criteria for clinically significant response (>50% reduction in GRID-HAMD depression scores relative to baseline) and remission (GRID-HAMD scores <7), respectively.

Significant Reduction in Depressive Symptoms Observed up to Four Weeks Post Treatment in Immediate Treatment Group Compared with Delayed Treatment Group



Graph shows depression severity represented by GRID-HAMD score between baseline and at one and four weeks post-treatment. Effect size (Cohen's *d*): 1 week = 2.5, 4 weeks = 2.7. Graph created based on data from Griffiths et al 2019.

Our Investigational Psilocybin Therapy - COMP360

Clinical Summary

Our psilocybin therapy combines the pharmacological effects of psilocybin with psychological support from specially trained therapists who are present throughout the psilocybin administration session. We have developed a proprietary stabilized, high-purity polymorphic crystalline synthesized formulation of psilocybin, COMP360, and are investigating the effectiveness of this psilocybin therapy initially in TRD.

We are currently conducting a large-scale randomized controlled Phase IIb clinical trial of our psilocybin therapy in 216 patients suffering with TRD, in 20 sites in nine countries in North America and Europe. This dose-finding trial is investigating the safety and efficacy of COMP360 in TRD, and aims to determine the optimal dose of COMP360, with three doses (1mg, 10mg, 25mg) being explored.

In our Phase I clinical trial in 89 healthy participants, completed in 2019, we observed that COMP360 was generally well-tolerated, with no serious adverse events and no clinically-relevant negative short- or longer-term effects on cognition or emotional processing. According to analyses in this exploratory study, for the duration of the trial, there were no negative effects on cognition (measured up to four weeks from administration) based on a range of validated measures from the Cambridge Neuropsychological Test Automated Battery, or emotional processing (measured up to 12 weeks from administration), based on widely accepted clinical and academic tests.

Psilocybin Therapy Protocol

Our psilocybin therapy comprises administration of COMP360 with psychological support from specially trained therapists. Psychological support is designed to facilitate patient safety and optimal therapeutic outcomes.

Our psilocybin therapy takes place over a period of several weeks, and comprises:

- **Preparation:** The objectives of the preparation sessions are to establish a therapeutic alliance between the patient and therapist, and to demonstrate and practice the skills of self-directed inquiry and experiential processing, which we believe are critical for embracing the psychedelic experience in the psilocybin administration session. We have created an online preparation platform for patients where they can remind themselves what to expect from the experience and how to prepare for it.
- **Psilocybin administration session:** A psilocybin administration session lasts approximately six to eight hours and a therapist and assisting therapist are present throughout the session. The therapist's goal during the session is to establish psychological safety, minimizing anxiety and encouraging openness to all emerging experiences. The session takes place in a room designed to be ambient, comfortable and calming. Patients wear eyeshades to help them focus internally, lie on a bed, and listen to a carefully curated music playlist through a high-quality sound system and earphones. After the acute effects of psilocybin subside, patients are evaluated for safety and discharged.
- **Post-administration integration:** The objectives of integration sessions are to help patients process the range of emotional and physical experiences facilitated by the psilocybin session and to generate insights that can lead to cognitive and behavioral changes. We believe psilocybin therapy can give patients a sense of agency, whereby they feel separate from their symptoms and empowered to make changes in their lives.

We require our therapists to have specific professional and educational backgrounds. All therapists must be registered mental health professionals, such as mental health nurse practitioners, clinical psychologists, and psychiatrists with experience in counselling or psychotherapy. We have established a therapist training program designed by experts from the fields of psychology, psychiatry and psychedelic

therapy research, and to date have trained more than 65 therapists and assisting therapists to work at the sites conducting our Phase IIb clinical trial.

Our method of psychological support is based on our current understanding of psilocybin's potential to generate new insights and perspectives leading to reduced rigidity in thinking. This modification of thought patterns can be uncomfortable or anxiety-provoking. Therapists refrain from intervening with the patient's experience, unless required for safety reasons. Such an approach differs from some forms of psychotherapy which can be more directive and interventional.

Preclinical and Clinical Experience

Preclinical Studies

We previously conducted a series of *in vitro* and *in vivo* toxicology studies, including tests for studies evaluating genotoxicity and cardiotoxicity. The results of these studies allowed us to begin our Phase IIb clinical trial in TRD. We are currently undertaking an additional series of safety pharmacology and toxicity studies, to be completed prior to commencement of our anticipated Phase III program.

Phase I: Healthy Volunteers Trial

In 2019, we completed a Phase I clinical trial of COMP360 administered along with psychological support in healthy participants. The trial recruited 89 healthy participants, of which 41 were females and 48 were males, with an average age of 36 years. This double-blind, placebo-controlled trial was the largest randomized controlled trial of psilocybin to date, and the first to simultaneously administer psilocybin, with 1:1 support from therapists in a clinical research setting. The trial was conducted at the Institute of Psychiatry, Psychology and Neuroscience, King's College London.

Trial Design

Prior to administration, participants took part in a two-hour preparatory group session. Participants were randomized to three arms: placebo, 10mg or 25mg doses of COMP360 in a 1:1:1 ratio. COMP360 was administered orally and 1:1 psychological support was given to up to six participants simultaneously at the facility. Participants were followed up for 12 weeks following drug administration and completed safety assessments, using a range of validated measures of cognitive function and emotional processing.

Key Enrollment Criteria

Participants were males or females aged between 18 to 65 years of age. Participants with a current diagnosis or past history of schizophrenia, psychosis, bipolar disorder, delusional disorder, paranoid personality disorder, schizoaffective disorder, borderline personality disorder, major depressive disorder, panic disorder, generalized anxiety disorder, obsessive-compulsive disorder, eating disorder, or body dysmorphic disorder, were excluded. Patients with first-degree relatives with the aforementioned conditions, or a past history thereof, were also excluded. Additionally, participants were not deemed eligible if they met criteria for current, or history of, substance abuse or dependency, had taken psychiatric medications within one year of enrollment or had prior exposure to psilocybin within one year of signing the informed consent.

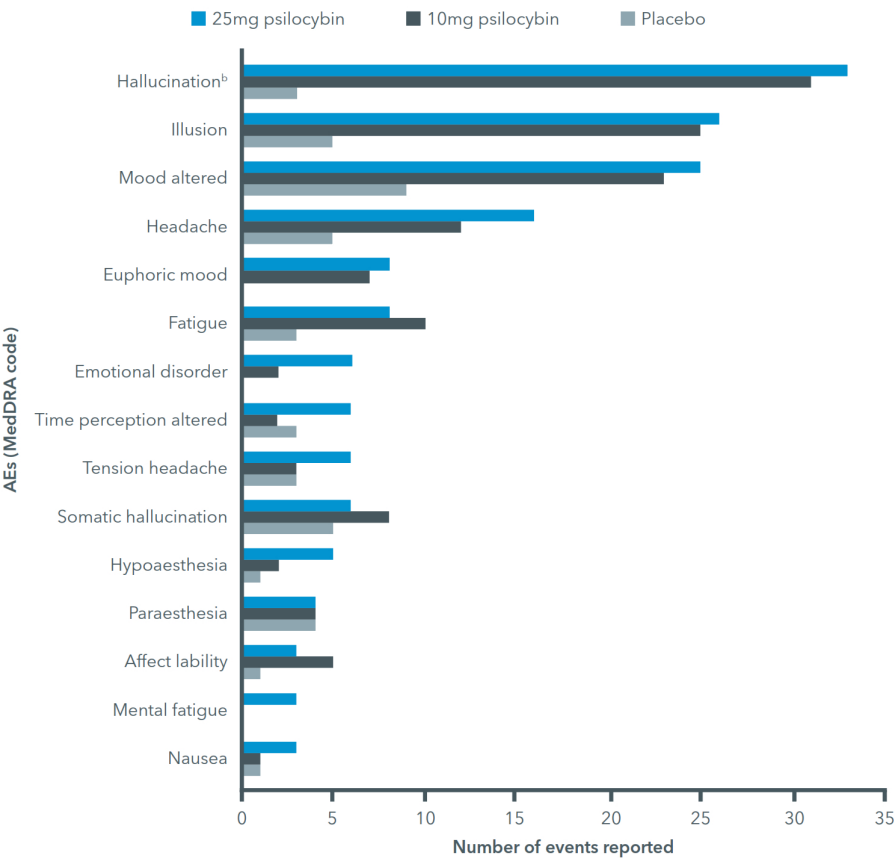
Clinical Findings

There were no SAEs reported, and no adverse events, or AEs, led to withdrawal. A total of 511 AEs were reported throughout the 12-week duration of the trial. The tables below summarize the most frequently reported AEs, including AE profile by treatment group, as well as ranking the most frequently reported AEs based on the 25mg psilocybin arm, by group:

	Placebo (n=29)	10mg COMP360 (n=30)	25mg COMP360 (n=30)
Total number of treatment-emergent AEs reported	91	203	217
Total number of treatment-emergent AEs reported deemed to be related or possibly related to study treatment	77	188	208

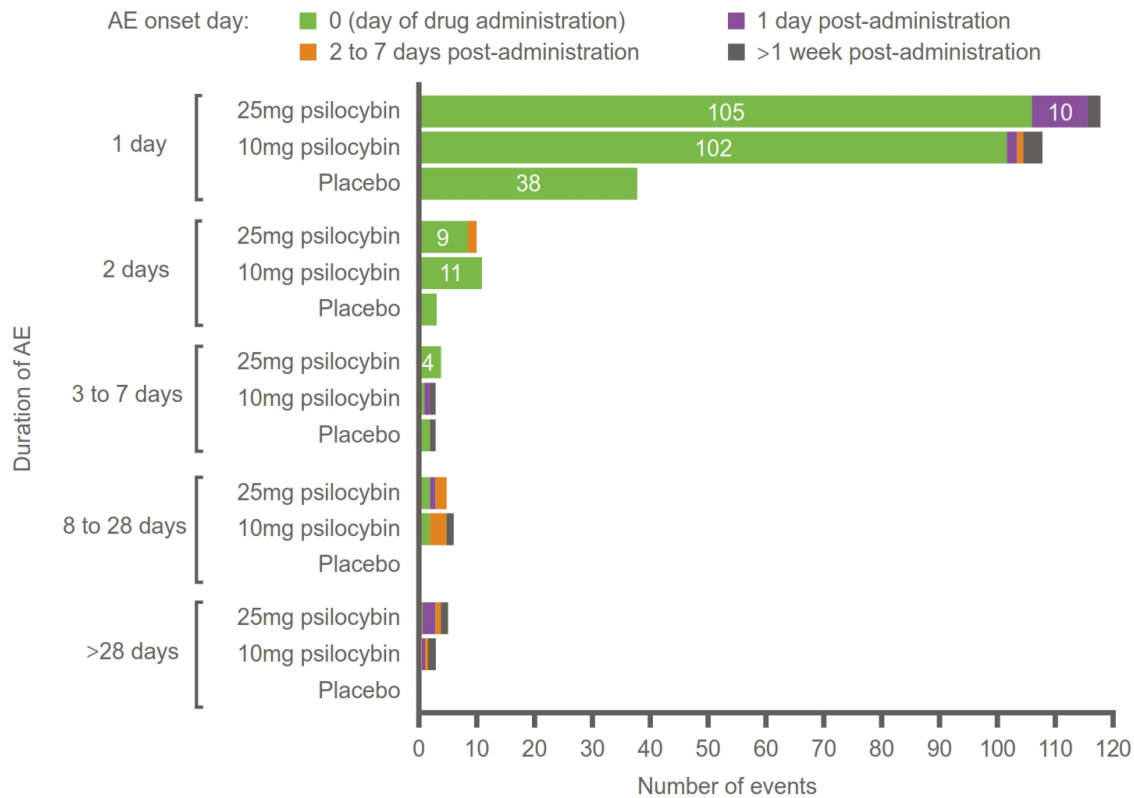
Number of treatment-emergent adverse events (AEs) reported by treatment group in our health volunteers trial.

Most Frequently Reported AEs (MedDRA Code)^a in our Phase I healthy volunteers trial



^a Ranked by incidence in the 25mg psilocybin group
^b Includes auditory, gustatory, olfactory, tactile, and visual hallucinations
AE, adverse event; MedDRA, Medical Dictionary for Regulatory Activities

COMP360 induced expected psychedelic experiences that generally resolved on the day of administration. In previous third-party studies, these have been found to correlate with therapeutic effect. Of all AEs, 68% reported as starting and resolving on the day of administration. The median duration of AEs in all treatment arms across the 12-week trial was one day.



Above Figure: Most frequent AEs: onset and duration by treatment arm in our healthy volunteers trial.

There were 57 AEs reported of “mood altered,” of which only two related to negative alterations in mood. One of these was in the placebo arm (“negative mood,” which started and resolved on Day 0) and one in the 10 mg psilocybin arm (“feeling moody or sensitive,” which started on Day 2 and resolved eight days later).

	25mg COMP360 (n=30)	10mg COMP360 (n=30)	Placebo (n=29)
Any “mood altered” AE	15 (50.0)	13 (43.3)	6 (20.7)
Introspection	7 (23.3)	5 (16.7)	1 (3.4)
Reflections	3 (10.0)	2 (6.7)	2 (6.9)
Increased empathy	2 (6.7)	3 (10.0)	0
Sense of oneness	1 (3.3)	4 (13.3)	0
Introspection/reflection	1 (3.3)	1 (3.3)	1 (3.4)
Laughter	1 (3.3)	1 (3.3)	0
New perspective	1 (3.3)	1 (3.3)	0
Awareness of importance of considering others	1 (3.3)	0	0
Clarity of thought	1 (3.3)	0	0
Contemplative state	1 (3.3)	0	1 (3.4)
Increased compassion	1 (3.3)	0	0
Increased creativity	1 (3.3)	0	0
Increased sense of connectedness	1 (3.3)	0	0
More socially upbeat	1 (3.3)	0	0
Reflections and new perspectives	1 (3.3)	0	0
Sense of oneness and connectedness	1 (3.3)	0	0
Being less judgmental	0	1 (3.3)	0
Feeling more moody/sensitive	0	1 (3.3)	0
Feeling rested	0	1 (3.3)	0
Increased wit	0	1 (3.3)	0
Reflections and new perspectives on relationships and society	0	1 (3.3)	0
Sense of oneness	0	1 (3.3)	0
Calm	0	0	1 (3.4)
Feeling of adrenaline release	0	0	1 (3.4)
Negative mood	0	0	1 (3.4)
Unusual appreciation of music	0	0	1 (3.4)

Above Table: Reported “mood altered” AEs ranked by incidence in the 25mg psilocybin group in our healthy volunteers trial.

“Mood altered” AEs were grouped into this MedDRA preferred term post hoc, while retaining the non-MedDRA AE description originally reported by the participant/investigator.

Participants completed a range of assessments of cognitive function and emotional processing. These included a range of validated measures of cognition from the Cambridge Neuropsychological Test Automated Battery, or CANTAB, including, amongst others, tasks of spatial working memory, rapid visual information processing and paired associates learning. Small differences in cognitive outcomes were seen between the groups, but no negative trends were identified.

Assessments of emotional processing included, amongst others, tasks of social cognition such as the Pictorial Empathy Test, the Reading the Mind in the Eyes Test, the Scale of Social Responsibility, the Social Value Orientation, and the Toronto Empathy Questionnaire. There were no consistent negative trends in emotional processing outcomes to suggest that either psilocybin dose had short- or longer-term effects on these indicators.

According to analyses, we found no negative trends on cognition or emotional processing.

Conclusions

This trial suggests that COMP360 was generally well-tolerated in healthy volunteers. There were no SAEs and analyses assessing cognitive and emotional functions showed no clinically-relevant negative short- or longer term effects on cognition or emotional processing of COMP360. The trial also showed the feasibility of simultaneous administration of COMP360 to up to six people in the same facility, with 1:1 therapist support, which we believe will accelerate future clinical trials and commercial scale-up.

Phase IIb Ongoing Trial of Our Psilocybin Therapy in TRD

We have an ongoing Phase IIb international multisite, randomized, double-blind, dose-ranging clinical trial to assess the safety and efficacy of active doses of COMP360 (10mg or 25mg) compared with 1mg COMP360, administered with psychological support, in patients suffering with TRD. We currently have 20 trial sites in nine countries in North America and Europe.

Trial Design

Patients who are on serotonergic medications are expected to taper off their medicine at least two weeks prior to the baseline (Day -1) visit. Prior to administration, patients receive at least one, and up to three, preparatory sessions with an assigned therapist, in order to be informed and prepared for the psilocybin session. During the psilocybin session, a single dose of COMP360 is administered to patients. The objective is to provide a safe and supportive environment during the session. Patients receive post-administration integration sessions with their therapists in which the psychedelic experience is discussed. Patients are followed up for 12 weeks, with a visit the day after administration followed by an additional six visits, weekly for the first three weeks, and every three weeks for the remaining nine weeks.

Primary, Secondary and Exploratory Endpoints

The primary endpoint of this trial is the change in the MADRS total score from baseline to Week 3. MADRS is assessed by independent raters in native language and is a widely accepted assessment of mood disorders. This variable will also be analyzed for change from baseline to Weeks 1, 6 and 12. This Phase IIb clinical trial has been powered to capture a statistically significant reduction in MADRS.

Secondary endpoints of the trial include:

- The proportion of participants with a response (defined as a $\geq 50\%$ decrease in MADRS total score from baseline) at Week 3;
- The proportion of participants with remission (defined as a MADRS total score ≤ 10) at Week 3;
- The proportion of participants who have a sustained response at Week 12. Sustained response is defined as the proportion of patients fulfilling response criteria at any visit up to and including Week 3, that also fulfills response criteria at all subsequent visits up to and including Week 12; and
- Time to event measures: restarting of antidepressant medication for any reason, restarting medication for continuing depressive symptoms and relapse from a previously recovered state (clinical judgement, supported by QIDS-SR-16).

Safety and tolerability of COMP360 in patients suffering with TRD will be assessed based on AEs, vital signs, clinical laboratory assessments, ECG findings and suicidal ideation/behavior (measured using the Columbia-Suicide Severity Rating Scale, or C-SSRS score, at all visits).

The trial will assess exploratory endpoints including, but not limited to, quality of life (assessed using the Euro Quality of Life five dimension three level scale, EQ-5D-3L), functional impairment (Sheehan Disability Scale, SDS), psychosocial functioning (Work and Social Adjustment scale, WSAS), cognition (Digit Symbol Substitution Test, DSST), anxiety (Generalized anxiety disorder, GAD-7), and self-reported depression severity (QIDS-SR-16).

Enrollment Criteria

We are planning to recruit up to 216 adult patients with TRD into the trial. We define TRD patients as those who meet Diagnostic and Statistical Manual of Mental Disorders, 5th Edition, or DSM-5, diagnostic criteria for a single or recurrent episode of MDD without psychotic features, who have not responded to an adequate dose and duration of two, three, or four pharmacological treatments for the current episode of depression.

Current Status

Our Phase IIb trial was initiated in 2019 and patients were randomized and administered COMP360 from March 2019. In choosing our trial sites we consider the incidence of TRD in the country, and each site's experience and interest in psychedelic therapy. Recruitment to the trial has been impacted by COVID-19. In March 2020, we paused the inclusion of new patients into our trial. Our trial site teams have continued to identify eligible patients in order to generate a large cohort of pre-screened patients. In May 2020, we began resuming treatment-related activities at a number of our sites, as local conditions have allowed, and we expect to continue progressively resuming treatment at our remaining sites during the second half of 2020. Our goal is to announce results for the trial by late 2021, although this objective will remain subject to the ongoing impact of COVID-19. To date, two patients have experienced suspected, unexpected serious adverse reactions, or SUSARs, which may possibly be drug-related. Both patients and study teams remain blinded to the dose received. One patient experienced a SUSAR of adjustment disorder more than a month after administration, which led to hospitalization. The event was adjudicated by the investigator to be moderate in severity and possibly related to study medication. Another patient experienced a SUSAR of suicidal ideation several weeks after administration which required hospitalization and was adjudicated by the investigator to be severe and possibly related to study medication. Both cases have been reviewed by the trial's Data Safety Monitoring Board in line with their charter, who have advised that the study should continue and that no amendments to the trial protocol are required. Since the purpose of our Phase IIb study is to establish the optimal dose of COMP360, during the final analysis of the unblinded data, we will be able to make a more detailed assessment of the safety and efficacy of COMP360 (including any dose-relationship of SUSARs to study drug) and whether there are any potential implications for the design of future clinical trials using COMP360.

Additional Clinical Trials

In addition to our ongoing Phase IIb trial, we are planning to conduct the following trials:

- A Phase II trial of the safety and efficacy of COMP360 in TRD patients when administered as an adjunct to SSRIs. Based on anecdotal and case report evidence, and our current understanding of the psilocybin mechanism of action, the subjective and antidepressant effects of psilocybin in patients who have taken serotonergic antidepressants up to two weeks prior to a therapy session may be either attenuated or absent. We are conducting this study to confirm that COMP360 is best administered as a monotherapy and we intend to complete prior to initiating Phase III development; and
- A long-term follow-up study of participants taking part in the Phase II trials.

We believe the outcomes of these trials will help inform our future clinical development plans. Based on our discussions with regulators to date, we plan to conduct a Phase III registrational program, where our investigational COMP360 psilocybin therapy will likely be compared with placebo and/or an active reference arm.

Expansion Opportunities

The active metabolite of psilocybin, psilocin, is a partial agonist at several 5-HT receptors, including the 5-HT_{2A} receptor. The 5-HT_{2A} receptors are abundantly expressed in multiple areas of the brain that have important roles in cognitive and emotional processing and could impact a range of cognitive and mental health conditions. We therefore believe psilocybin could have transdiagnostic utility and intend to explore various expansion opportunities beyond our core program of developing our psilocybin therapy for TRD. We are also investigating the potential benefits of compounds other than psilocybin through our Drug Discovery Center, a research collaboration with the University of the Sciences in Philadelphia, Pennsylvania, U.S. See “—Drug Discovery Center”.

Mechanistic Studies

We are working with academic researchers and CROs to investigate the mechanistic characteristics of psilocybin therapy. This mechanistic research includes the following:

- A study of the sustained effects of our high-purity polymorphic crystalline formulation psilocybin through the investigation of short- and long-term changes in gene expression (mRNA) and epigenetic regulation (miRNA and DNA methylation) as part of an academic collaboration with the University of Bordeaux, France;
- A preclinical academic collaboration with the University of Bristol, UK, to study the effects of our high-purity polymorphic crystalline formulation of psilocybin on affective biases, which are relevant to information processing alterations frequently observed in mood and anxiety conditions; and
- A healthy volunteers study with Imperial College London, investigating the acute and long-term psychological and brain effects of psilocybin therapy, using COMP360.

In addition, we plan to research areas such as cognition, motivation, and neuroplasticity through *in vitro* and *in vivo* models with academic researchers and CROs. These studies will further our understanding of the mechanism of action and inform our decisions over which other indications to explore, outside TRD.

Other Indications: Preclinical Studies

Through collaborations with academic institutions, we are generating preclinical and clinical data to explore the benefits of our psilocybin therapy in indications outside TRD.

We work with CROs and academic institutions, including Imperial College London, the University of Bristol, and University Medical Center Utrecht, in conducting preclinical studies. Based on data generated from studies undertaken over the past year in preclinical disease models, we filed three Patent Cooperation Treaty, or PCT, applications in April 2020 for methods for treating certain disorders of the central nervous system and other inflammatory conditions with psilocybin. These indications included: anxiety, eating disorders, neurocognitive disorders, autism, epilepsy, pain and sleep-wake disorders. Based on scientific and clinical relevance, and market potential, we are exploring the development of a subset of these additional potential indications towards proof-of-concept studies in humans through clinical trials.

Other Indications: Investigator-Initiated Studies, or IISs

With respect to clinical studies, we work with leading academic institutions and researchers under IIS clinical trial agreements. These institutions include: Imperial College London, Kings College London, Maryland Oncology Hematology, New York State Psychiatric Institute at Columbia University Medical Center, Sheppard Pratt, University of California Los Angeles, University of Copenhagen, and University of Zurich. The indications being explored in IIS studies include: bipolar type II disorder, body dysmorphic disorder, chronic cluster headache, depression in cancer, MDD, and severe TRD.

We supply our IIS researchers with COMP360 and encourage the open publication of all study findings. If an IIS using COMP360 produces results with the potential to improve mental health care, we may seek to advance this research through a clinical development program, with the goal of making it available for patients, although we have no pre-existing contractual right to do so. In addition to providing our IIS researchers with COMP360, we have in the past and may continue to offer support with regulatory submissions. Through our IIS collaborations, we ultimately hope to bring more innovation to patients, as quickly and safely as possible.

To date, one patient involved in an IIS has experienced a SUSAR. In September 2020, we were notified of a patient death that occurred in August 2020, more than two months after the patient was administered COMP360 supplied by us to an IIS involving MDD patients at the University of Zurich. The patient had shown improvement in symptoms, without side effects, following administration. Based on this and other available information, including the 72 days that elapsed between administration of COMP360 (which has a half-life of approximately three hours) and the reported death, a report by the investigator that the death is unlikely to be related to COMP360 and opinion by the patient's psychiatrist that the death is unrelated to COMP360, we consider the death unlikely to be related to COMP360.

Drug Discovery Center

On August 5, 2020, we established a Drug Discovery Center under a sponsored research agreement with the University of the Sciences in Philadelphia, Pennsylvania, or USciences, to focus on developing optimized psychedelic and related compounds targeting the 5-HT_{2A} receptor, which is believed to mediate the potential therapeutic effects of psychedelics. Pursuant to the agreement, USciences will perform research services on our behalf, and has granted us an exclusive, royalty bearing, worldwide license, including rights to sublicense, all jointly held intellectual property for any and all purposes, and a non-exclusive, fully paid-up, worldwide license to any pre-existing intellectual property utilized over the course of performing the services. Under the agreement, we will pay a research service fee of an estimated \$0.5 million and tiered payments upon completion of certain milestones by USciences up to an aggregate of \$0.9 million per licensed product covered by a valid claim of a patent included in the intellectual property rights licensed to us under the agreement, as well as a low single-digit royalty percentage on annual net sales of licensed products covered by a valid claim of a patent included in the intellectual property rights licensed to use under the agreement, subject to certain reductions. In addition, USciences is entitled to a low double-digit percentage of sublicense revenue for agreements entered into prior to a Phase II trial, and a mid-single-digit percentage of sublicense revenue for agreements entered into after the start of a Phase II trial. Unless earlier terminated, the agreement terminates upon the expiration or revocation of the last valid claim of any patent included in the joint intellectual property. We and USciences can terminate the agreement in the event of a material breach by the other party and failure to cure such breach within a certain period of time. Additionally, we and USciences can terminate the research service in the event of a material safety or regulatory issue with respect to the research service. We may also terminate the research service at will upon sixty (60) days prior written notice to USciences. USciences can terminate the research service if such services would materially and negatively interfere with its operations or upon the continuation of a force majeure event. There are no current licensed patents or patent applications under the sponsored research agreement.

Investments

Delix Therapeutics

On March 6, 2020 we made a strategic investment to acquire an 8% (on a fully diluted basis) shareholding in Delix Therapeutics, Inc., a drug discovery and development company researching novel small molecules for use in CNS indications. Delix Therapeutics develops non-hallucinogenic psychoplastogens, which are molecules capable of promoting neural plasticity without hallucinogenic effects, by modifying existing psychedelics. These compounds may have potential for a range of neuropsychiatric conditions.

Therapist Training

Our therapist training program has been designed by experts from the fields of psychology, psychiatry and psychedelic therapy research. We require our therapists to have specific professional and educational backgrounds. Therapists must be registered mental health professionals, such as mental health nurse practitioners, clinical psychologists, and psychiatrists with experience in counselling or psychotherapy. To date, we have trained more than 65 therapists and assisting therapists to work in our Phase IIb clinical trial. Currently, therapists are often referred to us by clinical trial sites and are employed by the sites.

Our core training curriculum consists of:

- More than 10 hours of self-paced online learning through our interactive therapist training platform, including video re-enactments of preparation, psilocybin administration, and integration sessions, a psilocybin therapy manual, and an online therapist forum;
- At least five days of in-person interactive learning, led by experienced therapists;
- Clinical experience of supporting participants in at least four psilocybin experiences under the guidance of experienced therapists. Trainee therapists gain clinical experience as an assisting therapist at their site, and/or have the opportunity to sit in other psilocybin therapy studies run by our academic collaborators, including the Institute of Psychiatry, Psychology and Neuroscience, or IoPPN, at King's College London, and Sheppard Pratt Health System (Baltimore, Maryland, U.S.); and
- Ongoing professional development through 1:1 mentoring and clinical supervision by mentors. This includes feedback from mentors about therapists' fidelity to the therapeutic model from recorded video/audio footage of sessions (with participant consent).

Future Model

Our therapist training program is currently available to professionals involved in our ongoing studies. However, as we scale, we may expand our training to a larger pool of qualified mental healthcare professionals. We are in discussion with academic centers in the U.S. and Europe to establish an accredited training program for psilocybin therapists. Accrediting the training program would help enable us to meet the needs of any Phase III trials and post-approval rollout. In addition, in August 2020, the FDA approved our request for virtual face-to-face training of therapists, with immediate effect. Conducting a larger part of the therapist training virtually will facilitate the training of therapists during the COVID pandemic and training at scale in general.

Using Digital Technology

We believe digital technology will change the way in which patients access psychotherapy services and manage their mental health conditions. We anticipate mobile technology applications will enhance activities traditionally done with an in-person therapist. We also believe remote consultations will help to remove barriers to accessing treatment such as stigma or lack of transportation. Furthermore, digital tools

will enable greater self-care, as they support patients managing depressive episodes on their own, and will be used to complement and augment psychotherapy and pharmacological treatments.

Working with third parties, we currently use digital technology in a number of ways:

- An online preparation platform for participants in our TRD trial to educate them and help prepare them for their psilocybin experience;
- A web-based “shared knowledge” interactive therapist training platform, complementing our comprehensive face-to-face training program;
- Collection of measurements, endpoints and outcomes in our Phase IIb clinical trial, including remote data collection using mobile devices so patients do not need to travel into study sites for all in-clinic visits;
- Collection of digital phenotyping information through the measurement of human-smartphone interactions. After our Phase IIb trial, these data will be compared with information collected from validated psychiatric scales, such as MADRS, to develop potential digital applications to help anticipate relapse of depression; and
- Harnessing artificial intelligence and natural language processing (speech recognition) capabilities to characterize the mechanism of change and assess therapist fidelity to our treatment protocol for psychological support.

In the future, we plan to expand our research into additional digital technologies by working with technology companies to research and build solutions that will complement and augment our therapies.

Manufacturing and Supply

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We rely on contract drug manufacturing organizations, or CDMOs, to synthesize the active pharmaceutical ingredient, or API, that comprises COMP360, and to blend the API excipients and encapsulate. All manufacturing processes are contracted to be compliant with GMP. We expect to continue to rely on third parties for the production of all clinical supply drug substance and drug product that we may use. We use additional contract manufacturers to fill, label, package, store and distribute our drug product. We currently rely on a single supplier for our API but have identified additional manufacturers who have the appropriate experience and expertise to act as back-up suppliers of API and fill-and-finish services. We believe we maintain sufficient supply of API to avoid any material disruptions in the event of any need to replace one or more of our suppliers.

Commercialization

If COMP360 is approved, we plan to use our own sales and marketing capabilities, targeting public and private healthcare providers and clinic networks in the U.S. and major European markets. In select geographies, including Asia and South America, we may enter into commercialization collaborations with third parties who have complementary commercial capabilities.

Upon any approval, we intend to offer a range of services to enable the safe and effective use of COMP360 with psychological support in clinical practice. These services are expected to include therapist training, information and education for patients and healthcare providers, and implementation support for treatment centers, such as guidance on procurement and installation of equipment, certification, and quality assurance.

Centers of Excellence

In line with our ambition to create a new mental health care model, we intend to establish Centers of Excellence to serve as research facilities and innovation labs.

These centers will be designed to model the “clinics of the future,” and through them we intend to gather evidence to shape our therapy model and prototype digital technology solutions to improve patient experience and support therapists. Methodologies developed in the Centers of Excellence will be shared with our partner clinics.

Centers of Excellence will allow us to test and establish a new blueprint for innovative care models that can be licensed or franchised to existing behavioral health providers, community mental health teams, private clinic networks, partial hospitalization programs, and intensive outpatient programs.

We intend to establish Centers of Excellence for several purposes, including:

- Conducting clinical trials, including proof of concept studies, to refine our therapeutic model;
- Participating in late-stage trials as a clinical trial site;
- Training and certifying therapists who are supporting or will support our clinical trials;
- Generating and collecting safety and other data, as well as (licensable) intellectual property;
- Developing and testing digital technology solutions to improve patient experience;
- Strengthening our regional presence as a scientific and clinical resource by showcasing what we believe to be the future of mental health care, fostering relationships with stakeholders including patients, providers, payors and public policymakers; and
- Refining our approach to delivering our investigational COMP360 psilocybin therapy safely and cost-effectively.

We expect to launch our first Center of Excellence in the area of Washington, D.C. in 2020.

Competition

Our industry is characterized by many newly emerging and innovative technologies, intense competition and a strong emphasis on proprietary product rights. While we believe that our investigational COMP360 psilocybin therapy represents a fundamental shift in the treatment paradigm relative to other TRD treatments, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, governmental agencies and medical research organizations. Any product candidates that we successfully develop and commercialize, including our investigational COMP360 psilocybin therapy, will compete with the standard of care and new therapies, both pharmacological and somatic, that may become available in the future.

Currently, only two pharmacotherapies are approved for TRD in the U.S.: Spravato (esketamine), marketed by Janssen, which is an NMDA receptor antagonist; and olanzapine and fluoxetine hydrochloride capsules, which are available generically. Because TRD, by definition, encompasses patients who have not been helped after two or more MDD therapies, antidepressants indicated for use in MDD are frequently prescribed, combined or augmented with a second agent to treat TRD patients. Several biopharmaceutical companies have therapies in clinical development. We are aware that Sage Therapeutics and Axsome Therapeutics, among others, are developing treatments for TRD.

Multiple somatic therapies are also used in TRD, such as ECT and rTMS. Psychotherapeutic approaches, like CBT, are used for MDD and TRD patients.

We also face competition from 501(c)(3) non-profit medical research organizations, including the Usona Institute. Such non-profits may be willing to provide psilocybin-based products at cost or for free, undermining our potential market for COMP360. In addition, a number of for-profit biotechnology companies or institutions are specifically pursuing the development of psilocybin to treat mental health illnesses, including TRD.

We are aware of other organizations or institutions evaluating the use of psilocybin in mental health and neurocognitive conditions. In addition, there are various companies exploring other psychedelic compounds for the treatment of mental health and neurocognitive conditions.

Many of the pharmaceutical, biopharmaceutical and biotechnology companies with whom we may compete have established markets for their therapies and have substantially greater financial, technical, human and other resources than we do and may be better equipped to develop, manufacture and market superior products or therapies. In addition, many of these potential competitors have significantly greater experience than we have in undertaking non-clinical studies and human clinical trials of new therapeutic substances and in obtaining regulatory approvals of human therapeutic products. Accordingly, our competitors may succeed in obtaining FDA, EMA or MHRA approval for alternative or superior products. In addition, many competitors have greater name recognition and more extensive collaborative relationships. Smaller and earlier-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. An increasing number of companies are increasing their efforts in discovery of new psychedelic compounds.

Intellectual Property

Our commercial success is closely tied to obtaining and maintaining intellectual property, or IP, rights protection in patents, trademarks and trade secrets in the EU, U.S., UK, and other jurisdictions. We continue to strategically protect our innovations with a harmonized IP strategy, combining patent protection with regulatory and market exclusivity.

Patent Strategy

Our patent strategy includes pursuing protection for our novel high-purity polymorphic crystalline psilocybin, large-scale psilocybin manufacturing processes, psilocybin formulations and compositions, and methods of treatment using psilocybin. Our patent portfolio includes four granted patents: one in the U.S., one in Germany, and two in the UK. Our portfolio also includes three pending UK patent applications, two pending U.S. continuation applications, and pending applications in Australia, Brazil, Canada, China, Colombia, Eurasian Patent Organization, European Patent Office, Hong Kong, Indonesia, Israel, India, Japan, Republic of Korea, Mexico, Malaysia, New Zealand, Philippines, Saudi Arabia, Singapore, Taiwan, Thailand, and South Africa, as well as three pending Patent Cooperation Treaty, or PCT, applications. Our portfolio of patents and patent applications cover our novel crystalline polymorphic psilocybin, psilocybin formulations, methods of manufacturing psilocybin, and use of psilocybin for the treatment of psychiatric and neurological indications, including TRD and MDD, as well as a range of other indications.

We expect to receive EU market protection via a New Active Substance application to the EMA using a Centralized Procedure which provides market access across EU-28 countries in addition to Iceland, Norway and Liechtenstein. The EMA provides for eight years of data exclusivity (i.e., no generic application), an additional two years of market exclusivity (i.e., no generic marketing), as well as an additional one-year extension if one or more additional indications are identified and filed on in the eight-year window. The U.S. FDA provides for data exclusivity of four years and an additional year of market exclusivity for New Chemical Entities. In addition, if an Orange Book-listed patent is challenged, the Company would be eligible for a 30-month stay of litigation.

Patents and Patent Applications

Our first patent, U.S. Patent No 10,519,175, was granted on December 31, 2019, with claims directed to methods of treating treatment-resistant depression with oral dosage formulations of COMPASS's high-purity crystalline psilocybin (including COMP360). Three Third Party Observations were previously filed during the pendency of the application, each considered by the Examiner and found to not be a barrier to patentability. This patent expires October 9, 2038. A Petition for Post Grant Review of the patent was filed on February 21, 2020 and was dismissed on the merits on August 20, 2020.

Our first German utility model, DE202018006384, was registered in March 2020, with claims covering forms of crystalline psilocybin, its use in medicine, and methods of synthesis. This patent has an expiry date of October 9, 2028.

Our first UK patent, No GB2571696, was granted in May 2020. This patent includes two independent method of manufacture claims that are not limited to a particular polymorph, as well as a product-by-process claim and a formulation claim. The Intention to Grant was sent in December 2019, and Third-Party Observations were filed in late January 2020, shortly before grant was originally scheduled. Grant of the patent was announced in the Patents Journal on May 27, 2020. This patent has an expiry date of October 8, 2037.

Our second UK patent, No GB2572023, was granted in June of 2020. This patent includes claims covering our crystalline psilocybin (including the form used in COMP360), pharmaceutical formulations of crystalline psilocybin, medical uses of crystalline psilocybin (including for treatment-resistant depression), and a method of manufacturing crystalline psilocybin. The Intention to Grant was sent in December 2019, and Third-Party Observations were filed in late January 2020. A notification of grant was mailed June 23, 2020, and grant was announced in the Patents Journal on July 22, 2020. This patent has an expiry date of June 27, 2038.

Our third UK patent application, No GB2576059, and two divisional applications, are pending, with claims directed to additional manufacturing methods and formulations of crystalline psilocybin. If granted, patents based on these applications have a projected expiry date of October 8, 2038.

Corresponding patent applications are pending in Australia, Brazil, Canada, China, Colombia, Eurasian Patent Organization, European Patent Office, Indonesia, Israel, India, Japan, Republic of Korea, Mexico, Malaysia, New Zealand, Philippines, Saudi Arabia, Singapore, Thailand, and South Africa. Any patents that may grant from these pending applications have a projected expiry date of October 9, 2038.

Three PCT applications and one Taiwanese application were filed on April 17, 2020. These applications cover additional formulations, administration, therapeutic supports, digital supports, combination treatments, and methods of using a therapeutically effective amount of psilocybin or active metabolite thereof to treat a variety of additional indications, including: various anxiety disorders, headache disorders, eating disorders, major and mild neurocognitive disorders, autism, epilepsy, inflammation, ADHD, substance use disorders, inflammatory bowel disease, stroke, ALS, multiple sclerosis, anti-social personality disorder, pain, sleep-wake disorders, and bipolar type II depression. Any patents that may grant from these pending applications have a projected expiry date of April 17, 2040.

We are committed to exploring additional opportunities with psilocybin through the continuous development of novel formulations, processes, and methods for the treatment of other mental health indications. We continue to innovate and strategically protect our innovations in the following four main areas:

1. novel high-purity crystalline psilocybin polymorphs;
2. manufacturing processes for large-scale manufacture of high-purity crystalline psilocybin;

3. novel formulations and unique pharmaceutical compositions; and
4. methods of treatment using high-purity crystalline psilocybin.

Psilocybin may be efficacious for other conditions of the CNS and related therapeutic areas. We have shortlisted opportunities in a number of other indications based on unmet medical need and commercial attractiveness. Some of the work completed by independent researchers with our COMP360 might generate additional IP, and we will have to agree to the basis on which we share the development cost and potential revenue this might bring as we move studies with a promise of helping patients from the lab into clinical development. Prioritized opportunities inform animal model studies and mechanism of action studies, as well as continuing to inform and guide IP filings.

Beyond psilocybin, we will grow by focusing efforts and investment on developing IP for new indications and substances with optimal therapeutic benefit and/or minimal psychoactive effect.

Trademarks

Our trademark portfolio includes two registered UK trademarks, for COMPASS and COMPASS PATHWAYS, in Classes 05, 09, 10, 35, 41, and 44.

Government Regulation

The FDA and other regulatory authorities at federal, state and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, recordkeeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs. We, along with our vendors, contract research organizations and contract manufacturers, will be required to navigate the various preclinical, clinical, manufacturing and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval of our product candidates. The process of obtaining regulatory approvals of drugs and ensuring subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources.

In the United States, the FDA regulates drug products under the Federal Food, Drug, and Cosmetic Act, or FDCA, as amended, its implementing regulations and other laws. If we fail to comply with applicable FDA or other requirements at any time with respect to product development, clinical testing, approval or any other legal requirements relating to product manufacture, processing, handling, storage, quality control, safety, marketing, advertising, promotion, packaging, labeling, export, import, distribution, or sale, we may become subject to administrative or judicial sanctions or other legal consequences. These sanctions or consequences could include, among other things, the FDA's refusal to approve pending applications, issuance of clinical holds for ongoing studies, suspension or revocation of approved applications, warning or untitled letters, product withdrawals or recalls, product seizures, relabeling or repackaging, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution.

The process required by the FDA before our product candidates are approved as drugs for therapeutic indications and may be marketed in the United States generally involves the following:

- Completion of extensive preclinical studies in accordance with applicable regulations, including studies conducted in accordance with good laboratory practice, or GLP, requirements;
- Completion of the manufacture, under current Good Manufacturing Practices, or cGMP, conditions, of the drug substance and drug product that the sponsor intends to use in human clinical trials along with required analytical and stability testing;

- Submission to the FDA of an investigational new drug application, or IND, which must become effective before clinical trials may begin;
- Approval by an institutional review board, or IRB, or independent ethics committee at each clinical trial site before each trial may be initiated;
- Performance of adequate and well-controlled clinical trials in accordance with applicable IND regulations, good clinical practice, or GCP, requirements and other clinical trial-related regulations to establish the safety and efficacy of the investigational product for each proposed indication;
- Submission to the FDA of a New Drug Application, or NDA;
- Payment of user fees for FDA review of the NDA;
- A determination by the FDA within 60 days of its receipt of an NDA, to accept the filing for review;
- Satisfactory completion of one or more FDA pre-approval inspections of the manufacturing facility or facilities where the drug will be produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- Potentially, satisfactory completion of FDA audit of the clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA, including consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug in the United States.

Preclinical Studies and Clinical Trials for Drugs

Before testing any drug in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as *in vitro* and animal studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to federal and state regulation, including GLP requirements for safety/toxicology studies. The results of the preclinical studies, together with manufacturing information and analytical data, must be submitted to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational product to humans and must become effective before clinical trials may begin. Some long-term preclinical testing may continue after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions about the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks, and imposes a full or partial clinical hold. FDA must notify the sponsor of the grounds for the hold and any identified deficiencies must be resolved before the clinical trial can begin. Submission of an IND may result in the FDA not allowing clinical trials to commence or not allowing clinical trials to commence on the terms originally specified in the IND. A clinical hold can also be imposed once a trial has already begun, thereby halting the trial until the deficiencies articulated by FDA are corrected.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators, who generally are physicians not employed by or under the trial sponsor's control, in accordance with GCP requirements, which include the requirements that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, administration procedures, subject selection and exclusion criteria and the parameters and criteria to be used in monitoring safety and evaluating effectiveness. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB for each institution at which the clinical trial will be

conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable compared to the anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed. The FDA, the IRB, or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trials to public registries. Information about clinical trials, including results for clinical trials other than Phase I investigations, must be submitted within specific timeframes for publication on www.ClinicalTrials.gov, a clinical trials database maintained by the National Institutes of Health.

A sponsor who wishes to conduct a clinical trial outside of the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. If a foreign clinical trial is not conducted under an IND, FDA will nevertheless accept the results of the study in support of an NDA if the study was conducted in accordance with GCP requirements, and the FDA is able to validate the data through an onsite inspection if deemed necessary.

Clinical trials to evaluate therapeutic indications to support NDAs for marketing approval are typically conducted in three sequential phases, which may overlap.

- *Phase I*—Phase I clinical trials involve initial introduction of the investigational product into healthy human volunteers or patients with the target disease or condition. These studies are typically designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, excretion, the side effects associated with increasing doses, and, if possible, to gain early evidence of effectiveness.
- *Phase II*—Phase II clinical trials typically involve administration of the investigational product to a limited patient population with a specified disease or condition to evaluate the drug's potential efficacy, to determine the optimal dosages and administration schedule and to identify possible adverse side effects and safety risks.
- *Phase III*—Phase III clinical trials typically involve administration of the investigational product to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and physician labeling.

Post-approval trials, sometimes referred to as Phase IV clinical trials or post-marketing studies, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication and are commonly intended to generate additional safety data regarding use of the product in a clinical setting. In certain instances, the FDA may mandate the performance of Phase IV clinical trials as a condition of NDA approval.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA. Written IND safety reports must be submitted to the FDA and the investigators fifteen days after the trial sponsor determines the information qualifies for reporting for serious and unexpected suspected adverse events, findings from other studies or animal or *in vitro* testing that suggest a significant risk for human volunteers and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must also notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than seven calendar days after the sponsor's initial receipt of the information.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product candidate and finalize a process for manufacturing the drug product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and manufacturers must develop, among other things, methods for testing the identity, strength, quality and purity of the final drug product. In addition, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

US Marketing Approval for Drugs

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA package requesting approval to market the product for one or more indications. An NDA is a request for approval to market a new drug for one or more specified indications and must contain proof of the drug's safety and efficacy for the requested indications. The marketing application is required to include both negative and ambiguous results of preclinical studies and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product's use or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of the FDA. FDA must approve an NDA before a drug may be marketed in the United States.

The FDA reviews all submitted NDAs before it accepts them for filing and may request additional information rather than accepting the NDA for filing. The FDA must make a decision on accepting an NDA for filing within 60 days of receipt, and such decision could include a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the NDA. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective for the indications sought and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act, or PDUFA, the FDA targets 10 months, from the filing date, in which to complete its initial review of a new molecular entity NDA and respond to the applicant, and six months from the filing date of a new molecular entity NDA for priority review. The FDA does not always meet its PDUFA goal dates for standard or priority NDAs, and the review process is often extended by FDA requests for additional information or clarification.

Further, under PDUFA, as amended, each NDA must be accompanied by a substantial user fee. The FDA adjusts the PDUFA user fees on an annual basis. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. In addition, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA also may require submission of a Risk Evaluation and Mitigation Strategy, or REMS, if it believes that a REMS is necessary to ensure that the benefits of the drug outweigh its risks. A REMS can include use of risk evaluation and mitigation strategies like medication guides, physician communication plans, assessment plans, and/or elements to assure safe use, such as restricted distribution methods, patient registries, or other risk-minimization tools.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, which reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and are adequate to assure consistent production of the product within required specifications. In addition, before approving an NDA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP and other requirements and the integrity of the clinical data submitted to the FDA.

After evaluating the NDA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product, depending on the specific risks to be addressed it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase IV clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Expedited Development and Review Programs for Drugs

The FDA maintains several programs intended to facilitate and expedite development and review of new drugs to address unmet medical needs in the treatment of serious or life-threatening diseases or conditions. These programs include Fast Track designation, Breakthrough Therapy designation, Priority Review and Accelerated Approval, and the purpose of these programs is to either expedite the development or review of important new drugs to get them to patients more quickly than standard FDA review timelines typically permit.

A drug is eligible for Fast Track designation if it is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address unmet medical needs for such disease or condition. Fast Track designation provides increased opportunities for sponsor interactions with the FDA during preclinical and clinical development, in addition to the potential for rolling review once a marketing application is filed. Rolling review means that the agency may review portions of the marketing application before the sponsor submits the complete application. In addition, a drug may be eligible for Breakthrough Therapy designation if it is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Breakthrough Therapy designation provides all the features of Fast Track designation in addition to intensive guidance on an efficient drug development program, and FDA organizational commitment to expedited development, including involvement of senior managers and experienced review staff in a cross-disciplinary review, where appropriate.

Any product submitted to the FDA for approval, including a product with Fast Track or Breakthrough Therapy designation, may also be eligible for additional FDA programs intended to expedite the review and approval process, including Priority Review designation and Accelerated Approval. A product is

eligible for Priority Review designation, once an NDA or BLA is submitted, if the drug that is the subject of the marketing application has the potential to provide a significant improvement in safety or effectiveness in the treatment, diagnosis or prevention of a serious disease or condition. Under priority review, the FDA's goal date to take action on the marketing application is six months compared to ten months for a standard review. Products are eligible for Accelerated Approval if they can be shown to have an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or an effect on an intermediate clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality, which is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments.

Accelerated Approval is usually contingent on a sponsor's agreement to conduct additional post-approval studies to verify and describe the product's clinical benefit. The FDA may withdraw approval of a drug or an indication approved under Accelerated Approval if, for example, the confirmatory trial fails to verify the predicted clinical benefit of the product. In addition, the FDA generally requires, as a condition for Accelerated Approval, that all advertising and promotional materials intended for dissemination or publication within 120 days of marketing approval be submitted to the agency for review during the pre-approval review period. After the 120-day period has passed, all advertising and promotional materials must be submitted at least 30 days prior to the intended time of initial dissemination or publication.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or the time period for FDA review or approval may not be shortened. Furthermore, Fast Track designation, Breakthrough Therapy designation, Priority Review and Accelerated Approval do not change the scientific or medical standards for approval or the quality of evidence necessary to support approval, though they may expedite the development or review process.

US Post-Approval Requirements for Drugs

Drugs manufactured or distributed pursuant to FDA approvals are subject to continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, reporting of adverse experiences with the product, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as "off-label use") and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA or NDA supplement, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-market testing, including Phase IV clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. In addition, drug manufacturers and their subcontractors involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMPs, which impose certain procedural and documentation requirements. Failure to comply with statutory and regulatory requirements may subject a manufacturer to legal or regulatory action, such as warning letters, suspension of manufacturing, product seizures,

injunctions, civil penalties or criminal prosecution. There is also a continuing, annual prescription drug product program user fee.

Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, requirements for post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS. Other potential consequences include, among other things:

- Restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- The issuance of safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- Fines, warning letters or holds on post-approval clinical trials;
- Refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of product approvals;
- Product seizure or detention, or refusal to permit the import or export of products;
- Injunctions or the imposition of civil or criminal penalties; and
- Consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs; or mandated modification of promotional materials and labeling and issuance of corrective information.

Controlled Substances

The federal Controlled Substances Act of 1970, or CSA, and its implementing regulations establish a “closed system” of regulations for controlled substances. The CSA imposes registration, security, recordkeeping and reporting, storage, manufacturing, distribution, importation and other requirements under the oversight of the DEA. The DEA is the federal agency responsible for regulating controlled substances, and requires those individuals or entities that manufacture, import, export, distribute, research, or dispense controlled substances to comply with the regulatory requirements in order to prevent the diversion of controlled substances to illicit channels of commerce.

The DEA categorizes controlled substances into one of five schedules — Schedule I, II, III, IV or V — with varying qualifications for listing in each schedule. Schedule I substances by definition have a high potential for abuse, have no currently accepted medical use in treatment in the United States and lack accepted safety for use under medical supervision. Pharmaceutical products having a currently accepted medical use that are otherwise approved for marketing may be listed as Schedule II, III, IV or V substances, with Schedule II substances presenting the highest potential for abuse and physical or psychological dependence, and Schedule V substances presenting the lowest relative potential for abuse and dependence. COMP360, if approved in the United States, will require scheduling by the DEA before it can be marketed.

Facilities that manufacture, distribute, import or export any controlled substance must register annually with the DEA. The DEA registration is specific to the particular location, activity(ies) and controlled substance schedule(s).

The DEA inspects all manufacturing facilities to review security, recordkeeping, reporting and handling prior to issuing a controlled substance registration. The specific security requirements vary by the type of

business activity and the schedule and quantity of controlled substances handled. The most stringent requirements apply to manufacturers of Schedule I and Schedule II substances. Required security measures commonly include background checks on employees and physical control of controlled substances through storage in approved vaults, safes and cages, and through use of alarm systems and surveillance cameras. Once registered, manufacturing facilities must maintain records documenting the manufacture, receipt and distribution of all controlled substances. Manufacturers must submit periodic reports to the DEA of the distribution of Schedule I and II controlled substances, Schedule III narcotic substances, and other designated substances. Registrants must also report any controlled substance thefts or significant losses, and must obtain authorization to destroy or dispose of controlled substances. Imports of Schedule I and II controlled substances for commercial purposes are generally restricted to substances not already available from a domestic supplier or where there is not adequate competition among domestic suppliers. In addition to an importer or exporter registration, importers and exporters must obtain a permit for every import or export of a Schedule I and II substance or Schedule III, IV and V narcotic, and submit import or export declarations for Schedule III, IV and V non-narcotics. In some cases, Schedule III non-narcotic substances may be subject to the import/export permit requirement, if necessary, to ensure that the United States complies with its obligations under international drug control treaties.

For drugs manufactured in the United States, the DEA establishes annually an aggregate quota for the amount of substances within Schedules I and II that may be manufactured or produced in the United States based on the DEA's estimate of the quantity needed to meet legitimate medical, scientific, research and industrial needs. The quotas apply equally to the manufacturing of the active pharmaceutical ingredient and production of dosage forms. The DEA may adjust aggregate production quotas a few times per year, and individual manufacturing or procurement quotas from time to time during the year, although the DEA has substantial discretion in whether or not to make such adjustments for individual companies.

The states also maintain separate controlled substance laws and regulations, including licensing, recordkeeping, security, distribution, and dispensing requirements. State authorities, including boards of pharmacy, regulate use of controlled substances in each state. Failure to maintain compliance with applicable requirements, particularly as manifested in the loss or diversion of controlled substances, can result in enforcement action that could have a material adverse effect on our business, operations and financial condition. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to revoke those registrations. In certain circumstances, violations could lead to criminal prosecution.

U.S. Foreign Corrupt Practices Act

The U.S. Foreign Corrupt Practices Act, to which we are subject, prohibits corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity. It is illegal to pay, offer to pay or authorize the payment of anything of value to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity.

Regulation and Procedures Governing Approval of Medicinal Products in the European Union

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of products. Whether or not it obtains FDA approval for a product, an applicant will need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can initiate clinical trials or marketing of the product in those countries or jurisdictions. Specifically, the process governing approval of medicinal products in the European Union generally follows the same lines as in the United States, although the approval of a medicinal product in the United States is no guarantee of approval of the same product in the European Union, either at all or within the same timescale as approval may be granted in the United States. It entails satisfactory completion of pharmaceutical

development, non-clinical studies and adequate and well-controlled clinical trials to establish the safety and efficacy of the medicinal product for each proposed indication. It also requires the submission to relevant competent authorities for clinical trials authorization for a marketing authorization application, or MAA, and granting of a marketing authorization by these authorities before the product can be marketed and sold in the European Union or its member states (as well as Iceland, Norway and Liechtenstein). If we fail to comply with applicable requirements, we may be subject to, among other things, fines, suspension of clinical trials, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Clinical Trial Approval

Pursuant to the currently applicable Clinical Trials Directive 2001/20/EC and the Directive 2005/28/EC on GCP, a system for the approval of clinical trials in the European Union has been implemented through national legislation of the member states. Under this system, an applicant must obtain approval from the competent national authority of a European Union member state in which the clinical trial is to be conducted or in multiple member states if the clinical trial is to be conducted in a number of member states. Furthermore, the applicant may only start a clinical trial at a specific study site after the independent ethics committee has issued a favorable opinion in relation to the clinical trial. The clinical trial application must be accompanied by an investigational medicinal product dossier with supporting information prescribed by Directive 2001/20/EC and Directive 2005/28/EC and corresponding national laws of the member states and further detailed in applicable guidance documents.

In April 2014, the European Union adopted a new Clinical Trials Regulation (EU) No 536/2014, which is set to replace the current Clinical Trials Directive 2001/20/EC. It will overhaul the current system of approvals for clinical trials in the European Union. Specifically, the new legislation, which will be directly applicable in all EU member states (meaning that no national implementing legislation in each European Union member state is required), aims at simplifying and streamlining the approval of clinical trials in the European Union. For instance, the new Clinical Trials Regulation provides for a streamlined application procedure via a single-entry point and strictly defined deadlines for the assessment of clinical trial applications. It is expected that the new Clinical Trials Regulation (EU) No. 536/2014 will come into effect following confirmation of full functionality of the Clinical Trials Information System, the centralized EU portal and database for clinical trials foreseen by the new Clinical Trials Regulation, through an independent audit.

Marketing Authorization

To obtain a marketing authorization for a product under the European Union regulatory system, an applicant must submit an MAA, either under a centralized procedure administered by the EMA or one of the procedures administered by competent authorities in European Union member states (decentralized procedure, national procedure, or mutual recognition procedure). A marketing authorization may be granted only to an applicant established in the European Union.

The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid for all European Union member states (as well as Iceland, Norway and Liechtenstein). Pursuant to Regulation (EC) No 726/2004, the centralized procedure is compulsory for specific products, including products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of treatment-resistant depression. For those products for which the use of the centralized procedure is not mandatory, applicants may elect to use the centralized procedure where either the product contains a new active substance indicated for the treatment of other diseases, or where the applicant can show that the product constitutes a significant therapeutic, scientific or technical innovation, or for which a centralized process is in the interest of patients at a European Union level.

Under the centralized procedure, the Committee for Medicinal Products for Human use, or the CHMP, which is the EMA's committee that is responsible for human medicines, established at the EMA is

responsible for conducting the assessment of whether a medicine meets the required quality, safety and efficacy requirements, and whether the product has a positive risk/benefit/risk profile. Under the centralized procedure, the maximum timeframe for the evaluation of an MAA is 210 days from the receipt of a valid MAA, excluding clock stops when additional information or written or oral explanation is to be provided by the applicant in response to questions of the CHMP. Clock stops may extend the timeframe of evaluation of an MAA considerably beyond 210 days. Where the CHMP gives a positive opinion, it provides the opinion together with supporting documentation to the European Commission, who make the final decision to grant a marketing authorization. Accelerated evaluation may be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from the point of view of public health and, in particular, from the viewpoint of therapeutic innovation. If the CHMP accepts such a request, the timeframe of 210 days for assessment will be reduced to 150 days (excluding clock stops), but it is possible that the CHMP may revert to the standard time limit for the centralized procedure if it determines that the application is no longer appropriate to conduct an accelerated assessment.

PRIME Scheme

EMA now offers a scheme that is intended to reinforce early dialogue with, and regulatory support from, EMA in order to stimulate innovation, optimize development and enable accelerated assessment of PRiority MEDicines, or PRIME. It is intended to build upon the scientific advice scheme and accelerated assessment procedure offered by EMA. The scheme is voluntary and eligibility criteria must be met for a medicine to qualify for PRIME.

The PRIME scheme is open to medicines under development and for which the applicant intends to apply for an initial marketing authorization application through the centralized procedure. Eligible products must target conditions for which there is an unmet medical need (there is no satisfactory method of diagnosis, prevention or treatment in the European Union or, if there is, the new medicine will bring a major therapeutic advantage) and they must demonstrate the potential to address the unmet medical need by introducing new methods or therapy or improving existing ones. Applicants will typically be at the exploratory clinical trial phase of development, and will have preliminary clinical evidence in patients to demonstrate the promising activity of the medicine and its potential to address to a significant extent an unmet medical need. In exceptional cases, applicants from the academic sector or SMEs (small and medium sized enterprises) may submit an eligibility request at an earlier stage of development if compelling non-clinical data in a relevant model provide early evidence of promising activity, and first in man studies indicate adequate exposure for the desired pharmacotherapeutic effects and tolerability.

If a medicine is selected for the PRIME scheme, EMA:

- Appoints a rapporteur from the Committee for Medicinal Products for Human Use (CHMP) or from the Committee for Advanced Therapies (CAT) to provide continuous support and to build up knowledge of the medicine in advance of the filing of a marketing authorization application;
- Issues guidance on the applicant's overall development plan and regulatory strategy;
- Organizes a kick-off meeting with the rapporteur and experts from relevant EMA committees and working groups;
- Provides a dedicated EMA contact person; and
- Provides scientific advice at key development milestones, involving additional stakeholders, such as health technology assessment bodies and patients, as needed.

Medicines that are selected for the PRIME scheme are also expected to benefit from EMA's accelerated assessment procedure at the time of application for marketing authorization. Where, during the course of development, a medicine no longer meets the eligibility criteria, support under the PRIME scheme may be withdrawn.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or 200,000 or more individuals in the United States and for which there is no reasonable expectation that the cost of developing and making a drug available in the United States for this type of disease or condition will be recovered from sales of the product. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

Orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. If a drug that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the drug is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the drug with orphan exclusivity. Competitors, however, may receive approval of different drugs for the indication for which the orphan drug has exclusivity or obtain approval for the same drug but for a different indication for which the orphan drug has exclusivity. Orphan drug exclusivity also could block the approval of one of our therapeutic candidates for seven years if a competitor obtains approval of the same drug as defined by the FDA or if our therapeutic candidate is determined to be contained within the competitor's drug for the same indication or disease. If a drug designated as an orphan drug receives marketing approval for an indication broader than what is designated, it may not be entitled to orphan drug exclusivity. Orphan drug status in the European Union has similar, but not identical, benefits.

Pediatric Development

In the European Union, companies developing a new medicinal product must agree upon a Pediatric Investigation Plan, or PIP, with the EMA, and must conduct pediatric clinical trials in accordance with that PIP, unless a waiver applies, (i.e., because the relevant disease or condition occurs only in adults). The marketing authorization application for the product must include the results of pediatric clinical trials conducted in accordance with the PIP, unless a waiver applies, or a deferral has been granted, in which case the pediatric clinical trials must be completed at a later date. Products that are granted a marketing authorization on the basis of the pediatric clinical trials conducted in accordance with the PIP are eligible for a six-month extension of the protection under a supplementary protection certificate (if any is in effect at the time of approval) or, in the case of orphan medicinal products, a two year extension of the orphan market exclusivity. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

Regulatory Data Protection in the European Union

In the European Union, new chemical entities approved on the basis of a complete independent data package qualify for eight years of data exclusivity upon grant of a marketing authorization and an additional two years of market exclusivity pursuant to Regulation (EC) No. 726/2004, as amended, and Directive 2001/83/EC, as amended. Data exclusivity prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic (abbreviated) application for a period of eight years. During the additional two-year period of market exclusivity, a generic marketing authorization application can be submitted, and the innovator's data may be referenced, but no generic medicinal product can be marketed until the expiration of the market exclusivity period. The overall 10-year period will be extended to a maximum of 11 years if, during the first eight years of those 10 years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to authorization, is held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity so that the innovator gains the prescribed period of data exclusivity, another company may market another version of

the product if such company obtained marketing authorization based on an MAA with a complete independent data package of pharmaceutical tests, preclinical tests and clinical trials.

Periods of Authorization and Renewals

A marketing authorization is valid for five years, in principle, and it may be renewed after five years on the basis of a re-evaluation of the risk benefit balance by the EMA or by the competent authority of the authorizing member state. To that end, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety and efficacy, including all variations introduced since the marketing authorization was granted, at least nine months before the marketing authorization ceases to be valid. Once renewed, the marketing authorization is valid for an unlimited period, unless the European Commission or the competent authority decides, on justified grounds relating to pharmacovigilance, to proceed with one additional five-year renewal period. Any authorization that is not followed by the placement of the product on the European Union market (in the case of the centralized procedure) or on the market of the authorizing member state within three years after authorization ceases to be valid.

Controlled Drugs Classification

In the UK, psilocybin and psilocin are considered Class A drugs under the Misuse of Drugs Act 1971, as amended, and as Schedule 1 drugs under the Misuse of Drugs Regulations 2001, as amended. Class A drugs are considered to be the most potentially harmful, and have the highest level of control exerted over them under the Misuse of Drugs Act 1971. Similarly, Schedule 1 of the Misuse of Drugs Regulations 2001 lists those drugs to which the most restrictive controls apply: they are considered to have no legitimate or medicinal use, and can only be imported, exported, produced, supplied and the like under a license issued by the UK Government's Home Office. If and when granted a marketing authorization by the MHRA in respect of the UK, psilocybin would still remain a Schedule 1 drug until rescheduled by the UK Government's Home Office. Unless and until psilocybin is rescheduled under the Misuse of Drugs Regulations 2001, and unless a statutory exemption was to be passed for COMP360 following the grant of a UK marketing authorization and before rescheduling, any prescribing doctors in the UK would require a Home Office license to prescribe COMP360, and similarly any patients to whom COMP360 was prescribed would require a Home Office license to possess COMP360. There can be no guarantee that such Home Office licenses would be granted or that rescheduling would be successful.

The position in the member states of the European Union is not harmonized: member states have implemented the relevant UN Conventions (the Single Convention of Narcotic Drugs 1961 and the Convention on Psychotropic Substances 1971) into their national legislation, which has led to differences in how controlled substances are regulated in different countries of the European Union. It is therefore important to determine at a national level whether a substance is controlled and to comply with the applicable legal requirements. If we are successful in obtaining a marketing authorization in key EU member states, it is likely that rescheduling of psilocybin will also be required to enable prescribing.

Regulatory Requirements After Marketing Authorization

Following approval, the holder of the marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of the medicinal product.

These include compliance with the European Union's stringent pharmacovigilance or safety reporting rules, pursuant to which post-authorization studies and additional monitoring obligations can be imposed. The holder of a marketing authorization must establish and maintain a pharmacovigilance system and appoint an individual qualified person for pharmacovigilance, who is responsible for oversight of that system. Key obligations include expedited reporting of suspected serious adverse reactions and submission of periodic safety update reports, or PSURs.

In addition, all new MAAs must include a risk management plan, or RMP, describing the risk management system that the company will put in place and documenting measures to prevent or

minimize the risks associated with the product. The regulatory authorities may also impose specific obligations as a condition of the marketing authorization. Such risk-minimization measures or post-authorization obligations may include additional safety monitoring, more frequent submission of PSURs, or the conduct of additional clinical trials or post-authorization safety studies. RMPs and PSURs are routinely available to third parties requesting access, subject to limited redactions.

Furthermore, the manufacturing of authorized products, for which a separate manufacturer's license is mandatory, must also be conducted in strict compliance with the EMA's cGMP requirements and comparable requirements of other regulatory bodies in the European Union, which mandate the methods, facilities and controls used in manufacturing, processing and packing of products to assure their safety and identity.

Finally, the marketing and promotion of authorized products, including industry-sponsored continuing medical education and advertising directed toward the prescribers of products, are strictly regulated in the European Union under Directive 2001/83/EC, as amended. The advertising of prescription-only medicines to the general public is not permitted in the European Union. Although general requirements for advertising and promotion of medicinal products are established under EU Directive 2001/83/EC as amended, the details are governed by regulations in each European Union member state (as well as Iceland, Norway and Liechtenstein) and can differ from one country to another.

Coverage, Pricing and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any product candidates for which we obtain regulatory approval. In the United States and markets in other countries, sales of any psilocybin therapy for which we receive regulatory approval for commercial sale will depend, in part, on the availability of coverage and reimbursement for our products from third-party payors, such as government health care programs (e.g., Medicare, Medicaid), managed care providers, private health insurers, health maintenance organizations, and other organizations. These third-party payors decide which medications they will pay for and will establish reimbursement levels. The availability of coverage and extent of reimbursement by governmental and other third-party payors is essential for most patients to be able to afford treatments such as novel therapies. In the United States, the principal decisions about reimbursement for new medicines are typically made by CMS. CMS decides whether and to what extent our products will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree. Factors payors consider in determining reimbursement are based on whether the product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Our ability to successfully commercialize our product candidates, whether as a single agent or combination therapy, will depend in part on the extent to which coverage and adequate reimbursement for our products and related treatments will be available from third-party payors. Moreover, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain price levels sufficient to realize an appropriate return on our investment in product development.

No uniform policy for coverage and reimbursement for products exist among third-party payors in the United States. Therefore, coverage and reimbursement for our products can differ significantly from payor to payor. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the reimbursement rate that the payor will pay for the product. One payor's determination to provide coverage for a medical product or service does not ensure that other payors will also provide coverage for the medical product or service, or will provide coverage at an adequate reimbursement rate. Third-party payors may also limit coverage to specific products on an approved list, or formulary, which might not include all of the FDA-approved products for a particular indication.

A decision by a third-party payor not to cover or not to separately reimburse for our medical products or therapies using our products could reduce physician utilization of our products once approved and have a material adverse effect on our sales, results of operations and financial condition. If there is coverage for our product candidates, or therapies using our product candidates by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, will be available for our current or future product candidates, or for any procedures using such product candidates, and any reimbursement that may become available may not be adequate or may be decreased or eliminated in the future. Further, if we or our collaborators develop therapies for use with our product candidates, we, or our collaborators, will be required to obtain coverage and reimbursement for these therapies separate and apart from the coverage and reimbursement we seek for our product candidates, once approved.

Further, third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. In order to secure coverage and reimbursement for any product candidate that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of such product, in addition to the costs required to obtain FDA or comparable regulatory approvals. Additionally, we may also need to provide discounts to purchasers, private health plans or government healthcare programs. Our product candidates may nonetheless not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product, after approval, as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, our operations and financial condition. We expect to experience pricing pressures from third-party payors in connection with the potential sale of any of our product candidates.

Lastly, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, in the European Union, pricing and reimbursement schemes vary widely from country to country. Some EU member states provide that products may be marketed only after a reimbursement price has been agreed. Some EU member states may require the completion of additional studies that compare the cost effectiveness of a particular product candidate to currently available therapies (so called health technology assessments) in order to obtain reimbursement or pricing approval. For example, the European Union provides options for its member states to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. EU member states may approve a specific price for a product or may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Approaches between EU member states are diverging. For example, in France, effective market access will be supported by agreements with hospitals and products may be reimbursed by the Social Security Fund. The price of medicines is negotiated with the Economic Committee for Health Products, or CEPS. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our

product candidates. Other EU member states allow companies to fix their own prices for products, but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. Recently, many countries in the European Union have increased the level of discounts required on pharmaceuticals and these efforts could continue as countries attempt to manage healthcare expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the European Union. The downward pressure on healthcare costs in general, particularly prescription products, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states and parallel trade (arbitrage between low-priced and high-priced member states) can further reduce prices. Acceptance of any medicinal product for reimbursement may come with cost, use and often volume restrictions, which again can vary by country. In addition, results-based rules of reimbursement may apply. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products, if approved in those countries. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower.

Notwithstanding any of the above, as Schedule I substances under the Controlled Substances Act, psilocybin and psilocin are currently deemed to have no accepted medical use and therapies that use psilocybin or psilocin are currently precluded from reimbursement in the United States.

Other Healthcare Laws and Compliance Requirements

Healthcare providers, physicians, and third-party payors will play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors, healthcare providers and physicians may expose us to broadly applicable federal and state fraud and abuse laws, as well as other healthcare laws and regulations. These laws may impact, among other things, our business or financial arrangements and relationships through which we research, as well as market, sell and distribute the psilocybin therapies for which we obtain approval. In addition, we may be subject to health information privacy regulation by both the federal government and the states in which we conduct our business. In the United States the laws that may affect our ability to operate include, among others:

- The federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order, arrangement or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as Medicare and Medicaid. The term remuneration has been interpreted broadly to include anything of value. Further, courts have found that if “one purpose” of remuneration is to induce referrals, the federal Anti-Kickback Statute is violated. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation. Violations are subject to significant administrative civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act, or FCA, or federal civil money penalties statute. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution; but the exceptions and safe harbors are drawn narrowly and require strict compliance in order to offer protection;

- The federal civil and criminal false claims laws, such as the FCA, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented claims for payment or approval from Medicare, Medicaid, or other third-party payors, that are false, fictitious, or fraudulent; from knowingly making, using or causing to be made or used, a false statement or record material to a false or fraudulent claim or obligation to pay or transmit property to the federal government; or from knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay money to the federal government. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. The FCA also permits a private individual acting as a “whistleblower” to bring qui tam actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the FCA, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;
- The federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transferring of remuneration, which includes, without limitation, any transfer of items or services for free or for less than fair market value (with limited exceptions), to a Medicare or Medicaid beneficiary that the person knows or should know is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of items or services reimbursable by a federal or state healthcare program;
- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal liability for knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (i.e., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false, fictitious, or fraudulent statements or representations in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and its respective implementing regulations, which imposes, among other things, certain requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA’s privacy and security standards directly applicable to business associates, those independent contractors or agents of covered entities that create, receive, maintain, transmit or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney’s fees and costs associated with pursuing federal civil actions;
- The federal Physician Payment Sunshine Act, created under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively, the Affordable Care Act, or ACA, which requires applicable manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program to report annually to the U.S. Department of Health and Human Services, or HHS, information related to payments or other transfers of value made to physicians

(defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made during the previous year to certain non-physician providers, such as physician assistants and nurse practitioners;

- Federal government price reporting laws, which require us to calculate and report complex pricing metrics in an accurate and timely manner to government programs;
- Federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- Analogous state and foreign equivalents of each of the healthcare laws and regulations described above, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers or patients; state and local marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements; state laws that require pharmaceutical companies to comply with the pharmaceutical industry voluntary compliance guidelines and other relevant compliance guidance promulgated by the federal government, such as the April 2003 Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers and/or the Pharmaceutical Research and Manufacturers of America's Code on Interactions with Healthcare Professionals; state laws that require the reporting of information related to drug pricing; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; state and local laws that require the licensure and/or registration of pharmaceutical sales representatives; and state and foreign laws governing the privacy and security of health information that may be more stringent than those in the United States (such as the European Union, which adopted GDPR, which became effective on May 25, 2018), many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

The full scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform. Federal and state enforcement bodies have continued to increase their scrutiny on interactions between healthcare companies and healthcare providers, which has led to a number of significant investigations, prosecutions, convictions and settlements in the healthcare industry. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations, including our arrangements with physicians and other healthcare providers and entities, such as our Centers of Excellence or therapists, are found to be in violation of any of such laws or any other governmental regulations that apply to us, we may be subject to significant penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, the curtailment or restructuring of our operations, exclusion from participation in federal and state healthcare programs (such as Medicare and Medicaid), imprisonment, and additional oversight and reporting obligations if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results. If any of the physicians or other healthcare providers or entities with whom we expect to do business, including our Centers of Excellence and therapists, are found to be not in compliance with applicable laws, they may be subject to similar actions, penalties and sanctions.

Ensuring that our current and future business arrangements with third parties, and our business generally, comply with applicable healthcare laws and regulations, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company's attention from its business.

European Data Collection is Governed by Restrictive Regulations Governing the Use, Processing and Cross-border Transfer of Personal Information.

In the event we decide to conduct future clinical trials in the European Union, we may be subject to additional privacy and data protection requirements and restrictions. The collection, use, storage, disclosure, transfer, or other processing of personal data regarding individuals in the EEA, including personal health data, is subject to European Union and national level data protection and privacy laws including, most notably GDPR, which became effective on May 25, 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on entities that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors that will have access to personal data. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the United States. Entities that fail to comply with the requirements of the GDPR may be subject to very significant penalties, including potential fines of up to the greater of €20 million or 4%. The GDPR may increase our responsibility and liability in relation to personal data that we process where such processing is subject to the GDPR, and we may be required to put in place additional mechanisms to ensure compliance with the GDPR, including as implemented by individual countries. Compliance with the GDPR will be a rigorous, costly and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European personal data processing activities. Further, the UK's decision to leave the EU, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the UK and how transfers from the EU to the UK will be regulated once the UK's departure from the European Union is finalized.

Healthcare Reform

In the United States and in some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare. For example, in March 2010, the ACA was enacted, which, among other things, increased rebates for drugs sold to Medicaid programs owed by most manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed organizations; introduced a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; imposes mandatory discounts for certain Medicare Part D beneficiaries in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, or BBA, effective as of January 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for manufacturers' outpatient drugs coverage under Medicare Part D; subjects drug manufacturers of certain branded prescription drugs to new annual, nondeductible fees and taxes; expanded healthcare fraud and abuse laws (including the FCA and the Anti-Kickback Statute), government investigative powers and enhances penalties for non-compliance; expands eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability; expands the entities eligible for discounts under the 340B Drug Pricing Program; created new requirements to report financial arrangements with physicians, as defined by such law, and teaching hospitals, commonly referred to as the Physician Payments Sunshine Act; created a new requirement to annually report the

identity and quantity of drug samples that manufacturers and authorized distributors of record provide to physicians; created a new Patient Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research; and established the Center for Medicare and Medicaid Innovation at the Centers for Medicare & Medicaid Services, or CMS, an agency within HHS, to test innovative payment and service delivery models to lower Medicare and Medicaid spending.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Various portions of the ACA are currently undergoing legal and constitutional challenges in the United States Supreme Court; the Trump Administration has issued various Executive Orders which eliminated cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices; and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA. Also, in December 2018, CMS issued a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program. Since then, the ACA risk adjustment program payment parameters have been updated annually. It is unclear whether the ACA will be overturned, repealed, replaced, or further amended.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. Specifically, the Joint Select Committee on Deficit Reduction was created to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction of at least \$1.2 trillion for the years 2012 through 2021, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of up to 2% per fiscal year that will, due to subsequent legislative amendments, remain in effect through 2030 unless additional Congressional action is taken. However, pursuant to the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, the 2% Medicare sequester reductions have been suspended from May 1, 2020 through December 31, 2020 due to the COVID-19 pandemic. On January 2, 2013, the American Taxpayer Relief Act was signed into law, which, among other things, reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Further, on May 30, 2018, the Right to Try Act was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase I clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. Recently, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. Such scrutiny has resulted in several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for pharmaceutical products. For example, at the federal level, the Trump administration's budget proposal for fiscal year 2021 includes a \$135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the Trump administration sent "principles" for drug pricing to Congress, calling for legislation that would,

among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the Trump administration previously released a “Blueprint” to lower drug prices and reduce out of pocket costs of drugs that contained proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. HHS has solicited feedback on some of these measures and has implemented others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. This final rule codified CMS’s policy change that was effective January 1, 2019. On July 24, 2020, the Trump administration announced four executive orders related to prescription drug pricing. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We expect that additional foreign, federal and state healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in limited coverage and reimbursement and reduced demand for our products, once approved, or additional pricing pressures.

Legal Proceedings

From time to time, we may be a party to litigation or subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our results of operations, cash flows and financial position. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. We were not a party to any material litigation as of June 30, 2020. We were not a party to any material litigation and did not have material contingency reserves established for any liabilities as of December 31, 2019 and June 30, 2020.

Facilities

We lease a facility of 4750 square feet of office space, located at 19 Eastbourne Terrace, London, W2 6LG, United Kingdom. The lease expires in 2021. We also lease 200 square feet of office space at 180 Varick Street, New York, New York 10014, United States. The lease expires in 2021.

In New York City, we are part of the BioLabs@NYULangone incubator space on the New York University School of Medicine campus. We are also participants in the START-UP NY program, which is an initiative from the New York State Department of Economic Development. Together, BioLabs@NYULangone and START-UP NY include tax and other incentive programs for us and our local employees.

We believe our facilities are adequate for our current needs, including our short-term needs, and that suitable additional or substitute space would be available in London or New York City if needed.

Employees

As of June 30, 2020, we had 48 full-time employees and five part-time employees. Of these, nine employees hold M.D. and/or Ph.D. degrees.

Of our workforce, 29 full-time equivalent, or FTE, employees are directly engaged in research and development with the rest providing administrative, business and operations support.

None of our employees are represented by labor unions or covered by collective bargaining agreements. We have not experienced any employee litigation or claims and consider our employee relations to be good. We have a comprehensive employee engagement program in place and carry out regular surveys with our whole team to obtain feedback and ideas for improvement.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the name, age and position of our executive officers and directors as of September 14, 2020.

NAME	AGE	POSITION(S)
Executive Officers:		
George Goldsmith	65	Chief Executive Officer, Co-Founder, Chair of our Board of Directors
Lars Christian Wilde	35	President, Chief Business Officer, Co-Founder
Piers Morgan	54	Chief Financial Officer
Nate Poulsen	41	General Counsel and Head of Legal, Intellectual Property and Licensing
Ekaterina Malievskaja, M.D.	54	Chief Innovation Officer, Co-Founder, Director
Non-Executive Directors:		
David York Norton	69	Lead Director
Florian Brand ⁽¹⁾	34	Director
Jason Camm	32	Director
Annalisa Jenkins, MBBS	55	Director
Thomas Lönngren	69	Director
Robert McQuade	63	Director
Linda McGoldrick	65	Director

(1) Mr. Brand, who is one of the directors appointed by ATAI Life Sciences AG pursuant to our Amended and Restated Shareholders' Agreement, intends to resign following the completion of this offering due to the increase in his operational responsibilities as chief executive officer of ATAI Life Sciences AG. We expect that Mr. Brand will be replaced by another nominee appointed by ATAI Life Sciences AG.

Executive Officers

George Goldsmith has served as our Chief Executive Officer and Chair of our board of directors since June 2017. Previously, Mr. Goldsmith served as Chairman and Chief Executive Officer at Tapestry Networks, which he co-founded in 2002, until 2005, and continues to serve as Non-Executive Chairman. Mr. Goldsmith was Chief Executive Officer of TomorrowLab@McKinsey from 2000 to 2001, and prior to that served as Senior Advisor to McKinsey & Company from 1997 to 2000. Prior to that he served as Managing Director of the Lotus Institute after the Lotus Development Corporation's acquisition of his first company, The Human Interface Group. Mr. Goldsmith also serves on the board of directors of COMPASS Pathways Limited. Mr. Goldsmith received his bachelor's degree in Psychology from the University of Rochester and his masters in Clinical Psychology from the University of Connecticut.

Lars Christian Wilde has served as our President since June 2019 and previously served as Chief Operating Officer since our formation. Previously, Mr. Wilde was the founder and CEO of Springlane GmbH, or Springlane, which he founded in 2012, and was also a co-founder of ATAI Life Sciences AG. Prior to founding Springlane, Mr. Wilde served as an investor at Waterland Private Equity. Mr. Wilde received his bachelor's degree in Business Administration from Rotterdam School of Management, Erasmus University in the Netherlands and his masters in Finance from IE Business School in Spain.

Piers Morgan has served as our Chief Financial Officer since March 2020. Previously, Mr. Morgan served as Chief Financial Officer of Verona Pharma plc from 2016 to 2020. From November 2015 to September 2016, Mr. Morgan was an independent consultant. From May 2014 to November 2015, Mr. Morgan was the Chief Executive Officer of C4X Discovery plc, a biotechnology company. Prior to C4X,

Mr. Morgan co-founded uniQure N.V., a biotechnology company in Amsterdam, where he served as Chief Financial Officer from December 2009 to May 2014. Mr. Morgan is a director of Ikarovec Ltd and a member of the Institute of Chartered Accountants in England and Wales and received an M.A. in Law and Management Studies from the University of Cambridge.

Nate Poulsen, J.D., has served as our General Counsel and Head of Legal, Intellectual Property, and Licensing, since joining us in 2019. Previously, Mr. Poulsen worked as a lawyer with Cooley LLP, since 2012. Mr. Poulsen is a registered patent attorney. Prior to beginning his legal career in 2006, Mr. Poulsen served as a medicinal chemist for NPS Pharmaceuticals, as a researcher in the Department of Neurology at Columbia Presbyterian Medical Center, and consulted on strategy in the medical device and consumer healthcare industries. Mr. Poulsen received his undergraduate degrees in mathematics, physics, and chemistry from Westminster College, MA in pharmacology from Columbia University, MBA from Cornell University's Johnson School of Management, and JD from Fordham University School of Law.

Ekaterina Malievskaia M.D., has served as our Chief Innovation Officer since January 2020. Prior to her role as our Chief Innovation Officer, Dr. Malievskaia served as our Head of Research and Development from January 2019 to January 2020, and as our Chief Medical Officer from June 2017 to 2019. Dr. Malievskaia served as clinical faculty at Mount Sinai School of Medicine and as a research professor in Public Health at the City University of New York. Prior to these roles, Dr. Malievskaia worked in clinical, academic and public health since 1999 until co-founding COMPASS. Dr. Malievskaia received her Doctor of Medicine from St. Petersburg Medical Academy.

Non-Executive Directors

Florian Brand has served as a member of our board of directors since March 2019. Mr. Brand intends to resign from our board of directors following the completion of this offering. Mr. Brand is the Co-Founder and Chief Executive Officer of ATAI, where he has served since 2018. From 2018 to 2019, Mr. Brand served as Chief Executive Officer of Perception Neurosciences, and from 2015 to 2018, Mr. Brand served as Managing Director of Springlane GmbH. Mr. Brand serves as a member of the board of directors of Perception Neuroscience, GABA Therapeutics, Entheogenix Biosciences, DemeRX IB, Viridia Life Sciences, IntroSpect Digital Therapeutics and Innoplexus. Mr. Brand received his bachelor's in Economics from LMU Munich and his Masters in Management from ESCP Europe, Paris. We believe that Mr. Brand is qualified to serve on our board of directors because of his experience, qualifications, attributes and skills, including his extensive executive experience.

Jason Camm has served as a member of our board of directors since February 2020. Mr. Camm currently serves as a Managing Director and the Chief Medical Officer at Thiel Capital, where he has worked since 2013. Mr. Camm currently serves on the board of directors of The Thiel Foundation, on the supervisory board of ATAI, which is a major shareholder of our company, and on the board of advisors of the Gerald J. and Dorothy R. Friedman School of Nutrition Science and Policy at Tufts University. Mr. Camm also serves on the board of directors of several privately held biotech companies in the United States and abroad. Mr. Camm received his master's degree in Osteopathy from The British School of Osteopathy. We believe that Mr. Camm is qualified to serve on our board of directors because of his experience, qualifications, attributes and skills, including his extensive medical experience.

Annalisa Jenkins, MBBS, FRCP, has served as a member of our board of directors since May 2018. From November 2017 until April 2019, Dr. Jenkins served as the Chief Executive Officer of PlaqueTec Ltd., a biotechnology company focusing on coronary artery disease treatment and prevention. Previously, Dr. Jenkins served as the Chief Executive Officer and a member of the board of directors of Dimension Therapeutics, Inc., a biotechnology company focused on rare and metabolic diseases associated with the liver, from September 2014 until its sale to Ultragenyx Pharmaceutical Inc. in November 2017. From October 2013 to March 2014, Dr. Jenkins served as Executive Vice President, Head of Global Research and Development for Merck Serono Pharmaceuticals, a biopharmaceutical company. Previously, from September 2011 to October 2013, she served as Merck Serono's Executive Vice President, Global

Development and Medical, and was a member of Merck Serono's executive committee. Prior to that, Dr. Jenkins pursued a 15-year career at Bristol-Myers Squibb Company, a biopharmaceutical company, where, from July 2009 to June 2011, she was a Senior Vice President and Head of Global Medical Affairs. Dr. Jenkins is currently a committee member of the science board to the FDA, which advises FDA leadership on complex scientific and technical issues, and chairs the Court of the London School of Hygiene and Tropical Medicine and sits on the Council. Dr. Jenkins serves on the board of directors of AgeX Therapeutics, Inc. (NYSE American: AGE), Avrobio, Inc. (Nasdaq: AVRO), Oncimmune Holdings plc (LSE: ONC) and a number of privately held biotechnology and life science companies. Dr. Jenkins graduated with a degree in medicine from St. Bartholomew's Hospital in the University of London and subsequently trained in cardiovascular medicine in the UK National Health Service. Earlier in her career, Dr. Jenkins served as a Medical Officer in the British Royal Navy. We believe Dr. Jenkins is qualified to serve on our board of directors based on her industry experience in the field in which we operate and her executive experience with companies in our industry.

Thomas Lönngren has served as a member of our board of directors since May 2018. Mr. Lönngren currently serves as the Director at PharmaExec Consulting AB and as a Strategic Advisor at the NDA Group, which he has done since 2010. From 2001 until 2010, Mr. Lönngren served as the Executive Director of the European Medical Agency. Mr. Lönngren currently serves on the board of directors of Analytica Brisbane, Global Kinetics corporation Melbourne Australia and NDA Group Sweden. Mr. Lönngren received his MSc in Pharmacy and his masters in Social and Regulatory Pharmacy from Uppsala University. We believe that Mr. Lönngren is qualified to serve on our board of directors because of his experience, qualifications, attributes and skills, including his extensive pharmaceutical consulting experience.

Robert McQuade, Ph.D. has served as a member of our board of directors since April 2020. Dr. McQuade currently serves as the Executive Vice President & Chief Strategic Officer at Otsuka Pharmaceutical Development & Commercialization, Inc., or Otsuka, where he has served since 2004. Dr. McQuade is also the President of the McQuade Center for Strategic Research and Development LLC since 2020. Dr. McQuade currently serves on the board of directors of Otsuka America Pharmaceutical, Inc., Astex Pharmaceutical, Inc., Astex Pharmaceutical, Ltd., Avanir Pharmaceuticals, Visterra, Inc., Otsuka Pharmaceutical Development & Commercialization, Inc., Medical University of South Carolina Foundation for Research and Development, The Technology Accelerator Co., and Clinical Biotechnology Research Institute. Dr. McQuade received his degree in biology from Davidson College and completed his Ph.D. in biochemistry from University of North Carolina at Chapel Hill. Prior to joining Otsuka, Dr. McQuade worked in drug discovery research at Schering-Plough Corp. and in global medical affairs at Bristol-Myers Squibb company. We believe that Dr. McQuade is qualified to serve on our board of directors because of his experience, qualifications, attributes and skills, including his extensive pharmaceutical experience.

Linda McGoldrick has served as a director of our company since September 2020. In 1985, Ms. McGoldrick founded, and currently serves as Chairman and Chief Executive Officer of, Financial Health Associates International, a strategic consulting company specializing in healthcare and life sciences. From April 2019 through December 2019, Ms. McGoldrick served as President and interim Chief Executive Officer of Zillion, Inc., a health, technology and condition management company. Over her professional career, she has served in a number of leadership roles, including senior vice president and National Development director for the Healthcare and Life Sciences Industry Practices at Marsh-MMC Companies, international operations and marketing director of Veos plc, a European medical devices company, and managing director Europe for Kaiser Permanente International. In 2018, Ms. McGoldrick was appointed by the Governor of Massachusetts to serve on the state's Health Information Technology Commission. Ms. McGoldrick has served as a director of numerous publicly traded and private held companies and non-profit organizations in the U.S., UK and Europe and currently serves on the faculty of the National Association of Corporate Directors. Ms. McGoldrick received her bachelor of arts in sociology from Ohio Wesleyan University and master of social work from the University of Pennsylvania and a master of business administration in management from the Wharton School, University of Pennsylvania.

We believe that Ms. McGoldrick is qualified to serve on our board of directors because of her extensive experience as a director, global business strategy leader and policy expert for U.S. and European companies and organizations.

David Norton has served as a member of our board of directors since May 2018. Until his retirement in September 2011, Mr. Norton was Company Group Chairman, Global Pharmaceuticals for Johnson & Johnson, a public healthcare company. Mr. Norton began his Johnson & Johnson career in 1979, and held a number of positions at the company, including Company Group Chairman, Worldwide Commercial and Operations for the CNS, Internal Medicine franchise from 2006 to 2009, Company Group Chairman for the pharmaceutical businesses in Europe, the Middle East and Africa from 2004 to 2006, and Company Group Chairman for the pharmaceutical businesses in North America from 2003 to 2004. Mr. Norton currently serves as Chairman on the board of directors Vivus, Inc. (Nasdaq: VVUS), and serves on the board of directors of Mallinckrodt, PLC and Forepont Capital, LLC. Mr. Norton is a graduate of Control Data Institute, Australia and the College of Distributive Trades, United Kingdom. We believe that Mr. Norton is qualified to serve on our board of directors because of his experience, qualifications, attributes and skills, including his extensive global pharmaceutical experience.

Family Relationships

George Goldsmith, our Chief Executive Officer and Chairman of our board of directors, is married to Ekaterina Malievskaia, our Chief Innovation Officer and a member of our board of directors. On August 19, 2020, the son of Dr. Malievskaia, who is currently employed by ATAI, one of our largest shareholders, entered into a contract of employment with us as Stakeholder Engagement and Operations Associate and will begin work on or around October 1, 2020. As of September 14, 2020, there were no other family relationships between our executive officers and any of our directors.

Corporate Governance Practices

We are a “foreign private issuer,” as defined by the Securities and Exchange Commission, or SEC. As a result, in accordance with Nasdaq listing requirements, we may rely on home country governance requirements and certain exemptions thereunder rather than complying with Nasdaq corporate governance standards. While we intend to voluntarily follow most Nasdaq corporate governance rules, we may choose to take advantage of the following limited exemptions:

- Exemption from filing quarterly reports on Form 10-Q containing unaudited financial and other specified information or current reports on Form 8-K upon the occurrence of specified significant events.
- Exemption from Section 16 rules requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades in a short period of time, which will provide less data in this regard than shareholders of U.S. companies that are subject to the Exchange Act receive.
- Exemption from the Nasdaq requirement requiring disclosure of any waivers of the code of business conduct and ethics for directors and officers.
- Exemption from the requirement to obtain shareholder approval for certain issuances of securities, including shareholder approval of share option plans.
- Exemption from the requirement that our audit committee have review and oversight over all “related party transactions,” as defined in Item 7.B of Form 20-F.
- Exemption from the requirement that our board of directors have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

- Exemption from the requirement to have independent director oversight of director nominations.

Although we may rely on certain home country corporate governance practices, we must comply with Nasdaq's Notification of Noncompliance requirement (Nasdaq Rule 5625) and the Voting Rights requirement (Nasdaq Rule 5640). Further, we must have an audit committee that satisfies Nasdaq Rule 5605(c)(3), which addresses audit committee responsibilities and authority and requires that the audit committee consist of members who meet the independence requirements of Nasdaq Rule 5605(c)(2)(A)(ii).

Because we are a foreign private issuer, our directors and senior management are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Securities Exchange Act of 1934, or the Exchange Act. They will, however, be subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act, the rules adopted by the SEC and Nasdaq listing rules.

Accordingly, our shareholders will not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of Nasdaq. For an overview of our corporate governance principles, see the section titled "Description of Share Capital and Articles of Association—Differences in Corporate Law."

Composition of Our Board of Directors

Our board of directors is currently composed of nine members. As a foreign private issuer, under the listing requirements and rules of Nasdaq, we are not required to have independent directors on our board of directors, except that our audit and risk committee is required to consist fully of independent directors, subject to certain phase-in schedules. However, our board of directors has determined that, of our nine directors, no directors other than George Goldsmith and Ekaterina Malievskaia have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of director and that each of these directors is "independent" as that term is defined under Nasdaq rules.

In addition, upon the completion of this offering and pursuant to our Amended and Restated Shareholders' Agreement, ATAI and McQuade Center for Strategic Research and Development, or MSRDC, are each entitled to appoint one member of our board of directors, and for so long as ATAI owns at least 22.5% of our fully diluted share capital, ATAI is entitled to appoint a second member of our board of directors. As of the date of this prospectus, MSRDC has appointed Mr. McQuade to our board of directors, and ATAI has exercised this right and appointed Florian Brand and Jason Camm to our board of directors.

Our Articles that will be in effect upon completion of this offering provide that, our board of directors will be divided into three classes, designated as "Class I," "Class II" and "Class III," each of which will consist, as nearly as possible, of one-third of the total number of directors constituting our entire board of directors and which will serve staggered three-year terms. At each annual general meeting, the successors of directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Directors of the class retiring at the annual general meeting shall be eligible for re-appointment by ordinary resolution at such annual general meeting.

At every subsequent annual general meeting any director who has been appointed by our board of directors since the last annual general meeting must retire from office and may offer themselves for reappointment by our shareholders by ordinary resolution. See "Description of Share Capital and Articles of Association—Post-IPO Articles of Association—Board of Directors."

Committees of Our Board of Directors

Our board of directors has three standing committees: an audit and risk committee, a compensation and leadership development committee and a nominating and corporate governance committee.

Audit and Risk Committee

Our audit and risk committee consists of Annalisa Jenkins, Linda McGoldrick and Robert McQuade and assists our board of directors in overseeing our accounting and financial reporting processes. Ms. McGoldrick will serve as chair of our audit and risk committee. Our audit and risk committee consists exclusively of members of our board of directors who are financially literate, and Dr. Jenkins and Ms. McGoldrick are each considered an “audit committee financial expert” as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable Nasdaq rules and regulations. Our board of directors has determined that all of the members of our audit and risk committee satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act. Our audit and risk committee will meet at least four times per year and oversee and review our internal controls, accounting policies and financial reporting, and provide a forum through which our independent registered public accounting firm reports. Our audit and risk committee will meet regularly with our independent registered public accounting firm without management present. Upon the listing of our ADSs on Nasdaq, the audit and risk committee will operate under a written charter that satisfies the applicable standards of the SEC and Nasdaq.

Our audit and risk committee’s responsibilities will include:

- recommending the appointment of the independent auditor to the annual general meeting of shareholders;
- the appointment, compensation, retention and oversight of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit services;
- pre-approving the audit services and non-audit services to be provided by our independent auditor before the auditor is engaged to render such services;
- evaluating the independent auditor’s qualifications, performance and independence, and presenting its conclusions to our full board of directors on at least an annual basis;
- reviewing and discussing with management and our independent registered public accounting firm our financial statements and our financial reporting process; and
- reviewing, approving or ratifying any related party transactions.

Compensation and Leadership Development Committee

Our compensation and leadership development committee consists of Jason Camm, Annalisa Jenkins and David Norton. Dr. Jenkins will serve as chair of our compensation and leadership development committee. Under SEC and Nasdaq rules, there are heightened independence standards for members of our compensation and leadership development committee, including a prohibition against the receipt of any compensation from us other than standard board member fees. Although foreign private issuers are not required to meet this heightened standard, all of our compensation and leadership development committee members are expected to meet this heightened standard.

Our compensation and leadership development committee’s responsibilities will include:

- identifying, reviewing and proposing policies relevant to the compensation and benefits of our directors and executive officers;

- evaluating the performance of our principal executive officers in light of such corporate goals and objectives and based on such evaluation: (i) determining cash compensation of our principal executive officer; and (ii) reviewing and approving grants and awards to our principal executive officer under equity-based plans;
- overseeing and administering our employee share option scheme or equity incentive plans in operation from time to time;
- annually reviewing and recommending to our board of directors the corporate goals and objectives relevant to the compensation of our principal executive officer;
- reviewing and approving or recommending to our board of directors the cash compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy and policy;
- evaluating and assessing potential and current compensation advisors in accordance with the independence standards identified in the applicable rules;
- reviewing and recommending to our board of directors the compensation of our directors;
- preparing the compensation committee report required by SEC rules, if and when required, to be included in our annual proxy statement; and
- reviewing and approving the retention, termination or compensation of any consulting firm or outside advisor to assist in the evaluation of compensation matters.

Each member of our compensation and leadership development committee will be a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act.

Nominating and Corporate Governance Committee

Our nominating committee consists of Jason Camm, Thomas Lonngren and Linda McGoldrick. Mr. Lonngren will serve as chair of our nominating and corporate governance committee.

Our nominating and corporate governance committee's responsibilities will include:

- drawing up selection criteria and appointment procedures for directors;
- assessing the functioning of individual members of our board of directors and executive officers and reporting the results of such assessment to our board of directors;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by shareholders;
- reviewing the composition of our board of directors to ensure that it is composed of members containing the appropriate skills and expertise to advise us;
- recommending to our board of directors the persons to be nominated for election as directors and to each of our board of directors' committees;
- developing and recommending to our board of directors a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of our board of directors and management.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics, or Code of Ethics, applicable to our and our subsidiaries' employees, independent contractors, senior management and directors, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of the Code of Ethics is posted on our website, which is located at www.compasspathways.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and is not incorporated by reference herein.

Compensation of Executive Officers and Directors

For the year ended December 31, 2019, the aggregate compensation accrued or paid to the members of our board of directors and our executive officers for services in all capacities was £2,427,664, including the estimated grant date fair value of share-based compensation awarded in the fiscal year ended December 31, 2019. This share-based compensation included (i) options to purchase an aggregate of 201,263 ordinary shares with an exercise price of less than £0.01 per share and options to purchase an aggregate of 228,696 ordinary shares with an exercise price of £1.14 per share, in each case that expire 10 years after the date of grant and (ii) a share award of 99,049 shares at a purchase price less than £0.01 per share. The total amounts accrued to provide pension, retirement or similar benefits for our directors and officers for the fiscal year ended December 31, 2019 was £4,715.

Non-Executive Director Appointment Letters

We have entered into appointment letters with each non-executive director who is not affiliated with one of our investor shareholders. The appointment letters provide for a share option grant as compensation for services. In accordance with each appointment letter, such non-executive director's directorship may be terminated on the final day of any month by either party giving 30 days' written notice.

Executive Employment Contracts

We engage our executive officers using standard terms as set out in our executive offer letter agreements. These agreements entitle the executive officers to receive an annual base salary. These agreements also entitle the executive officer to participate in a discretionary bonus scheme, the amount of any such bonus to be determined at the compensation and leadership development committee's sole discretion. These agreements also entitle the executive officer to participate in our equity incentive plans, the amount of such equity participation to be determined at the compensation and leadership development committee's sole discretion. We also contribute a certain percentage of the executive officer's basic salary to a group personal pension scheme. The executive officer is entitled to a number of additional benefits generally available to our employees.

These agreements (other than the agreement with Mr. Wilde) contain standard intellectual property and confidentiality provisions, which survive termination and also contain 12-month non-competition and non-solicitation restrictive covenants, which may be reduced by any time spent on garden leave. Mr. Wilde is subject to a noncompetition covenant during his employment with us and is subject to intellectual property and confidentiality provisions in accordance with German law. In connection with this offering, we intend to enter into new executive contracts that will provide our executives with market-based compensation levels and severance provisions.

Outstanding Equity Program

In 2017, we established an option pool for purposes of granting share options and allotting shares to our employee and non-employee service providers. All the shares below reflect the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering.

As of December 31, 2019, we had reserved 3,050,079 ordinary shares for the employee share option pool (amounts to 13.2% of our issued share capital on a fully diluted basis) of which 201,263 ordinary shares have been issued, options for 1,539,411 ordinary shares have been granted and 1,309,405

ordinary shares remain unallocated in the employee share option pool. On March 9, 2020, we increased the share option pool to 15.0% of our issued share capital on a fully-diluted basis.

In connection with a sale, our board of directors may provide that such options shall be exchanged for options of the acquirer. If such exchange does not occur, such options shall be exercisable in full (and if not so exercised, shall lapse). In connection with an asset sale, such options may be exercised in full within such period of time as specified by our board of directors (and if not so exercised, shall lapse). In connection with this offering, 916,233 options shall immediately vest in full, subject to such rules as we adopt in connection to dealings in shares and options by our employees. In connection with any variation in share capital, our board of directors has discretion to take action to prevent the dilution or enlargement of intended benefits.

Any amendment may not affect an award which has already been granted without the consent of the affected grantee.

2020 Share Option and Incentive Plan

We intend to adopt the 2020 Share Option and Incentive Plan, or the 2020 Plan, which will be effective the day prior to the listing of our ADSs on Nasdaq. The 2020 Plan allows the compensation and leadership development committee to make equity-based and cash-based incentive awards to our officers, employees, directors and other key persons (including consultants). The material terms of the 2020 Plan are summarized below. Except where the context indicates otherwise, references hereunder to our ordinary shares shall be deemed to include a number of ADSs equal to an ordinary share.

We have initially reserved 2,074,325 ordinary shares, or the Initial Limit, for the issuance of awards under the 2020 Plan. The 2020 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning on January 1, 2022, by up to 4% of the outstanding number of ordinary shares on the immediately preceding December 31, or such lesser number of shares as determined by our compensation and leadership development committee, or the Annual Increase. This number is subject to adjustment in the event of a sub-division, consolidation, share dividend or other change in our capitalization.

The ordinary shares underlying any awards that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without any issuance of shares, expire or are otherwise terminated (other than by exercise) under the 2020 Plan will be added back to the ordinary shares available for issuance under the 2020 Plan.

The maximum aggregate number of shares that may be issued in the form of incentive share options shall not exceed the Initial Limit cumulatively increased on January 1, 2022 and on each January 1 thereafter by the lesser of the Annual Increase for such year or 2,074,325 ordinary shares.

The 2020 Plan will be administered by our compensation and leadership development committee. Our compensation and leadership development committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2020 Plan. Persons eligible to participate in the 2020 Plan will be those full or part-time officers, employees, non-employee directors and other key persons (including consultants) as selected from time to time by our compensation and leadership development committee in its discretion.

The 2020 Plan permits the granting of both options to purchase ordinary shares intended to qualify as incentive share options under Section 422 of the Code, and options that do not so qualify. The option exercise price of each option will be determined by our compensation and leadership development committee but may not be less than 100% of the fair market value of our ordinary shares on the date of grant. The term of each option will be fixed by our compensation and leadership development committee.

and may not exceed 10 years from the date of grant. Our compensation and leadership development committee will determine at what time or times each option may be exercised.

Our compensation and leadership development committee may award share appreciation rights subject to such conditions and restrictions as it may determine. Share appreciation rights entitle the recipient to ordinary shares, or cash, equal to the value of the appreciation in our share price over the exercise price. The exercise price of each share appreciation right may not be less than 100% of the fair market value of the ordinary shares on the date of grant.

Our compensation and leadership development committee may award restricted shares and restricted share units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. Our compensation and leadership development committee may also grant ordinary shares that are free from any restrictions under the 2020 Plan. Unrestricted shares may be granted to participants in recognition of past services or other valid consideration and may be issued in lieu of cash compensation due to such participant. Our compensation and leadership development committee may grant cash bonuses under the 2020 Plan to participants, subject to the achievement of certain performance goals.

The 2020 Plan provides that in the case of, and subject to, the consummation of a “sale event” as defined in the 2020 Plan, all outstanding awards may be assumed, substituted or otherwise continued by the successor entity. To the extent that the successor entity does not assume, substitute or otherwise continue such awards, then (i) all share options and share appreciation rights will automatically become fully exercisable and the restrictions and conditions on all other awards with time-based conditions will automatically be deemed waived, and awards with conditions and restrictions relating to the attainment of performance goals may become vested and non-forfeitable in connection with a sale event in the compensation and leadership development committee’s discretion and (ii) upon the effectiveness of the sale event, the 2020 Plan and all awards will automatically terminate. In the event of such termination, (i) individuals holding options and share appreciation rights will be permitted to exercise such options and share appreciation rights (to the extent exercisable) prior to the sale event; or (ii) we may make or provide for a cash payment to participants holding options and share appreciation rights equal to the difference between the per share cash consideration payable to shareholders in the sale event and the exercise price of the options or share appreciation rights (to the extent then exercisable).

Our board of directors may amend or discontinue the 2020 Plan and our compensation and leadership development committee may amend the exercise price of options and amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose but no such action may adversely affect rights under an award without the holder’s consent. Certain amendments to the 2020 Plan require the approval of our shareholders. No awards may be granted under the 2020 Plan after the date that is 10 years from the date of shareholder approval. No awards under the 2020 Plan have been made prior to the date of this prospectus.

2020 Employee Share Purchase Plan

In September 2020, our board of directors adopted, and our shareholders approved, the 2020 Employee Share Purchase Plan, or ESPP, which will be effective the day prior to the listing of our ADSs on Nasdaq. We may elect to implement the ESPP in the future following this offering.

The ESPP initially reserves and authorizes up to a total of 340,053 ordinary shares to participating employees. The ESPP provides that the number of shares reserved and available for issuance will automatically increase each January 1st, beginning on January 1, 2022, by the least of (i) 510,080 ordinary shares, or (ii) up to 1% of the outstanding number of ordinary shares on the immediately preceding December 31st, or such lesser number of ordinary shares as determined by the plan

administrator. The share reserve is subject to adjustment in the event of a share split, share dividend or other change in our capitalization.

The ESPP is administered by our compensation and leadership development committee. The administrator has the authority to make all determinations for administration of the ESPP.

All employees employed by us or by any of our designated affiliates whose customary employment is for more than 20 hours a week (unless this exclusion is not permitted by applicable law) are eligible to participate in the ESPP. Any employee who owns 5% or more of the total combined voting power or value of all classes of our shares is not eligible to purchase ordinary shares under the ESPP.

Offerings to our employees to purchase ordinary shares under the ESPP may be made at such times as determined by the administrator. Offerings will continue for such period, referred to as offering periods, as the administrator may determine, but may not be longer than 27 months. Each eligible employee may elect to participate in any offering by submitting an enrollment form before the applicable offering date.

Each employee who is a participant in the ESPP may purchase ordinary shares by authorizing payroll deductions of up to 15% of his or her eligible compensation during an offering period. Unless the participating employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase ordinary shares on the last business day of the applicable offering period equal to the lower of (i) the accumulated payroll deductions divided by either a per share price equal to 85% of the fair market value of a share of our ordinary shares on the first business day or the last business day of the offering period, whichever is lower, (ii) a number of ordinary shares determined by dividing the product of (A) US\$2,500 and (B) the number of months in the offering period, by the fair market value on the first day of the offering period, or (iii) such other lesser maximum number of ordinary shares as shall have been established by the administrator in advance of the offering. Under applicable tax rules, an employee may purchase no more than US\$25,000 worth of ordinary shares, valued at the start of the purchase period, under the ESPP in any calendar year.

The accumulated payroll deductions of any employee who is not a participant on the last day of an offering period will be refunded. An employee's rights under the ESPP terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.

The ESPP may be terminated or amended by our compensation and leadership development committee or board of directors at any time. An amendment that increases the number of our Class A ordinary shares that are authorized under the ESPP and certain other amendments require the approval of our shareholders. The plan administrator may adopt subplans under the ESPP for employees of our non-U.S. subsidiaries and may permit such employees to participate in the ESPP on different terms, to the extent permitted by applicable law.

Pension Plan

We currently maintain a personal pension plan provided by Royal London where we make contributions to our UK eligible employee's personal pension plan as we select. Each participant may make additional contributions at his or her discretion.

RELATED PARTY TRANSACTIONS

Since January 1, 2017, we have engaged in the following transactions with our directors, executive officers or holders of more than 5% of our outstanding share capital and their affiliates, which we refer to as our related parties. The share and per share numbers set forth below under this “Related Party Transaction” section do not give effect to the one-for-0.1136 reverse share split of all ordinary shares and the conversion of all of COMPASS Pathways plc’s outstanding convertible preferred shares into ordinary shares, to be effected immediately prior to and conditional on the completion of this offering.

Loans and Advances by Tapestry

Before COMPASS Pathfinder Holdings Limited became our holding company in August 2017, we operated our business through COMPASS Pathways Limited, which was subsequently renamed COMPASS Pathfinder Limited as part of our corporate reorganization. In July 2017, COMPASS Pathways Limited entered into a loan agreement with Tapestry Networks Inc., or Tapestry, a U.S. S-corp incorporated in the state of Delaware, in which George Goldsmith, our Chief Executive Officer, Co-Founder and Chairman of our board of directors owns 100% of the issued and outstanding shares of capital stock. Pursuant to the loan agreement, Tapestry issued an interest-free loan in the principal amount of \$672,337 to COMPASS Pathways Limited to fund COMPASS Pathways Limited’s payments to its vendors, or the Tapestry Loan. COMPASS Pathways Limited repaid \$443,102 of the Tapestry Loan on the date of the loan agreement. After such partial repayment, COMPASS Pathways Limited and Tapestry entered into a new loan agreement with respect to the remaining outstanding principal, in the amount of \$229,235 of the Tapestry Loan. In October 2018, the remaining \$229,235 of the Tapestry Loan was paid in full by COMPASS Pathways Limited.

Accounting and Professional Services by Tapestry

Since our formation, Tapestry has provided, and continues to provide, certain accounting and professional services to us. In September 2017, we entered into an informal arrangement with Tapestry, pursuant to which we paid monthly service fees to Tapestry. In March 2020, we entered into a consulting agreement with Tapestry to govern this arrangement from that point on. We accrued accounting and professional fees totaling \$0.1 million and \$0.2 million for the years ended December 31, 2018 and 2019, respectively. As of May 31, 2020, a balance of \$33 thousand in the aggregate was due and payable to Tapestry.

Shareholder Loans

In August 2017, Mr. George Goldsmith and Dr. Ekaterina Malievskaja, our Chief Innovation Officer, Co-Founder and director, entered into a loan agreement with COMPASS Pathways Technologies Limited, or the 2017 Shareholder Loan Agreement. Pursuant to the 2017 Shareholder Loan Agreement, Mr. Goldsmith and Dr. Malievskaja issued an interest free loan, payable on demand, in the aggregate principal amount of £40,000, to COMPASS Pathways Limited. The loan was deemed to have been repaid in full upon the issuance of 2,902,500 shares at an issue price of £0.01 per share by COMPASS Pathways Limited to each of Mr. Goldsmith and Dr. Malievskaja in August 2017. See “—Founder Share Issuance.”

In August 2017, Mr. Goldsmith and Dr. Malievskaja entered into a loan agreement with COMPASS Pathways Limited, or the 2017 Loan Agreement. Pursuant to the 2017 Loan Agreement, Mr. Goldsmith and Dr. Malievskaja issued an interest free loan, payable on demand, in the aggregate principal amount of £62,740 to COMPASS Pathways Limited. The loan was deemed as having been repaid in full upon the issuance of 4,527,900 shares at an issue price of £0.01 per share by COMPASS Pathways Limited to each of Mr. Goldsmith and Dr. Malievskaja in August 2017. See “—Founder Share Issuance.”

Founder Share Issuance

In August 2017, COMPASS Pathways Limited issued certain ordinary shares to each of Mr. Goldsmith and Dr. Malievskaja pursuant to the following transactions:

- Pursuant to a subscription agreement entered into by and among COMPASS Pathways Limited, Mr. Goldsmith and Dr. Malievskaja, dated August 1, 2017, COMPASS Pathways Limited issued 25,077,600 ordinary shares to each of Mr. Goldsmith and Dr. Malievskaja at an issue price of £0.01 per share, which each of Mr. Goldsmith and Dr. Malievskaja paid in full at the time of issuance.
- Pursuant to a subscription agreement entered into by and among COMPASS Pathways Limited, Mr. Goldsmith and Dr. Malievskaja, dated August 1, 2017, COMPASS Pathways Limited issued 2,902,500 ordinary shares to each of Mr. Goldsmith and Dr. Malievskaja at an issue price of £0.01 per share, which issue price was deemed as having been paid in full upon Mr. Goldsmith and Dr. Malievskaja's release of COMPASS Pathways Limited from its obligations Pursuant to the 2016 Shareholder Loan Agreement. See "—Shareholder Loans."
- Pursuant to a subscription agreement entered into by and among COMPASS Pathways Limited, Mr. Goldsmith and Dr. Malievskaja, dated August 1, 2017, COMPASS Pathways Limited issued 4,527,900 ordinary shares to each of Mr. Goldsmith and Dr. Malievskaja at an issue price of £0.01 per share, in consideration of Mr. Goldsmith and Dr. Malievskaja's release of COMPASS Pathways Limited from its obligations pursuant to the 2017 Loan Agreement. See "—Shareholder Loans."

After the share issuances by COMPASS Pathways Limited to each of Mr. Goldsmith and Dr. Malievskaja in August 2017, as described above, COMPASS Pathfinder Holdings Ltd issued 40,635,000 ordinary shares to each of Mr. Goldsmith and Dr. Malievskaja in exchange for the 40,635,000 ordinary shares of COMPASS Pathways Limited held by each of them pursuant to a share exchange agreement dated August 17, 2017. Upon closing of such share exchange, COMPASS Pathways Limited became our wholly-owned subsidiary. The 40,635,000 ordinary shares issued to Mr. Goldsmith and Dr. Malievskaja are subject to a vesting schedule. On August 17, 2020, all of such ordinary shares received by Mr. Goldsmith and Dr. Malievskaja will have fully vested.

Preferred Share Financings

Seed Financing

In August 2017, we sold an aggregate of 23,336,100 preferred shares at an issue price of £0.13 per share to certain investors, pursuant to the share purchase agreements entered into with these investors.

The following table summarizes the preferred shares purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding share capital. The terms of these purchases were the same for all purchasers of our preferred shares.

Name	Preferred Shares	Aggregate Purchase Price Paid
Apeiron Investment Group Limited ⁽¹⁾	7,778,700	£1,000,000
Rivendell Investments 2017-9 LLC ⁽²⁾	7,778,700	£1,000,000

(1) Apeiron Investment Group Limited holds a 27.16% share interest in ATAI Life Sciences AG, or ATAI, which currently holds 29.21% of our issued and outstanding share capital. See section titled "Series B Preferred Financing." and has appointed a director to our board of directors. Mr. Goldsmith and Dr. Malievskaja together hold a 7.4% equity interest in ATAI Life Sciences AG. 7,778,700 preferred shares purchased by Apeiron Investment Group Limited in our seed financing were transferred to ATAI Life Sciences AG in December 2018.

(2) Rivendell Investments 2017-9 LLC holds 5.52% of our issued and outstanding share capital.

2018 Convertible Loan Notes

In each of February and March 2018, we entered into a loan note instrument pursuant to which we sold an aggregate of £6,050,000 of convertible loan notes, or the 2018 Convertible Loan Notes, to certain investors. All 2018 Convertible Loan Notes were converted into 18,732,735 shares of our Series A preferred shares at a conversion price of £0.32 per share upon the completion of our Series A financing in September 2018.

The following table summarizes the 2018 Convertible Loan Notes purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding share capital. The terms of these purchases were the same for all purchasers of our 2018 Convertible Loan Notes.

Name	Principal Amount of 2019 Convertible Loan Notes	Series A Preferred Shares Converted
Apeiron Investment Group Limited ⁽¹⁾	£100,000	308,826

(1) Apeiron Investment Group Limited purchased £100,000 of 2019 Convertible Loan Notes, which were converted into 308,826 Series A preferred shares. All such shares were transferred to ATAI in December 2018.

Series A Preferred Financing

In September 2018, we completed our Series A financing by issuing an aggregate of 44,044,857 Series A preferred shares, excluding the Series A preferred shares issued as a result of the conversion of the 2018 Convertible Loan Notes, at an issue price of £0.43 per share to certain investors, pursuant to the share purchase agreements entered into with these investors.

The following table summarizes the Series A preferred shares purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding share capital. The terms of these purchases were the same for all purchasers of our Series A preferred shares.

Name	Series A Preferred Shares	Aggregate Purchase Price Paid
Apeiron Investment Group Limited ⁽¹⁾	23,243,220	£9,999,990

(1) Apeiron Investment Group Limited purchased 23,243,220 Series A preferred shares in our Series A financing, which shares were transferred to ATAI Life Sciences AG in December 2018.

2020 Convertible Loan Notes

In August 2019, we entered into a loan note instrument pursuant to which we sold an aggregate of £15,000,000 of convertible loan notes, or the 2020 Convertible Loan Notes, to certain investors. All 2020 Convertible Loan Notes were converted into our Series B preferred shares at a conversion price of £0.99 per share in April 2020.

The following table summarizes the 2020 Convertible Loan Notes purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding share capital. The terms of these purchases were the same for all purchasers of our 2020 Convertible Loan Notes.

Name	Principal Amount of 2020 Convertible Loan Notes	Series B Preferred Shares Converted
ATAI Life Sciences AG	£6,181,986	6,255,468
TT6, LLC, Series 1 ⁽¹⁾	£318,590	321,597

(1) Jason Camm, our director, holds a more than 10% share interest in TT6, LLC, Series 1.

Series B Preferred Financing

In April 2020, we completed the initial closings of our Series B financing by issuing an aggregate of 34,940,295 Series B preferred shares at an issue price of \$1.42 per share to certain investors, pursuant to the share purchase agreements entered into with these investors.

The following table summarizes the Series B preferred shares purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding share capital in the initial closings of our Series B financing. The terms of these purchases were the same for all purchasers of our Series B preferred shares.

Name	Series B Preferred Shares	Aggregate Purchase Price Paid
McQuade Center for Strategic Research and Development LLC ⁽¹⁾	14,037,651	£19,998,514

(1) McQuade Center for Strategic Research and Development LLC holds 5.84% of our issued and outstanding share capital and has appointed a director to our board of directors.

In April 2020, ATAI signed an irrevocable undertaking in favor of us, pursuant to which ATAI undertook to purchase 3,748,869 Series B preferred shares at a purchase price of \$1.42 per share no later than September 17, 2020. This purchase was completed on August 10, 2020.

Share Transfer between Founders and ATAI

In December 2018, Mr. Goldsmith and Dr. Malievskaia each transferred 3,889,350 ordinary shares (7,778,700 total) to ATAI as contemplated by the shareholders' agreement entered into by and among us and certain of our shareholders in connection with our Series A preferred financing. In exchange, Mr. Goldsmith and Dr. Malievskaia each received 209,666 bearer shares of capital stock, or approximately 3.7% (7.4% total), of ATAI.

Share Option Contract

In May 2020, we and Lars Christian Wilde, our President, Chief Business Officer and Co-Founder, entered into a share option contract pursuant to which Mr. Wilde has an option to purchase 8,942,022 ordinary shares from us at an exercise price less than £0.01 per share. The shares underlying the share option are subject to a vesting schedule. On August 17, 2020, all of the shares underlying the share option will have fully vested. The unvested shares underlying the share option will be repurchased by us or transferred to a new director or employee of ours if Mr. Wilde ceases to be employed by us, subject to customary exceptions.

Call Option Agreements

In May 2020, we and Lars Christian Wilde entered into a call option agreement with each of Mr. Goldsmith and Dr. Malievskaia. Pursuant to the call option agreements, Mr. Wilde has an option to purchase 6,835,968 of our ordinary shares from each of Mr. Goldsmith and Dr. Malievskaia, exercisable at any time upon the earlier of (i) May 19, 2021, (ii) the date on which 50% or more of our ordinary shares or all our material assets are transferred, or (iii) upon our initial public offering, but in any case, no later than May 19, 2030. The option will terminate if Mr. Wilde ceases to be employed by us at any time prior to May 19, 2021. These call option agreements were amended and restated on July 21, 2020 in order to allow the wholly-owned holding company of Mr. Wilde to acquire the ordinary shares from Mr. Goldsmith and Dr. Malievskaia on Mr. Wilde's behalf.

Agreements with Shareholders

In connection with our preferred, Series A preferred and Series B preferred financings, we entered into subscription and shareholders' agreements containing registration rights, information rights and rights of first refusal, among other things, with certain holders of our preferred, Series A preferred and

Series B preferred shares. These shareholder agreements will terminate upon the completion of this offering, except for the registration rights granted under our shareholders' agreement, dated April 17, 2020 and amended and restated on August 7, 2020, entered into in connection with our Series B preferred financing, as more fully described in "Description of Share Capital and Articles of Association—Registration Rights."

Agreements with Our Executive Officers and Directors

We have entered into employment agreements with our executive officers and service agreements with our non-executive directors, except Florian Brand, Jason Camm and Robert McQuade. These agreements contain customary provisions and representations, including confidentiality, non-competition, non-solicitation and inventions assignment undertakings by the executive officers. However, the enforceability of the non-competition provisions may be limited under applicable law.

Director Appointment Rights

Upon the completion of this offering, pursuant to our amended and restated shareholders' agreement, ATAI and MSRD are each entitled to appoint one member of our board of directors, and for so long as ATAI owns at least 22.5% of our fully diluted share capital, ATAI is entitled to appoint a second member of our board of directors. As of the date of this prospectus, MSRD has appointed Mr. McQuade to our board of directors, and ATAI has appointed Florian Brand and Jason Camm to our board of directors.

Insurance and Indemnification

To the extent permitted by the Companies Act 2006 and in accordance with our Articles, which will be adopted with effect from the completion of this offering, we are empowered to indemnify our directors against any liability they incur by reason of their directorship. We will, prior to the completion of this offering, obtain and maintain directors' and officers' insurance to insure such persons against certain liabilities. We expect to enter into a deed of indemnity with each of our directors and members of our senior management prior to the completion of this offering.

Directed ADS Program

At our request, the underwriters have reserved up to five (5%) percent of the ADSs offered by this prospectus for sale, at the initial public offering price per ADS, to certain of our directors, officers and employees and persons having relationships with us. The sales will be made by Empire Asset Management Co. as the directed ADS program administrator. We do not currently know the extent to which these related persons will participate in the directed ADS program.

Related Party Transaction Policy

Prior to the completion of this offering, we intend to adopt a related party transaction policy. Pursuant to this policy, the audit and risk committee has the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related parties in which the related party has a direct or indirect material interest. For purposes of this policy, a related party will be defined as a director, executive director, nominee for director, or greater than 5% beneficial owner of any class of our voting securities, and their immediate family members.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of August 28, 2020, as adjusted to reflect the sale of ADSs offered by us in this offering and reflecting the Reverse Share Split to be effected immediately prior to and conditional on the completion of this offering, for:

- each beneficial owner of 5% or more of our outstanding ordinary shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

The following table does not reflect any ADSs that may be purchased pursuant to our directed ADS program described under “Related Party Transactions—Directed ADS Program” or any potential purchases of ADSs made as part of this offering. If any ADSs are purchased by our existing principal shareholders, directors or their affiliated entities, the number and percentage of our ordinary shares beneficially owned by them after this offering will differ from those set forth in the following table.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, or SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares that can be acquired within 60 days of August 31, 2020. Percentage ownership calculations are based on 27,305,331 ordinary shares outstanding as of August 31, 2020.

Except as otherwise indicated, all of the shares reflected in the table are ordinary shares and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

As of August 31, 2020, 9,164,986 ordinary shares, representing 33.6% of our issued and ordinary shares, were held by 38 U.S. shareholders of record.

Except as otherwise indicated in the table below, addresses of the directors, executive officers and named beneficial owners are in care of COMPASS Pathways plc, 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT, United Kingdom.

NAME OF BENEFICIAL OWNER	ORDINARY SHARES BENEFICIALLY OWNED			
	NUMBER BEFORE OFFERING	PERCENT BEFORE OPENING	NUMBER AFTER OFFERING	PERCENT AFTER OFFERING
5% or greater shareholders:				
ATAI Life Sciences AG ⁽¹⁾	7,935,663	29.06 %	7,935,663	23.43 %
George Goldsmith ⁽²⁾	4,521,571	16.56 %	4,521,571	13.35 %
Ekaterina Malievskaia ⁽³⁾	4,521,571	16.56 %	4,521,571	13.35 %
Entities affiliated with Peter Thiel ⁽⁴⁾	2,058,399	7.54 %	2,058,399	6.15 %
McQuade Center for Strategic Research and Development LLC ⁽⁵⁾	1,594,677	5.84 %	1,594,677	4.71 %
Directors and Officers				
George Goldsmith ⁽²⁾	4,521,571	16.56 %	4,521,571	13.35 %
Lars Christian Wilde ⁽⁶⁾	829,082	3.04 %	829,082	2.48 %
Piers Morgan ⁽⁷⁾	178,632	*%	178,632	*%
Nate Poulsen ⁽⁸⁾	233,781	*%	233,781	*%
Ekaterina Malievskaia ⁽³⁾	4,521,571	16.56 %	4,521,571	13.35 %
Florian Brand ⁽⁹⁾				
Annalisa Jenkins ⁽¹⁰⁾	113,791	*%	113,791	*%
Thomas Lönngren ⁽¹¹⁾	119,749	*%	119,749	*%
David York Norton ⁽¹²⁾	113,791	*%	113,791	*%
Jason Camm				
Robert McQuade ⁽¹³⁾	1,594,677	5.84 %	1,594,677	4.71 %
All current directors and executive officers as a group (11 persons)	12,226,645	44.78 %	12,226,645	36.19 %

* Represents beneficial ownership of less than one percent.

- (1) Represents (i) 883,660 ordinary shares, 1,767,320 preferred shares, 448,191 Series A preferred shares and 1,136,492 Series B preferred shares, in each case held by ATAI Life Sciences AG, or ATAI. ATAI Life Sciences AG is a German public limited company. Its address is Barer Straße 7, 80333 München, Germany. Pursuant to our Amended and Restated Shareholders' Agreement, ATAI will have the right to appoint up to two directors to our board of directors (See "Certain Related Party Transactions — Director Appointment Rights".)
- (2) Represents 4,521,571 ordinary shares held by Mr. Goldsmith. Mr. Goldsmith and Dr. Malievskaia are married but they expressly disclaim beneficial ownership of each other's shares in the Company.
- (3) Represents 4,521,571 ordinary shares held by Dr. Malievskaia. Mr. Goldsmith and Dr. Malievskaia are married but they expressly disclaim beneficial ownership of each other's shares in the Company.
- (4) Represents (i) 883,660 preferred shares and 616,979 Series A preferred shares held by Rivendell Investments 2017-9 LLC, a limited liability company formed under the laws of the State of Delaware, (ii) 494,190 Series B preferred shares held by The Founders Fund VII, LP, a limited partnership formed under the laws of the State of Delaware, (iii) 59,218 Series B preferred shares held by The Founders Fund VII Principals Fund, LP, a limited partnership formed under the laws of the state of Delaware, and (iv) 4,352 Series B preferred shares held by The Founders Fund VII Entrepreneurs Fund, LP, a limited partnership formed under the laws of the State of Delaware. Mr. Thiel is the beneficial owner of Rivendell Investments 2017-9 LLC and has sole voting and investment power over the securities held by Rivendell Investments 2017-9 LLC. Mr. Thiel is one of three Managing Members of the General Partner of each of The Founders Fund VII, LP, The Founders Fund VII Principals Fund, LP and The Founders Fund VII Entrepreneurs Fund, LP and may be deemed to share voting and investment power over the securities held by The Founders Fund VII, LP, The Founders Fund VII Principals Fund, LP and The Founders Fund VII Entrepreneurs Fund, LP. The other two Managing Members are Brian Singerman and Keith Rabois. The address of Rivendell Investments 2017-9 LLC is 1209 Orange Street, Wilmington, Delaware 19801. The address of each of The Founders Fund VII, LP, The Founders Fund VII Principals Fund, LP and The Founders Fund VII Entrepreneurs Fund, LP is One Letterman Drive, Building D, 5th Floor, San Francisco, California 94129.
- (5) Represents 1,594,677 Series B preferred shares held by McQuade Center for Strategic Research and Development LLC, or MSRD, a Delaware limited liability company. Its address is 508 Carnegie Center Drive, Princeton, New Jersey 08540. Pursuant to our Amended and Restated Shareholders' Agreement, MSRD will have the right to appoint one member of our board of directors (See "Certain Related Party Transactions — Director Appointment Rights".)

- (6) Represents (i) options to purchase 817,908 ordinary shares from the Company, exercisable by Mr. Wilde within 60 days after August 28, 2020, and (ii) option to purchase 11,174 ordinary shares from the Company, exercisable by Mr. Wilde as a result of the accelerated vesting of such options upon completion of this offering. The business address of Mr. Wilde is Reichswaldallee 25, 40472 Düsseldorf, Germany.
- (7) Represents options to purchase 178,632 ordinary shares from the Company, exercisable by Mr. Morgan within 60 days after August 28, 2020 as a result of the accelerated vesting of such options upon completion of this offering.
- (8) Represents (i) options to purchase 77,926 ordinary shares from the Company, exercisable by Mr. Poulsen within 60 days after August 28, 2020, and (ii) options to purchase 155,855 ordinary shares exercisable by Mr. Poulsen as a result of the accelerated vesting of such options upon completion of this offering.
- (9) Mr. Brand intends to resign from our board of directors following the completion of our initial public offering.
- (10) Represents (i) options to purchase a total of 88,505 ordinary shares exercisable by Ms. Jenkins within 60 days after August 28, 2020, and (ii) options to purchase 25,286 ordinary shares from the Company, exercisable by Ms. Jenkins as a result of the accelerated vesting of such options upon completion of this offering. The business address of Ms. Jenkins is PO BOX 1152, Princeton, New Jersey 08542.
- (11) Represents (i) 99,049 ordinary shares, of which 19,260 are subject to forfeiture and our repurchase pursuant to a restricted share agreement between us and Mr. Lönngren dated January 31, 2020, (ii) options to purchase a total of 11,896 ordinary shares exercisable by Mr. Lönngren within 60 days after August 28, 2020, and (iii) options to purchase 8,804 ordinary shares exercisable by Mr. Lönngren as a result of accelerated vesting of such options upon completion of this offering. The business address of Mr. Lönngren is Fröviboda 37, 755 91 Uppsala, Sweden.
- (12) Represents (i) options to purchase a total of 91,665 ordinary shares exercisable by Mr. Norton within 60 days after August 28, 2020, and (ii) options to purchase 22,126 ordinary shares exercisable by Mr. Norton as a result of the accelerated vesting of such options upon completion of this offering.
- (13) Represents 1,594,677 Series B preferred shares held by McQuade Center for Strategic Research and Development LLC. Dr. McQuade, the president of McQuade Center for Strategic Research and Development LLC, may be deemed to have voting and investment power over the shares beneficially owned by McQuade Center for Strategic Research and Development LLC, but he disclaims beneficial ownership of such shares.

DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION

The following describes our issued share capital, summarizes the material provisions of our new articles of association that will be adopted with effect from the completion of this offering, or Articles, and highlights certain differences in corporate law in the United Kingdom and the United States.

We were incorporated pursuant to the laws of England and Wales as COMPASS Rx Limited in June 2020 to become the holding company for COMPASS Pathfinder Holdings Limited. Pursuant to the terms of a share for share exchange agreement entered into on August 7, 2020 as part of our corporate reorganization, all shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them for 1,161 of the same class, with the same shareholder rights, of newly issued shares of COMPASS Rx Limited and, as a result, COMPASS Pathfinder Holdings Limited became a wholly owned subsidiary of COMPASS Rx Limited. Subsequently, we re-registered COMPASS Rx Limited as a public limited company and renamed it as COMPASS Pathways plc. See “Corporate Reorganization” on page 112 for more information.

We are registered with the Registrar of Companies in England and Wales under number 12696098, and our registered office is at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT, United Kingdom.

As part of our corporate reorganization, certain resolutions were passed by our shareholders prior to the completion of this offering. These included resolutions for the:

- adoption of our Articles. See “Post-IPO Articles of Association” below;
- general authorization of our directors for purposes of section 551 of the Companies Act 2006 to issue our shares and grant rights to subscribe for or convert any securities into our shares up to a maximum aggregate nominal amount of £536,000 for a period of five years; and
- empowering of our directors pursuant to section 570 of the Companies Act 2006 to issue equity securities for cash pursuant to the section 551 authority referred to above as if the statutory preemption rights under section 561(1) of the Companies Act 2006 did not apply to such allotments.

Issued Share Capital

Prior to our corporate reorganization and the Reverse Share Split to be effected prior to the completion of this offering, as of August 6, 2020, the issued share capital of COMPASS Pathfinder Holdings Limited was 83,025 ordinary shares, 20,100 preferred shares, 54,072 Series A preferred shares and 47,091 Series B preferred shares. The nominal value of COMPASS Pathfinder Holdings Limited's ordinary shares was £0.01 per share and the nominal value of its preferred shares, Series A preferred shares and Series B preferred shares was £0.01 per share and each issued ordinary share, preferred share, Series A preferred share and Series B preferred share was fully paid. On August 7, 2020, pursuant to a share for share exchange agreement, all shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them for 1,161 of the same class, with the same shareholder rights, of newly issued shares of COMPASS Rx Limited. As part of the exchange of shares, COMPASS Pathfinder Holdings Limited became a wholly-owned subsidiary of COMPASS Rx Limited. In August 2020, COMPASS Rx Limited repurchased 563,085 unvested restricted ordinary shares upon a certain employee's resignation and issued an aggregate 3,748,869 Series B preferred shares to a significant shareholder pursuant to an agreement entered into with the relevant significant shareholder.

The nominal value of COMPASS Rx Limited's ordinary shares, preferred shares, Series A preferred shares and Series B preferred shares is £0.001 per share following the capital reduction by COMPASS Rx Limited, effective on August 19, 2020, and each issued ordinary share, preferred share, Series A

preferred share and Series B preferred share is fully paid. COMPASS Rx Limited was subsequently re-registered as a public limited company and renamed as COMPASS Pathways plc on August 21, 2020. The re-registration of COMPASS Rx Limited as a public limited company did not alter our issued share capital. As of August 31, 2020, the issued share capital of COMPASS Pathways plc consisted of 10,886,159 ordinary shares, 2,650,980 preference shares, 7,131,525 Series A preference shares and 6,636,667 Series B preference shares, each with a nominal value of £0.001 per share. As of the completion of our corporate reorganization, the Reverse Share Split and this offering, in each case, assuming an initial public offering price of \$15.00 per ADS, the midpoint of the range set forth on the cover page of this prospectus, our issued share capital will be 34,005,331 ordinary shares and one deferred share with a nominal value £21,921.504.

Ordinary Shares

Our ordinary shares have the rights and restrictions described in “Key Provisions of our Post-IPO Articles of Association” below. In accordance with our Articles, the following summarizes the rights of holders of our ordinary shares:

- each holder of our ordinary shares is entitled to one vote per ordinary share on all matters to be voted on by shareholders generally;
- the holders of our ordinary shares shall be entitled to receive notice of, attend, speak and vote at our general meetings and receive a copy of every report, accounts, circular or other documents sent out by us to our shareholders; and
- holders of our ordinary shares are entitled to receive such dividends as are recommended by our directors and declared by our shareholders.

Deferred Shares

Our deferred shares, created as part of the Reverse Share Split, have the rights and restrictions set out in our Articles, to be adopted with effect from the completion of this offering. In summary:

- the holders of our deferred shares are not entitled to vote on shareholder matters, or receive notice of, attend, speak or vote at our general meetings or receive copies of our reports, accounts, circulars or other documents sent to our shareholders;
- the holders of our deferred shares shall not be entitled to receive any dividends or participation in the profits of the Company;
- in the event of a winding up or liquidation of the Company, the deferred shares shall only participate in the surplus assets of the Company to the extent that each ordinary share has first received the amount paid up on that ordinary shares plus the sum of £1,000,000 in respect of each ordinary share; and
- the deferred shares shall not be transferable, save as in accordance with the limited circumstances set out in our Articles.

Registered Shares

We are required by the Companies Act 2006 to keep a register of our shareholders. Under English law, the ordinary shares are deemed to be issued when the name of the shareholder is entered in our share register. The share register therefore is prima facie evidence of the identity of our shareholders, and the shares that they hold. The share register generally provides limited, or no, information regarding the ultimate beneficial owners of our ordinary shares. Our share register is maintained by our registrar, Neville Registrars Limited. Holders of our ADSs will not be treated as our shareholders and their names will therefore not be entered in our share register. The depositary, the custodian or their nominees will be the

holder of the shares underlying our ADSs. Holders of our ADSs have a right to receive the ordinary shares underlying their ADSs. For discussion on our ADSs and ADS holder rights, see “Description of American Depositary Shares” in this prospectus.

Under the Companies Act 2006, we must enter an allotment of shares in our share register as soon as practicable and in any event within two months of the allotment. We will perform all procedures necessary to update the share register to reflect the ordinary shares being sold in this offering, including updating the share register with the number of ordinary shares to be issued to the depositary upon the completion of this offering. We also are required by the Companies Act 2006 to register a transfer of shares (or give the transferee notice of and reasons for refusal as the transferee may reasonably request) as soon as practicable and in any event within two months of receiving notice of the transfer.

We, any of our shareholders or any other affected person may apply to the court for rectification of the share register if:

- the name of any person, without sufficient cause, is wrongly entered in or omitted from our share register; or
- there is a default or unnecessary delay in entering on the register the fact of any person having ceased to be a shareholder or on which we have a lien, provided that such delay does not prevent dealings in the shares taking place on an open and proper basis.

Registration Rights

Upon the completion of this offering, the holders of 6,636,667 of our ordinary shares issuable upon the conversion of preferred shares will be entitled to rights with respect to the registration of these securities under the Securities Act. These rights are provided under the terms of a shareholders’ agreement between us and holders of our shares, or the shareholders’ agreement. The shareholders’ agreement includes demand registration rights, short-form registration rights and piggyback registration rights.

Demand Registration Rights

Beginning 180 days after the effective date of this registration statement, the holders of 6,636,667 of our ordinary shares issuable upon the conversion of preferred shares upon completion of this offering are entitled to demand registration rights. Under the terms of the shareholders’ agreement, we will be required, upon the written request of holders of a majority of these securities to file a registration statement and use best efforts to effect the registration of all or a portion of these shares for public resale. We are required to effect only two registrations pursuant to this provision of the shareholders’ agreement.

Short-Form Registration Rights

Pursuant to the shareholders’ agreement, if we are eligible to file a registration statement on Form F-3 or Form S-3, upon the written request of holders of a majority of these securities at an aggregate offer price of at least \$5.0 million, we will be required to effect a registration of such shares. We are required to effect only two registrations in any twelve (12) month period pursuant to this provision of the shareholders’ agreement. The right to have such shares registered on Form F-3 or Form S-3 is further subject to other specified conditions and limitations.

Piggyback Registration Rights

Pursuant to the shareholders’ agreement, if we register any of our securities either for our own account or for the account of other shareholders, other than in connection with our initial public offering or a registration for any employee benefit plan, corporate reorganization, or the offer or sale of debt securities, the holders of these shares are entitled to include their shares in the registration. Subject to certain exceptions contained in the shareholders’ agreement, we and the underwriters may limit the

number of shares included in the underwritten offering to the number of shares which we and the underwriters determine in our sole discretion will not jeopardize the success of the offering.

Indemnification

Our shareholders' agreement contains customary cross-indemnification provisions, under which we are obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions attributable to them.

Expiration of Registration Rights

The registration rights granted under the shareholders' agreement will terminate on the earliest of (i) a deemed liquidation event, as defined in our Articles, and (ii) the fifth anniversary of the completion of this offering.

Key Provisions of our Post-IPO Articles of Association

Our Articles were approved by our shareholders on September 11, 2020 and will be adopted with effect from the completion of the offering. A summary of certain key provisions of our Articles is set out below. The summary below is not a complete copy of the terms of our Articles. For further information, please refer to the full version of our Articles filed as an exhibit to the registration statement of which this prospectus forms a part.

Our Articles contain no specific restrictions on our purpose and therefore, by virtue of section 31(1) of the Companies Act 2006, our purpose is unrestricted.

Our Articles contain, among other things, provisions to the following effect:

Share Capital

Our share capital will consist of ordinary shares and deferred shares. We may, in accordance with section 551 of the Companies Act 2006, be authorized by our shareholders to generally and unconditionally allot our shares or grant rights to subscribe for or to convert any security into our shares by way of an ordinary resolution. We may issue these shares with such rights and restrictions as may be determined by the ordinary resolution, or if no ordinary resolution is passed or so far as the resolution does not make specific provision, as our board of directors may determine, including shares which are to be redeemed, or are liable to be redeemed at our option or the option of the holder of such shares. However, an amendment to our Articles, which requires the passing of a special resolution, will be required to issue any shares other than ordinary shares.

Voting

The shareholders have the right to receive notice of, and to attend and vote at, our general meetings. Subject to any other provisions of our Articles and without prejudice to any special rights, privileges or restrictions as to voting attached to any shares forming part of our share capital, each shareholder who is present in person (or, in the case of a corporation, by representative) or by proxy at a general meeting on a show of hands has one vote and, on a poll, every such shareholder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him or her.

Variation of Rights

Whenever our share capital is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either: (i) with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or (ii) with the authority of a special resolution passed at a general meeting of the holders of the shares of that class, and may be so varied and abrogated while we are a going concern.

Dividends

We may, subject to the provisions of the Companies Act 2006 and our Articles, by ordinary resolution from time to time declare dividends to be paid to shareholders according to their respective rights and interests in our profits, however no dividend shall exceed the amount recommended by our board of directors.

Subject to the provisions of the Companies Act 2006, our board of directors may declare interim dividends (including any dividend at a fixed rate) as appears our board of directors to be justified by our profits available for distribution. Except as provided otherwise by the rights attached to shares, all dividends may be declared or paid in any currency. Our board of directors may decide the rate of exchange for any currency conversions that may be required and how any costs involved in such conversions are to be met.

All dividends that remain unclaimed after a period of twelve (12) years from the date after they were first declared or became due for payment shall, if our board of directors so resolves, be forfeited and shall cease to remain owing by us.

Unless otherwise provided by the rights attached to the share, no dividend or other monies payable by us or in respect of a share shall bear interest as against us.

Liquidation

On a distribution of assets on a liquidation, dissolution or winding-up the surplus assets remaining after payment of our liabilities shall be distributed among the holders of our ordinary shares in proportion to the number of our ordinary shares held, irrespective of the amount paid or credited as paid on any share.

Transfer of Ordinary Shares

Each shareholder may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which our board of directors may approve. Each shareholder may transfer all or any of his shares which are in uncertificated form by means of a "relevant system" (i.e., the CREST System) in such manner provided for, and subject as provided in, the uncertificated securities rules (as defined in our Articles) (i.e., the CREST Regulations).

Our board of directors may, in its absolute discretion, refuse to register a transfer of shares in certificated form unless:

- (i) it is for a share which is fully paid up;
- (ii) it is for a share upon which we have no lien;
- (iii) it is only for one class of share;
- (iv) it is in favor of a single transferee or no more than four joint transferees;
- (v) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of our board of directors to be exempt from stamp duty; and
- (vi) it is delivered for registration to our registered office (or such other place as our board of directors may determine), accompanied (except in the case of a transfer by a person to whom we are not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as our board of directors may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by such transferor or, if the

transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

Our board of directors shall not refuse to register any transfer of partly paid shares in respect of which ADSs are admitted to Nasdaq on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

Our board of directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system (in each case as defined in our Articles) (i.e., the CREST Regulations and the CREST System).

Allotment of Shares and Preemption Rights

Subject to the Companies Act 2006 and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as we may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as our board of directors may determine (including shares which are to be redeemed, or are liable to be redeemed at our option or the holder of such shares). However, an amendment to our Articles, which requires the passing of a special resolution, will be required to issue any shares other than ordinary shares.

In accordance with section 551 of the Companies Act 2006, our board of directors may be generally and unconditionally authorized to exercise all of our powers to allot shares or grant rights to subscribe for or to convert any security into our shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution authorizing such allotment. The authorities referred to above were included in the ordinary resolution of our shareholders passed on September 11, 2020 and remain in force at the date of this prospectus.

Pursuant to section 561 of the Companies Act 2006, shareholders are granted preemptive rights when new shares are issued for cash. However, it is possible for our Articles, or shareholders at a general meeting representing at least 75% of our ordinary shares present (in person or by proxy) and eligible to vote at that general meeting, to disapply these preemptive rights. Such a disapplication of preemption rights may be for a maximum period of up to five years from the date of the shareholder resolution. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (i.e., at least every five years).

On September 11, 2020, our shareholders approved the disapplication of preemptive rights for a period of five years from the date of approval by way of a special resolution of our shareholders. This included the disapplication of preemption rights in relation to the allotment of our ordinary shares in connection with this offering. This disapplication will need to be renewed upon expiration (i.e., at least every five years) to remain effective, but may be sought more frequently for additional five-year terms (or any shorter period).

Alteration of Share Capital

We may, in accordance with the Companies Act 2006, by ordinary resolution consolidate all or any of our share capital into a smaller number of shares of a larger nominal amount than our existing shares, or cancel any shares which, at the date of that ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of shares so cancelled, or sub-divide our shares, or any of them, into shares of a smaller nominal amount than our existing shares.

We may, in accordance with the Companies Act 2006, reduce or cancel our share capital or any capital redemption reserve or share premium account in any manner and with and subject to any conditions, authorities and consents required by law.

Board of Directors

Appointment of Directors

Unless otherwise determined by ordinary resolution, the number of directors (other than any alternate directors) shall not be less than two, but there shall be no maximum number of directors.

Subject to our Articles and the Companies Act 2006, we may by ordinary resolution appoint a person who is willing to act as a director and our board of directors shall have power at any time to appoint any person who is willing to act as a director, in both cases either to fill a vacancy or as an addition to the existing board of directors.

Our Articles provide that, our board of directors will be divided into three classes, designated as “Class I”, “Class II” and “Class III”, each of which will consist, as nearly as possible, of one-third of the total number of directors constituting our entire board of directors and which will serve staggered three-year terms. At each annual general meeting, the successors of directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Directors of the class retiring at the annual general meeting shall be eligible for re-appointment by ordinary resolution at such annual general meeting.

At every subsequent annual general meeting any director who has been appointed by our board of directors since the last annual general meeting must retire from office and may offer themselves for reappointment by the shareholders by ordinary resolution.

Proceedings of Directors

Subject to the provisions of our Articles, our board of directors may regulate their proceedings as they deem appropriate. A director may, and the secretary at the request of a director shall, call a meeting of the directors.

The quorum for a meeting of our board of directors shall be fixed from time to time by decision of the board of directors, but it must never be fewer than two directors (or duly appointed alternate directors).

Questions and matters requiring resolution arising at a meeting shall be decided by a majority of votes of the participating directors, with each director having one vote. In the case of an equality of votes, the chairperson will have a second or casting vote (unless the chairperson is not entitled to vote on the resolution in question).

Directors' Compensation

Directors shall be entitled to receive such fees as our board of directors shall determine for their services as our directors, and for any other service which they undertake on our behalf provided that the aggregate fees payable to the directors must not exceed £750,000 per annum or such higher amount as may from time to time be decided by ordinary resolution. Directors shall be entitled to reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) for any special duties or services performed or rendered to us, as determined by our board of directors, and in respect of any employment or executive office. The directors shall also be entitled to be paid reasonable travel, hotel and other expenses properly incurred by them in connection with their attendance at meetings of shareholders or class meetings, board of director or committee meetings or otherwise in connection with the performance of their duties as directors.

Conflicts of Interest

Our board of directors may, in accordance with the requirements in our Articles, authorize any matter proposed to them by any director which would, if not authorized, involve a director breaching his duty under the Companies Act 2006, to avoid conflicts of interests.

A director seeking authorization in respect of such conflict shall declare to our board of directors the nature and extent of his interest in a conflict as soon as is reasonably practicable. The director shall provide our board of directors with such details of the matter as are necessary for our board of directors to decide how to address the conflict together with such additional information as may be requested by our board of directors.

Any authorization by our board of directors will be effective only if:

- (i) to the extent permitted by the Companies Act 2006, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of our Articles;
- (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted director and any other conflicted director; and
- (iii) the matter is agreed to without the conflicted director voting or would be agreed to if the conflicted director's and any other interested director's vote is not counted.

Permitted Interests

Under our Articles, certain transactions which would otherwise give rise to a conflict are considered to be permitted interests of our directors. In the event that these permitted interests arise, the director in question will still count towards the quorum requirements of the relevant meeting and be entitled to vote on resolutions relating to such permitted interests, including but not limited to the following matters:

- (i) the giving by such director of any security, guarantee or indemnity for any money or any liability which such director, or any other person, has lent or obligations such director or any other person has undertaken at the request, or for the benefit, of us or any of our subsidiary undertakings;
- (ii) the giving of any security, guarantee or indemnity to any other person for a debt or obligation which is owed by us or any of our subsidiary undertakings, to that other person if such director has taken responsibility for some or all of that debt or obligation. Such director can take this responsibility by giving a guarantee, indemnity or security;
- (iii) a proposal or contract relating to an offer of any shares or debentures or other securities for subscription or purchase by us or any of our subsidiary undertakings, if such director takes part because such director is a holder of shares, debentures or other securities, or if such director takes part in the underwriting or subunderwriting of the offer;
- (iv) any arrangement for the benefit of our employees or the employees of any of our subsidiary undertakings which only gives such director benefits which are also generally given to employees to whom the arrangement relates;
- (v) any arrangement involving any other company if such director (together with any person connected with such director) has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder of that company). This does not apply if such director knows that that such director has a relevant interest in a company. A company shall be deemed to be one in which such director has a relevant interest if and so long as (but only if and so long as) such director is to their knowledge (either directly or indirectly) the holder of or beneficially interested in one percent or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to shareholders of that company;
- (vi) a contract relating to insurance which we can buy or renew for the benefit of our directors or a group of people which includes our directors; and

- (vii) a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives such director benefits which are also generally given to the employees to whom the scheme relates.

A director is not permitted to vote (or count towards the quorum) on a resolution relating to their own appointment or the settlement or variation of the terms of their appointment to an office or place of profit with us, or any other company in which we have an interest.

Directors' Indemnity

Subject to the provisions of the Companies Act 2006, all of our directors, secretaries or other officers (other than an auditor) shall be indemnified against any loss or liability incurred by them in connection with their duties or powers in relation to us or any of our subsidiaries or any pension fund or employees' share scheme of us or any of our subsidiaries or in relation to our activities as trustee of any occupational pension scheme which is operated by us from time to time. This indemnity includes any liability incurred by a director in defending any civil or criminal proceedings in which judgment is given in that director's favor or the director is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part and we may provide the director with funds to meet expenditure incurred in connection with the proceedings set out above.

General Meetings

We must convene and hold annual general meetings once a year in accordance with the Companies Act 2006. Under the Companies Act 2006, an annual general meeting must be called by notice of at least 21 clear days and a general meeting must be called by notice of at least 14 clear days.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairperson of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by our Articles, shareholders holding thirty-three and one-third percent (33 ⅓%) of our issued shares (excluding any shares held as treasury shares) present in person or by proxy (or in the case of a corporation, by a representative) and entitled to vote shall be a quorum for all purposes.

Choice of Forum/Governing Law

Our Articles provide that the courts of England and Wales will be the exclusive forum for resolving all shareholder complaints other than shareholder complaints asserting a cause of action arising under the Securities Act and the Exchange Act, for which, unless we consent by ordinary resolution to the selection of an alternative forum, the United States District Court for the Southern District of New York will be the exclusive forum. As a company incorporated in England and Wales, the choice of the courts of England and Wales as our exclusive forum for resolving all shareholder complaints, other than complaints arising under the Securities Act and the Exchange Act, allows us to more efficiently and affordably respond to such actions, and provides consistency in the application of the laws of England and Wales to such actions. Similarly, we have selected the United States District Court for the Southern District of New York as our exclusive forum for resolving shareholder complaints arising under the Securities Act and the Exchange Act in order to more efficiently and affordably respond to such claims. This choice of forum also provides both us and our shareholders with a forum that is familiar with and regularly reviews cases involving U.S. securities law. Although we believe this choice of forum benefits us by providing increased consistency in the application of U.S. securities law for the specified types of action, it may have the effect of discouraging lawsuits against our directors and officers. Any person or entity purchasing or otherwise acquiring any interest in our ordinary shares will be deemed to have notice of and consented to the provisions of our Articles, including the exclusive forum provision. However, it is possible that a court could find our forum selection provision to be inapplicable or unenforceable. The enforceability of similar exclusive forum provisions (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) in other companies' organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would

enforce the exclusive forum provisions in our Articles. Additionally, our shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. See “Risk Factors—Risks Related to this Offering and Ownership of Our ADSs— Our new articles of association, to be adopted with effect from the completion of this offering, or Articles, will provide that the courts of England and Wales will be the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under the Securities Act or the Exchange Act, and that the United States District Court for the Southern District of New York will be the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under the Securities Act or the Exchange Act.”

Borrowing Powers

Subject to our Articles and the Companies Act 2006, our board of directors may exercise all of our powers to:

- (a) borrow money;
- (b) indemnify and guarantee;
- (c) mortgage or charge;
- (d) create and issue debentures and other securities; and
- (e) give security either outright or as collateral security for any of our debt, liability or obligation or any of a third party.

Capitalization of Profits

The directors may, if they are so authorized by an ordinary resolution of the shareholders, decide to capitalize any of our undivided profits not required for paying any preferential dividend (whether or not they are available for distribution), or any sum standing to the credit of any reserve or fund which is available for distribution or standing to the credit of our share premium account, capital redemption reserve or other undistributable reserve. The directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalize to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

Limitation on Owning Securities

Neither English law nor our Articles restrict in any way the ownership or voting of our shares by non-residents.

Uncertificated Shares

Subject to the Companies Act 2006 and any applicable uncertificated securities rules (as defined in our Articles), our board of directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a “relevant system” (i.e., the CREST System) without a certificate and may make arrangements for a class of shares to be transferred to that relevant system.

Our board of directors may, subject to compliance with the uncertificated securities rules (as defined in our Articles), determine at any time that title to any class of shares must be in certificated form and that such class of shares will cease to be transferred to a relevant system from a date specified by our board of directors. Our board of directors may take such steps as it sees fit in relation to the evidencing of and transfer of title to uncertificated shares, any records relating to the holding of uncertificated shares and the conversion of uncertificated shares to certificated shares, or vice-versa. Ordinary shares may be changed

from uncertificated to certified form (and vice versa) in accordance with and subject to the uncertificated securities rules (as defined in our Articles).

We may, by notice to the holder of an uncertificated share, require that share to be converted into certificated form.

If, and subject to under our Articles or pursuant to the Companies Act 2006, we are entitled to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over an uncertificated share, such entitlement shall include the right of our board of directors to:

- (i) require the holder of the uncertified share by notice in writing to change that share from uncertified to certificated form;
- (ii) appoint any person to act on behalf of the holder of the uncertified share to take such steps as may be required in order to effect the transfer of that share; and
- (iii) take such other action that our board of directors considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.

Unless our board of directors determines otherwise, shares which a shareholder holds in uncertificated form shall be treated as separate holdings from any shares which that shareholder holds in certificated form and any shares issued or created out of or in respect of any uncertificated shares shall be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares.

Our board of directors may take such other action that our board of directors considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertified share or otherwise to enforce a lien in respect of it.

Other Relevant UK Laws and Regulations

Mandatory Bid

We believe that, as of the date of this prospectus, our place of central management and control is not in the UK (or the Channel Islands or the Isle of Man) for the purposes of the jurisdictional criteria of the Takeover Code. Accordingly, we believe that we are not currently subject to the Takeover Code and, as a result, our shareholders are not currently entitled to the benefit of certain takeover offer protections provided under the Takeover Code, including the rules regarding mandatory takeover bids (a summary of which is set out below). In the event that this changes, or if the interpretation and application of the Takeover Code by the Takeover Panel changes (including changes to the way in which the Takeover Panel assesses the application of the Takeover Code to English companies whose shares are listed outside of the UK), the Takeover Code may apply to us in the future.

The Takeover Code provides a framework within which takeovers of companies subject to it are conducted. In particular, the Takeover Code contains certain rules in respect of mandatory offers. Under the Takeover Code:

- (a) any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested, and in which persons acting in concert with him or her are interested) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him or her, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not

hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him or her, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the Takeover Code, to the holders of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

- (i) An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid for any interest in the shares by the person required to make an offer or any person acting in concert with him or her during the 12 months prior to the announcement of the offer.
- (ii) Under the Takeover Code, a “concert party” arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) actively cooperate, through the acquisition by them of an interest in shares in a company, to obtain or consolidate control of the company. “Control” means holding, or aggregate holdings, of an interest in shares carrying 30% or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

Squeeze-out

- (i) Under Sections 979 to 982 of the Companies Act 2006, where a takeover offer has been made for us and the offeror has acquired, or unconditionally contracted to acquire, not less than 90% in value of the shares to which the offer relates and not less than 90% of the voting rights carried by those shares, it could then compulsorily acquire the remaining 10%. It would do so by sending a notice to the outstanding shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of: (a) the period of three months beginning with the day after the last day on which the offer can be accepted; or (b) if earlier, and the offer is not one to which section 943(1) of the Companies Act 2006 applies, the period of six months beginning with the date of the offer.
- (ii) Six weeks following service of the notice, the offeror must send a copy of it to the company together with the consideration for the ordinary shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding shareholder(s) by a person appointed by the offeror.
- (iii) The company will hold the consideration on trust for the outstanding shareholders.

Sell-out

- (i) Sections 983 to 985 of the Companies Act 2006 also give minority shareholders in the company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relating to all the ordinary shares of the company is made and the offeror has acquired or unconditionally agreed to acquire not less than 90% in value of the voting shares and not less than 90% of the voting rights carried by those shares, at any time before the end of the period within which the offer could be accepted, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period, or, if longer a period of three months from the date of the notice.

- (ii) If a shareholder exercises his rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

Disclosure of Interest in Shares

Pursuant to Part 22 of the Companies Act 2006, a company incorporated in England and Wales is empowered by notice in writing to require any person whom the company knows to be, or has reasonable cause to believe to be, interested in the company's shares or at any time during the three years immediately preceding the date on which the notice is issued to have been so interested, within a reasonable time to disclose to the company details of that person's interest and (so far as is within such person's knowledge) details of any other interest that subsists or subsisted in those shares.

Under our Articles, if a shareholder defaults in supplying us with the required details in relation to the shares in question, or the Default Shares, within the prescribed period of 14 days, the shareholder shall not be entitled to vote or exercise any other right conferred by membership in relation to general meetings. Where the Default Shares represent 0.25% or more in nominal value of the issued shares of the class in question (calculated exclusive of any shares held as treasury shares), the directors may direct that:

- any dividend or other money payable in respect of the Default Shares shall be retained by us without any liability to pay interest on it when such dividend or other money is finally paid to the shareholder; and/or
- no transfer by the relevant shareholder of shares (other than a transfer permitted in accordance with the provisions of our Articles) may be registered (unless such shareholder is not in default and the transfer does not relate to Default Shares).

Purchase of Own Shares

English law permits a public limited company to purchase its own shares out of the distributable profits of the company or the proceeds of a fresh issue of shares made for the purpose of financing the purchase, subject to complying with procedural requirements under the Companies Act 2006 and provided that its articles of association do not prohibit it from doing so. Our Articles, a summary of which is provided above, do not prohibit us from purchasing our own shares. A public limited company must not purchase its own shares if, as a result of the purchase, there would no longer be any issued shares of the company other than redeemable shares or shares held as treasury shares. Shares must be fully paid in order to be repurchased.

Any such purchase will be either a "market purchase" or "off-market purchase," each as defined in the Companies Act 2006. A "market purchase" is a purchase made on a "recognized investment exchange" (other than an overseas exchange) as defined in the UK Financial Services and Markets Act 2000, as amended, or FSMA. An "off-market purchase" is a purchase that is not made on a "recognized investment exchange." Both "market purchases" and "off-market purchases" require prior shareholder approval by way of an ordinary resolution. In the case of an "off-market purchase," a company's shareholders, other than the shareholders from whom the company is purchasing shares, must approve the terms of the contract to purchase shares and in the case of a "market purchase," the shareholders must approve the maximum number of shares that can be purchased and the maximum and minimum prices to be paid by the company. Both resolutions authorizing "market purchases" and "off-market purchases" must specify a date, not later than five years after the passing of the resolution, on which the authority to purchase is to expire.

Nasdaq is an "overseas exchange" for the purposes of the Companies Act 2006 and does not fall within the definition of a "recognized investment exchange" for the purposes of FSMA and any purchase made by us would need to comply with the procedural requirements under the Companies Act 2006 that regulate "off-market purchases."

A share buy-back by a company of its shares will give rise to UK stamp duty reserve tax and stamp duty at the rate of 0.5% of the amount or value of the consideration payable by the company (rounded up to the next £5.00). The charge to stamp duty reserve tax will be cancelled or, if already paid, repaid (generally with interest), where a transfer instrument for stamp duty purposes has been duly stamped within six years of the charge arising (either by paying the stamp duty or by claiming an appropriate relief) or if the instrument is otherwise exempt from stamp duty.

Our Articles do not have conditions governing changes to our capital which are more stringent than those required by law.

Distributions and Dividends

Under the Companies Act 2006, before a company can lawfully make a distribution or dividend, it must ensure that it has sufficient distributable reserves, as determined on a non-consolidated basis. The basic rule is that a company's profits available for the purpose of making a distribution are its accumulated, realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously written off in a reduction or reorganization of capital duly made. The requirement to have sufficient distributable reserves before a distribution or dividend can be paid applies to us and to each of our subsidiaries that has been incorporated under English law.

As a public company, it is also not sufficient that we have made a distributable profit for the purpose of making a distribution. An additional capital maintenance requirement is imposed on us to ensure that our net worth is at least equal to the amount of our capital. A public company can only make a distribution:

- if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of its called up share capital and undistributable reserves; and
- if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of the net assets to less than that total.

Shareholder Rights

Certain rights granted under the Companies Act 2006, including the right to requisition a general meeting or require a resolution to be put to shareholders at the annual general meeting, are only available to our members. For English law purposes, our members are the persons who are registered as the owners of the legal title to the shares and whose names are recorded in our share register. If a person who holds their ADSs in DTC wishes to exercise certain of the rights granted under the Companies Act 2006, they may be required to first take steps to withdraw their ADSs from the settlement system operated by DTC and become the registered holder of the shares in our share register. A withdrawal of shares from DTC may have tax implications. For additional information on the potential tax implications of withdrawing your shares from the settlement system operated by DTC, see "Material Income Tax Considerations—UK Taxation."

Exchange Controls

There are no governmental laws, decrees, regulations or other legislation in the UK that may affect the import or export of capital, including the availability of cash and cash equivalents for use by us, or that may affect the remittance of dividends, interest, or other payments by us to non-resident holders of our ordinary shares or ADSs, other than, on current law, withholding tax requirements that may apply in respect of interest. There is no limitation imposed by English law or in our Articles on the right of non-residents to hold or vote shares.

Differences in Corporate Law

The applicable provisions of the Companies Act 2006 differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain differences between the provisions of the

Companies Act 2006 applicable to us and the General Corporation Law of the State of Delaware relating to shareholders' rights and protections.

	ENGLAND AND WALES	DELAWARE
Number of Directors	Under the Companies Act 2006, a public limited company must have at least two directors and the number of directors may be fixed by or in the manner provided for in a company's articles of association.	Under Delaware law, a corporation must have at least one director and the number of directors shall be fixed by or in the manner provided in the bylaws.
Removal of Directors	Under the Companies Act 2006, shareholders may remove a director without cause by an ordinary resolution (which is passed by a simple majority of those voting in person or by proxy at a general meeting) irrespective of any provisions of any service contract the director has with the company, provided 28 clear days' notice of the resolution has been given to the company and its shareholders. On receipt of notice of an intended resolution to remove a director, the company must forthwith send a copy of the notice to the director concerned. Certain other procedural requirements under the Companies Act 2006 must also be followed, such as allowing the director to make representations against his or her removal either at the meeting or in writing.	Under Delaware law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except (i) unless the certificate of incorporation provides otherwise, in the case of a corporation whose board of directors is classified, shareholders may effect such removal only for cause, or (ii) in the case of a corporation having cumulative voting, if less than the entire board of directors is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which he is a part.
Vacancies on the Board of Directors	Under English law, the procedure by which directors, other than a company's initial directors, are appointed is generally set out in a company's articles of association, provided that where two or more persons are appointed as directors of a public limited company by resolution of the shareholders, resolutions appointing each director must be voted on individually.	Under Delaware law, vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director unless (i) otherwise provided in the certificate of incorporation or bylaws of the corporation or (ii) the certificate of incorporation directs that a particular class of stock is to elect such director, in which case a majority of the other directors elected by such class, or a sole remaining director elected by such class, will fill such vacancy.
Annual General Meeting	Under the Companies Act 2006, a public limited company must hold an annual general meeting within the six-month period beginning with the day following the company's annual accounting reference date.	Under Delaware law, the annual meeting of shareholders shall be held at such place, on such date and at such time as may be designated from time to time by the board of directors or as provided in the certificate of incorporation or by the bylaws.
General Meeting	Under the Companies Act 2006, a general meeting of the shareholders of a public limited company may be called by the directors.	Under Delaware law, special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.

Shareholders holding at least 5% of the paid-up capital of the company carrying voting rights at general meetings (excluding any paid up capital held as treasury shares) can require the directors to call a general meeting and, if the directors fail to do so within a certain period, may themselves (or any of them representing more than one half of the total voting rights of all of them) convene a general meeting.

Notice of General Meetings	Under the Companies Act 2006, at least 21 clear days' notice must be given for an annual general meeting and any resolutions to be proposed at the meeting, subject to a company's articles of association providing for a longer period. Subject to a company's articles of association providing for a longer period, at least 14 clear days' notice is required for any other general meeting of a public limited company. In addition, certain matters, such as the removal of directors or auditors, require special notice, which is 28 clear days' notice. The shareholders of a company may in all cases consent to a shorter notice period, the proportion of shareholders' consent required being 100% of those entitled to attend and vote in the case of an annual general meeting and, in the case of any other general meeting, a majority in number of the members having a right to attend and vote at the meeting, being a majority who together hold not less than 95% in nominal value of the shares giving a right to attend and vote at the meeting.	Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the shareholders must be given to each shareholder entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting and shall specify the place, date, hour and purpose or purposes of the meeting.
Quorum	Subject to the provisions of a company's articles of association, the Companies Act 2006 provides that two shareholders present at a meeting (in person, by proxy or authorized representative under the Companies Act 2006) shall constitute a quorum for companies with more than one shareholder.	The certificate of incorporation or bylaws may specify the number of shares, the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum, but in no event shall a quorum consist of less than one third of the shares entitled to vote at the meeting. In the absence of such specification in the certificate of incorporation or bylaws, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders.
Proxy	Under the Companies Act 2006, at any meeting of shareholders, a shareholder may designate another person to attend, speak and vote at the meeting on their behalf by proxy.	Under Delaware law, at any meeting of shareholders, a shareholder may designate another person to act for such shareholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A director of a Delaware corporation may not issue a proxy representing the director's voting rights as a director.

Preemptive Rights	<p>Under the Companies Act 2006, “equity securities,” being (i) shares in the company other than shares that, with respect to dividends and capital, carry a right to participate only up to a specified amount in a distribution, referred to as “ordinary shares,” or (ii) rights to subscribe for, or to convert securities into, ordinary shares, proposed to be allotted for cash must be offered first to the existing equity shareholders in the company in proportion to the respective nominal value of their holdings, unless an exception applies or a special resolution to the contrary has been passed by shareholders in a general meeting or the articles of association provide otherwise in each case in accordance with the provisions of the Companies Act 2006.</p>	<p>Under Delaware law, shareholders have no preemptive rights to subscribe to additional issues of stock or to any security convertible into such stock unless, and except to the extent that, such rights are expressly provided for in the certificate of incorporation.</p>
Authority to Allot	<p>Under the Companies Act 2006, the directors of a company must not allot shares or grant rights to subscribe for or convert any security into shares unless an exception applies or an ordinary resolution has been passed by shareholders in a general meeting authorizing such allotment or the articles of association provide for such authorization, in each case in accordance with the provisions of the Companies Act 2006.</p>	<p>Under Delaware law, if the corporation’s charter or certificate of incorporation so provides, the board of directors has the power to authorize the issuance of stock. The board of directors may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation or any combination thereof. It may determine the amount of such consideration by approving a formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration is conclusive.</p>

Liability of
Directors and
Officers

Under the Companies Act 2006, any provision, whether contained in a company's articles of association or any contract or otherwise, that purports to exempt a director of a company, to any extent, from any liability that would otherwise attach to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company, is void. Any provision by which a company directly or indirectly provides an indemnity, to any extent, for a director of the company or of an associated company against any liability attaching to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he or she is a director is also void except as permitted by the Companies Act 2006, which provides exceptions for the company to (i) purchase and maintain insurance against such liability; (ii) provide a "qualifying third party indemnity," or an indemnity against liability incurred by the director to a person other than the company or an associated company as long as he or she is successful in defending the claim or criminal proceedings; and (iii) provide a "qualifying pension scheme indemnity," or an indemnity against liability incurred in connection with the company's activities as trustee of an occupational pension plan.

Under Delaware law, a corporation's certificate of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation and its shareholders for damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for:

- any breach of the director's duty of loyalty to the corporation or its shareholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or
- any transaction from which the director derives an improper personal benefit.

Voting Rights	<p>For an English company it is usual for the articles of association to provide that, unless a poll is demanded by the shareholders of a company or is required by the chairperson of the meeting or the company's articles of association, shareholders shall vote on all resolutions on a show of hands. Under the Companies Act 2006, a poll may be demanded by (i) not fewer than five shareholders having the right to vote on the resolution; (ii) any shareholder(s) representing not less than 10% of the total voting rights of all the shareholders having the right to vote on the resolution (excluding any voting rights attaching to treasury shares); or (iii) any shareholder(s) holding shares in the company conferring a right to vote on the resolution (excluding any voting rights attaching to treasury shares) being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right. A company's articles of association may provide more extensive rights for shareholders to call a poll. Under English law, an ordinary resolution is passed on a show of hands if it is approved by a simple majority (more than 50%) of the votes cast by shareholders present (in person or by proxy) and entitled to vote. If a poll is demanded, an ordinary resolution is passed if it is approved by holders representing a simple majority of the total voting rights of shareholders present, in person or by proxy, who, being entitled to vote on the resolution. Special resolutions require the affirmative vote of not less than 75% of the votes cast by shareholders present, in person or by proxy, at the meeting.</p>	<p>Delaware law provides that, unless otherwise provided in the certificate of incorporation, each shareholder is entitled to one vote for each share of capital stock held by such shareholder.</p>
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Shareholder Vote on Certain Transactions	<p data-bbox="244 185 887 342">The Companies Act 2006 provides for schemes of arrangement, which are arrangements or compromises between a company and any class of shareholders or creditors and used in certain types of reconstructions, amalgamations, capital reorganizations or takeovers. These arrangements require:</p> <ul data-bbox="288 365 887 620" style="list-style-type: none"><li data-bbox="288 365 887 566">• the approval at a shareholders' or creditors' meeting convened by order of the court, of a majority in number of shareholders or creditors or a class thereof representing 75% in value of the capital held by, or debt owed to, the class of shareholders or creditors, or class thereof present and voting, either in person or by proxy; and<li data-bbox="288 589 887 620">• the approval of the court.	<p data-bbox="903 185 1544 320">Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the stock, completion of a merger, consolidation, sale, lease or exchange of all or substantially all of a corporation's assets or dissolution requires:</p> <ul data-bbox="948 342 1544 566" style="list-style-type: none"><li data-bbox="948 342 1544 374">• the approval of the board of directors; and<li data-bbox="948 396 1544 566">• the approval by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of the corporation entitled to vote on the matter.
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Standard of Conduct for Directors	<p>Under English law, a director owes various statutory and fiduciary duties to the company, including:</p> <ul style="list-style-type: none"> • to act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to: (i) the likely consequences of any decision in the long-term, (ii) the interests of the company's employees, (iii) the need to foster the company's business relationships with suppliers, customers and others, (iv) the impact of the company's operations on the community and the environment, (v) the desirability to maintain a reputation for high standards of business conduct, and (vi) the need to act fairly as between members of the company; • to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly conflicts, with the interests of the company; • to act in accordance with the company's constitution and only exercise his powers for the purposes for which they are conferred; • to exercise independent judgment; • to exercise reasonable care, skill and diligence; • not to accept benefits from a third party conferred by reason of his being a director or doing, or not doing, anything as a director; and • a duty to declare any interest that he has, whether directly or indirectly, in a proposed or existing transaction or arrangement with the company. 	<p>Delaware law does not contain specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of directors is generally determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interest of the shareholders.</p> <p>Directors of a Delaware corporation owe fiduciary duties of care and loyalty to the corporation and to its shareholders. The duty of care generally requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his corporate position for personal gain or advantage. In general, but subject to certain exceptions, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Delaware courts have also imposed a heightened standard of conduct upon directors of a Delaware corporation who take any action designed to defeat a threatened change in control of the corporation.</p> <p>In addition, under Delaware law, when the board of directors of a Delaware corporation approves the sale or break-up of a corporation, the board of directors may, in certain circumstances, have a duty to obtain the highest value reasonably available to the shareholders.</p>
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Shareholder Suits Under English law, generally, the company, rather than its shareholders, is the proper claimant in an action in respect of a wrong done to the company or where there is an irregularity in the company's internal management. Notwithstanding this general position, the Companies Act 2006 provides that (i) a court may allow a shareholder to bring a derivative claim (that is, an action in respect of and on behalf of the company) in respect of a cause of action arising from a director's negligence, default, breach of duty or breach of trust and (ii) a shareholder may bring a claim for a court order where the company's affairs have been or are being conducted in a manner that is unfairly prejudicial to some of its shareholders.

Under Delaware law, a shareholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must:

- state that the plaintiff was a shareholder at the time of the transaction of which the plaintiff complains or that the plaintiff's shares thereafter devolved on the plaintiff by operation of law; and
- allege with particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors and the reasons for the plaintiff's failure to obtain the action; or
- state the reasons for not making the effort.

Additionally, the plaintiff must remain a shareholder through the duration of the derivative suit. The action will not be dismissed or compromised without the approval of the Delaware Court of Chancery.

Stock Exchange Listing

We have applied to list our ADSs on the Nasdaq Global Market under the symbol "CMPS."

Transfer Agent and Registrar of Shares

Our share register will be maintained by Neville Registrars Limited upon the completion of this offering. The share register reflects only record owners of our ordinary shares. Holders of our ADSs will not be treated as our shareholders and their names will therefore not be entered in our share register. The depositary, the custodian or their nominees will be the holder of the ordinary shares underlying our ADSs. Holders of our ADSs have a right to receive the ordinary shares underlying their ADSs. For discussion on our ADSs and ADS holder rights, see "Description of American Depositary Shares" in this prospectus.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

Citibank, N.A. has agreed to act as the depositary bank for the American Depositary Shares. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York 10013. American Depositary Shares are frequently referred to as "ADSs" and represent ownership interests in securities that are on deposit with the depositary bank. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts," or "ADRs." The depositary bank typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank, N.A. (London), located at Citigroup Centre, Canary Wharf, London, E14 5LB, United Kingdom.

We have appointed Citibank, N.A. as depositary pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a registration statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to registration number 333-248514 when retrieving such copy.

We are providing you with a summary description of the material terms of our ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in one ordinary share that is on deposit with the depositary and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary or the custodian on behalf of the owner of our ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. We and the depositary may agree to change our ADS-to-ordinary share ratio by amending the deposit agreement. This amendment may give rise to, or change, the depositary fees payable by ADS owners. The custodian, the depositary and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in the deposited property will under the terms of the deposit agreement be vested in the beneficial owners of our ADSs. The depositary, the custodian and their respective nominees will be the record holders of the deposited property represented by our ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of our ADSs, the registered holders of our ADSs (on behalf of the applicable ADS owners) only through the depositary, and the depositary (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of our ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary. As an ADS holder you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of ordinary shares will continue to be governed by the laws of England and Wales, which may be different from the laws of the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

The manner in which you own the ADSs (i.e., in a brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated ADSs) may affect your rights and obligations, and the manner in which, and extent to which, the depositary bank's services are made available to you. As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary will hold on your behalf the shareholder rights attached to the ordinary shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the ordinary shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the direct registration system or DRS). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of our ADSs. The direct registration system includes automated transfers between the depositary and The Depository Trust Company, or DTC, the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as our ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own our ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the ordinary shares in the name of the depositary or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary shares being at all times vested with the beneficial owners of our ADSs representing the ordinary shares. The depositary or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of our ADSs representing the deposited property.

Dividends and Other Distributions

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction the applicable fees, taxes and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the

depository will arrange for the funds received in a currency other than U.S. dollars to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the laws and regulations of England and Wales.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depository will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depository will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depository holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

Distributions of Shares

Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depository will either distribute to holders new ADSs representing the ordinary shares deposited or modify our ADS-to-ordinary shares ratio, in which case each ADS you hold will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of our ADS-to-ordinary share ratio upon a distribution of ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depository may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (i.e., the U.S. securities laws) or if it is not operationally practicable. If the depository does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to purchase additional ordinary shares, we will give prior notice to the depository and we will assist the depository in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depository will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depository is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new ordinary shares other than in the form of ADSs.

The depository will *not* distribute the rights to you if:

- we do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or

- we fail to deliver satisfactory documents to the depositary; or
- it is not reasonably practicable to distribute the rights.

The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in England and Wales would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, ordinary shares or rights to purchase additional ordinary shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will *not* distribute the property to you and will sell the property if:

- we do not request that the property be distributed to you or if we ask that the property not be distributed to you; or
- we do not deliver satisfactory documents to the depositary; or
- the depositary determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary will convert the redemption funds received into U.S. dollars upon the terms of the deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, our ADSs to be retired will be selected by lot or on a pro rata basis, as the depositary may determine.

Changes Affecting Ordinary Shares

The ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of such ordinary shares or a recapitalization, reorganization, merger, consolidation or sale of our assets.

If any such change were to occur, your ADSs would, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to our ADSs the change affecting the ordinary shares. If the depositary may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Ordinary Shares

Upon completion of this offering, the ordinary shares being offered pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in this prospectus. After the completion of this offering, the ordinary shares that are being offered for sale pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in this prospectus.

After the completion of this offering, the depositary may create ADSs on your behalf if you or your broker deposit ordinary shares with the custodian. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. Your ability to deposit ordinary shares and receive ADSs may be limited by United States and England and Wales legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When you make a deposit of ordinary shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- the ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained;
- all preemptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived or exercised;
- you are duly authorized to deposit the ordinary shares;

- the ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and our ADSs issuable upon such deposit will not be, “restricted securities” (as defined in the deposit agreement); and
- the ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and our ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Ordinary Shares Upon Cancellation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian's offices. Your ability to withdraw the ordinary shares held in respect of our ADSs may be limited by United States and England and Wales considerations applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by your ADSs, you will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, our ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel your ADSs. The withdrawal of the ordinary shares represented by your ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except as a result of:

- temporary delays that may arise because (i) the transfer books for the ordinary shares or ADSs are closed, or (ii) ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends;

- obligations to pay fees, taxes and similar charges; and/or
- restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in “Description of Share Capital and Articles of Association—Articles of Association” in this prospectus.

At our request, the depositary will distribute to you any notice of shareholders’ meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the ordinary shares represented by ADSs.

If the depositary timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the holder’s ADSs as follows:

- In the event of voting by show of hands, the depositary will vote (or cause the custodian to vote) all ordinary shares held on deposit at that time in accordance with the voting instructions received from a majority of holders of ADSs who provide timely voting instructions.
- In the event of voting by poll, the depositary will vote (or cause the custodian to vote) the ordinary shares held on deposit in accordance with the voting instructions received from the holders of ADSs.

Securities for which no voting instructions have been received will not be voted (except as otherwise contemplated by the deposit agreement). Please note that the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary in a timely manner.

Fees and Charges

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

SERVICE	FEE
Issuance of ADSs (i.e., an issuance of ADS upon a deposit of ordinary shares or upon a change in our ADS(s)-to-ordinary shares ratio), excluding ADS issuances as a result of distributions of ordinary shares	Up to U.S. 5¢ per ADS issued
Cancellation of ADSs (i.e., a cancellation of ADSs for delivery of deposited property, upon a change in our ADS(s)-to-ordinary shares ratio, or for any other reason)	Up to U.S. 5¢ per ADS cancelled
Distribution of cash dividends or other cash distributions (i.e., upon a sale of rights and other entitlements)	Up to U.S. 5¢ per ADS held
Distribution of ADSs pursuant to (i) share dividends or other free share distributions, or (ii) exercise of rights to purchase additional ADSs	Up to U.S. 5¢ per ADS held
Distribution of securities other than ADSs or rights to purchase additional ADSs (i.e., upon a spin-off)	Up to U.S. 5¢ per ADS held
ADS Services	Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the depositary bank
Registration of ADS transfers (i.e., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and vice versa, or for any other reason)	Up to U.S. 5¢ per ADS (or fraction thereof) transferred
Conversion of ADSs of one series for ADSs of another series (i.e., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs (each as defined in the Deposit Agreement) into freely transferable ADSs, and vice versa)	Up to U.S. 5¢ per ADS (or fraction thereof) transferred

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the depositary and/or service providers (which may be a division, branch or affiliate of the depositary) in the conversion of foreign currency;
- the reasonable and customary out of pocket expenses incurred by the depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees, charges, costs and expenses incurred by the depositary, the custodian or any nominee in connection with the ADR program.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person for whom our ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary into DTC, our ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving our ADSs being issued or the DTC participant(s) holding our ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and our ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) our ADS service fee, holders as of our ADS record date will be invoiced for the amount of our ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, our ADS fees and charges for distributions other than cash and our ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to our ADS holder. Certain of the depositary fees and charges (such as our ADS services fee) may become payable shortly after the closing of our ADS offering. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes. The depositary may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of our ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary agree from time to time.

Amendments and Termination

We may agree with the depositary to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for our ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

Termination

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

In connection with any termination of the deposit agreement, the depositary may make available to owners of ADSs a means to withdraw the ordinary shares represented by ADSs and to direct the depositary of such ordinary shares into an unsponsored American depositary share program established by the depositary. The ability to receive unsponsored American depositary shares upon termination of the deposit agreement would be subject to satisfaction of certain U.S. regulatory requirements applicable to the creation of unsponsored American depositary shares and the payment of applicable depositary fees.

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to our ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary's obligations to you. Please note the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our Articles, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.

- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our Articles or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

Taxes

You will be responsible for the taxes and other governmental charges payable on our ADSs and the securities represented by our ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill their legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement, the ADRs and the ADSs will be interpreted in accordance with the laws of the State of New York. The rights of holders of ordinary shares (including ordinary shares represented by ADSs) are governed by the laws of England and Wales.

As an owner of ADSs, you irrevocably agree that any legal action arising out of the Deposit Agreement, the ADSs or the ADRs, involving the Company or the Depositary, may only be instituted in as state or federal court in the City of New York.

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, YOUR RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THE DEPOSIT AGREEMENT OR THE ADRs AGAINST US AND/OR THE DEPOSITARY.

ORDINARY SHARES AND ADSs ELIGIBLE FOR FUTURE SALE

Prior to the completion of this offering, there has been no public market for our ordinary shares or ADSs. Based on the number of shares outstanding as of August 31, 2020, upon completion of this offering, and assuming no exercise of the underwriters' option to purchase additional ADSs, 34,005,331 of our ordinary shares, including ordinary shares underlying ADSs, will be outstanding, assuming the issuance of 6,700,000 ADSs offered by us in this offering. Future sales of ADSs in the public market after this offering, and the availability of ADSs for future sale, could adversely affect the market price of our ADSs prevailing from time to time. Some of the ADSs underlying our ordinary shares are subject to contractual and legal restrictions on resale as described below. There may be sales of substantial amounts of our ADSs or ordinary shares in the public market after such restrictions lapse, which could adversely affect prevailing market prices of our ADSs.

We expect 6,700,000 ADSs, or 7,705,000 ADSs if the underwriters exercise in full their option to purchase additional ADSs, sold in this offering will be freely transferable without restriction, except for any shares purchased by one or more of our existing "affiliates," as that term is defined in Rule 144 under the Securities Act of 1933, or the Securities Act. We expect the remaining 27,305,331 of our ordinary shares, including ordinary shares underlying ADSs, will be subject to the contractual 180-day lock-up period described below. This may adversely affect the prevailing market price of our ADSs and our ability to raise equity capital in the future.

Rule 144

In general, persons who have beneficially owned restricted ordinary shares for at least six months, and any of our affiliates who own either restricted or unrestricted securities, are entitled to sell their securities without registration with the Securities and Exchange Commission, or SEC, under an exemption from registration provided by Rule 144 under the Securities Act.

Non-Affiliates

Any person who is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding, a sale may sell an unlimited number of restricted securities under Rule 144 if:

- the restricted securities have been held for at least six months, including the holding period of a prior owner other than one of our affiliates;
- we have been subject to the Securities Exchange Act of 1934, or the Exchange Act, periodic reporting requirements for at least 90 days before the sale; and
- we are current in our Exchange Act reporting at the time of sale.

Any person who is not deemed to have been an affiliate of ours at the time of, or at any time during the three months preceding, a sale and has held the restricted securities for at least one year, including the holding period of any prior owner other than one of our affiliates, will be entitled to sell an unlimited number of restricted securities without regard to the length of time we have been subject to Exchange Act periodic reporting or whether we are current in our Exchange Act reporting.

Affiliates

Persons seeking to sell restricted securities who are our affiliates at the time of, or any time during the three months preceding, a sale, would be subject to the restrictions described above. They are also subject to additional restrictions, by which such person would be required to comply with the manner of

sale and notice provisions of Rule 144 and would be entitled to sell within any three-month period only that number of securities that does not exceed the greater of either of the following:

- 1% of the number of ordinary shares then outstanding, which will equal approximately 340,053 shares immediately after the completion of this offering based on the number of ordinary shares outstanding as of August 31, 2020; or
- the average weekly trading volume of our ADSs on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Additionally, persons who are our affiliates at the time of, or any time during the three months preceding, a sale may sell unrestricted securities under the requirements of Rule 144 described above, without regard to the six-month holding period of Rule 144, which does not apply to sales of unrestricted securities.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and in the section of this prospectus titled “Underwriting” and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Regulation S

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus delivery requirements of the Securities Act, provided that no directed selling efforts (as that term is defined in Regulation S) are made in the United States, subject to certain other conditions. In general, this means that our ordinary shares may be sold in some manner outside the United States without requiring registration in the United States.

Lock-up Agreements

All of our directors, executive officers and substantially all of our shareholders have agreed, subject to limited exceptions, not to offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our ADSs, ordinary shares or such other securities for a period of 180 days after the date of this prospectus, without the prior written consent of Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC may waive the provisions of these agreements, in full or in part, at any time in their sole discretion. See “Underwriting.”

MATERIAL INCOME TAX CONSIDERATIONS

The following summary contains a description of material UK and U.S. federal income tax consequences of the acquisition, ownership and disposition of our ordinary shares or ADSs. This summary should not be considered a comprehensive description of all the tax considerations that may be relevant to the decision to acquire ordinary shares or ADSs in this offering.

Material U.S. Federal Income Tax Considerations for U.S. Holders

The following is a description of the material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of our ordinary shares or ADSs. It is not a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire securities. This discussion applies only to a U.S. Holder that is an initial purchaser of the ordinary shares or ADSs pursuant to the offering and that holds our ordinary shares or ADSs as a capital asset for tax purposes (generally, property held for investment). In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including state and local tax consequences, estate tax consequences, alternative minimum tax consequences, the potential application of the Medicare contribution tax, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- banks, insurance companies, and certain other financial institutions;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding ordinary shares or ADSs as part of a hedging transaction, "straddle," wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to ordinary shares or ADSs;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. dollar;
- brokers, dealers or traders in securities, commodities or currencies;
- tax-exempt entities or government organizations;
- S corporations, partnerships, or other entities or arrangements classified as partnerships for U.S. federal income tax purposes;
- regulated investment companies or real estate investment trusts;
- persons that own or are deemed to own 10% or more of the voting power or value of our ordinary shares or ADSs;
- persons who acquired our ordinary shares or ADSs pursuant to the exercise of any employee share option or otherwise as compensation;
- persons holding our ordinary shares or ADSs in connection with a trade or business, permanent establishment, or fixed base outside the United States; and
- persons who own (directly or through attribution) 10% or more (by vote or value) of our outstanding ordinary shares.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds ordinary shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding ordinary shares or ADSs and partners in such partnerships are encouraged to consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of ordinary shares or ADSs.

The discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury Regulations, and the income tax treaty between the UK and the United States, all as of the date hereof, changes to any of which may affect the tax consequences described herein—possibly with retroactive effect.

A “U.S. Holder” is a holder who, for U.S. federal income tax purposes, is a beneficial owner of ordinary shares or ADSs and is:

- (i) An individual who is a citizen or individual resident of the United States;
- (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- (iv) a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. Generally, a U.S. Holder of an ADS should be treated for U.S. federal income tax purposes as holding the ordinary shares represented by our ADS. Accordingly, no gain or loss will be recognized upon an exchange of ADSs for ordinary shares. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying our ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security. Accordingly the creditability of foreign taxes, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and our company if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of the underlying ordinary shares. These actions would also be inconsistent with the claiming of the reduced tax rate, described below, applicable to dividends received by certain non-corporate holders.

PERSONS CONSIDERING AN INVESTMENT IN ORDINARY SHARES OR ADSs SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEM RELATING TO THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE ORDINARY SHARES OR ADSs, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE AND LOCAL TAX LAWS.

Passive Foreign Investment Company Rules

If we are classified as a passive foreign investment company, or PFIC, in any taxable year, a U.S. Holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income (such as interest income); or
- at least 50% of its gross assets (determined on the basis of a quarterly average) is attributable to assets that produce passive income or are held for the production of passive income.

Based on the current and expected composition of our income and assets and the value of our assets, we do not expect to be a PFIC for our current taxable year. However, no assurances regarding our PFIC status can be provided for the current taxable year or any future taxable years. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. In addition, our belief that we do not expect to be a PFIC for the current taxable year is based upon proposed Treasury Regulations and there is a risk that those proposed Treasury Regulations may be modified or withdrawn, which could result in our being classified as a PFIC for the current taxable year and future taxable years. If we are treated as a non-publicly traded CFC for the year being tested for purposes of the PFIC rules, the value of our assets will be measured by the adjusted tax basis of our assets. If we are a publicly traded CFC or not a CFC for such year, the value of our assets generally will be determined by reference to the market price of our ordinary shares or ADSs from time to time, which may fluctuate considerably. Under the income test, our status as a PFIC depends on the composition of our income which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by the spending of the cash we raise in any offering, including this offering.

If we are classified as a PFIC in any year with respect to which a U.S. Holder owns the ordinary shares or ADSs, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns the ordinary shares or ADSs, regardless of whether we continue to meet the tests described above unless (i) we cease to be a PFIC and the U.S. Holder has made a “deemed sale” election under the PFIC rules, or (ii) the U.S. Holder makes a Qualified Electing Fund Election, or QEF Election, with respect to all taxable years during such U.S. Holders holding period in which we are a PFIC. If the “deemed sale” election is made, a U.S. Holder will be deemed to have sold the ordinary shares or ADSs the U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. Holder’s ordinary shares or ADSs with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any “excess distribution” the U.S. Holder receives from us or any gain from an actual sale or other disposition of the ordinary shares or ADSs. U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if we cease to be a PFIC and such election becomes available.

For each taxable year we are treated as a PFIC with respect to U.S. Holders, U.S. Holders will be subject to special tax rules with respect to any “excess distribution” such U.S. Holder receives and any gain such U.S. Holder recognizes from a sale or other disposition (including, under certain circumstances, a pledge) of ordinary shares or ADSs, unless (i) such U.S. Holder makes a QEF Election or (ii) our ordinary shares or ADSs constitute “marketable” securities, and such U.S. Holder makes a mark-to-market election as discussed below. Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions a U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder’s holding period for the ordinary shares or ADSs will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder’s holding period for the ordinary shares or ADSs;

- the amount allocated to the taxable year of disposition or distribution, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year for individuals or corporations, as appropriate, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ordinary shares or ADSs cannot be treated as capital, even if a U.S. Holder holds the ordinary shares or ADSs as capital assets.

If we are a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the stock of, any of our direct or indirect subsidiaries that also are PFICs, as if such distributions were indirectly received by, and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to our subsidiaries.

U.S. Holders can avoid the interest charge on excess distributions or gain relating to the ordinary shares or ADSs by making a mark-to-market election with respect to the ordinary shares or ADSs, provided that the ordinary shares or ADSs are “marketable.” Ordinary shares or ADSs will be marketable if they are “regularly traded” on certain U.S. stock exchanges or on a foreign stock exchange that meets certain conditions. For these purposes, the ordinary shares or ADSs will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Our ADSs will be listed on Nasdaq, which is a qualified exchange for these purposes. Consequently, if our ADSs remain listed on Nasdaq and are regularly traded, and you are a holder of ADSs, we expect the mark-to-market election would be available to you if we are a PFIC. Each U.S. Holder should consult its tax advisor as to the whether a mark-to-market election is available or advisable with respect to the ordinary shares or ADSs.

A U.S. Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the ordinary shares or ADSs at the close of the taxable year over the U.S. Holder’s adjusted tax basis in the ordinary shares or ADSs. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder’s adjusted basis in the ordinary shares or ADSs over the fair market value of the ordinary shares or ADSs at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the ordinary shares or ADSs will be treated as ordinary income, and any losses incurred on a sale or other disposition of the shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the Internal Revenue Service, or the IRS, unless the ordinary shares or ADSs cease to be marketable.

However, a mark-to-market election generally cannot be made for equity interests in any lower-tier PFICs that we own, unless shares of such lower-tier PFIC are themselves “marketable.” As a result, even if a U.S. Holder validly makes a mark-to-market election with respect to our ordinary shares or ADSs, the U.S. Holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any of our investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

We do not intend to provide information necessary for U.S. holders to make QEF elections which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. A U.S. Holder's failure to file the annual report will cause the statute of limitations for such U.S. Holder's U.S. federal income tax return to remain open with regard to the items required to be included in such report until three years after the U.S. Holder files the annual report, and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder's entire U.S. federal income tax return will remain open during such period. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules.

WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISOR REGARDING THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE ORDINARY SHARES OR ADSs.

Taxation of Distributions

Subject to the discussion above under "Passive Foreign Investment Company Rules," distributions paid on ordinary shares or ADSs, other than certain pro rata distributions of ordinary shares or ADSs, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we may not calculate our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations and the discussions above regarding concerns expressed by the U.S. Treasury, dividends paid to certain non-corporate U.S. Holders may be taxable at preferential rates applicable to "qualified dividend income" if we are a "qualified foreign corporation" and certain other requirements are met. However, the qualified dividend income treatment will not apply if we are treated as a PFIC with respect to the U.S. Holder. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will generally be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. The amount of any dividend income paid in foreign currency will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt. Such gain or loss would generally be treated as U.S.-source ordinary income or loss. The amount of any distribution of property other than cash (and other than certain pro rata distributions of ordinary shares or ADSs or rights to acquire ordinary shares or ADSs) will be the fair market value of such property on the date of distribution.

For foreign tax credit limitation purposes, our dividends will generally be treated as passive category income. Because no UK income taxes will be withheld from dividends on ordinary shares or ADSs, there will be no creditable foreign taxes associated with any dividends that a U.S. Holder will receive. The rules governing foreign tax credits are complex and U.S. Holders should therefore consult their tax advisers regarding the effect of the receipt of dividends for foreign tax credit limitation purposes.

Sale or Other Taxable Disposition of Ordinary Shares and ADSs

Subject to the discussion above under "Passive Foreign Investment Company Rules," gain or loss realized on the sale or other taxable disposition of ordinary shares or ADSs will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the ordinary shares or ADSs for more than one year at the time of sale or other taxable disposition. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the ordinary shares or ADSs disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will

generally be U.S.-source gain or loss for foreign tax credit purposes. Subject to the PFIC rules described above, long-term capital gains recognized by certain non-corporate U.S. Holders (including individuals) will generally be subject to reduced rates of U.S. federal income tax. The deductibility of capital losses is subject to limitations.

If the consideration received by a U.S. Holder is not paid in U.S. dollars, the amount realized will be the U.S. dollar value of the payment received determined by reference to the spot rate of exchange on the date of the sale or other disposition. However, if the ordinary shares or ADSs are treated as traded on an “established securities market” and you are either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), you will determine the U.S. dollar value of the amount realized in a non-U.S. dollar currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If you are an accrual basis taxpayer that is not eligible to or does not elect to determine the amount realized using the spot rate on the settlement date, you will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of sale or disposition and the U.S. dollar value of the currency received at the spot rate on the settlement date.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding on a duly executed IRS Form W-9 or otherwise establishes an exemption.

The amount of any backup withholding from a payment to a U.S. Holder may be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and, under regulations, certain entities) may be required to report information relating to the ordinary shares or ADSs, subject to certain exceptions (including an exception for ordinary shares or ADSs held in accounts maintained by certain U.S. financial institutions), by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. Such U.S. Holders who fail to timely furnish the required information may be subject to a penalty. Additionally, if a U.S. Holder does not file the required information, the statute of limitations with respect to tax returns of the U.S. Holder to which the information relates may not close until three years after such information is filed. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to their ownership and disposition of the ordinary shares or ADSs.

UK Taxation

The following is intended as a general guide to current UK tax law and HM Revenue & Customs, or HMRC, published practice (which is not binding) applying as at the date of this prospectus (both of which are subject to change at any time, possibly with retrospective effect) relating to the holding of ADSs. It does not constitute legal or tax advice and does not purport to be a complete analysis of all UK tax considerations relating to the holding of ADSs, or all of the circumstances in which holders of ADSs may benefit from an exemption or relief from UK taxation. It is written on the basis that we do not (and will not) directly or indirectly derive 75% or more of its qualifying asset value from UK land, and that we are and will remain solely resident in the UK for tax purposes and will therefore be subject to the UK tax regime and not the U.S. tax regime save as set out above under “Material U.S. Federal Income Tax Considerations for U.S. Holders.”

Except to the extent that the position of non-UK resident persons is expressly referred to, this guide relates only to persons who are resident (and in the case of individuals, domiciled or deemed domiciled) for tax purposes solely in the UK and do not have a permanent establishment, branch or agency (or equivalent) in any other jurisdiction with which the holding of our ADSs is connected, or UK Holders, who are absolute beneficial owners of our ADSs (and do not hold our ADSs through an Individual Savings Account or a Self-Invested Personal Pension) and who hold their ADSs as investments.

This guide may not relate to certain classes of UK Holders, such as (but not limited to):

- persons who are connected with us;
- financial institutions;
- insurance companies;
- charities or tax-exempt organizations;
- collective investment schemes;
- pension schemes;
- market makers, intermediaries, brokers or dealers in securities;
- persons who have (or are deemed to have) acquired their ADSs by virtue of an office or employment or who are or have been our officers or employees or any of our affiliates; and
- individuals who are subject to UK taxation on a remittance basis or to whom split-year treatment applies.

The decision of the First-tier Tribunal (Tax Chamber) in *HSBC Holdings PLC and The Bank of New York Mellon Corporation v HMRC* (2012) cast some doubt on whether a holder of a depositary receipt is the beneficial owner of the underlying shares. However, based on published HMRC guidance we would expect that HMRC will regard a holder of ADSs as holding the beneficial interest in the underlying shares and therefore these paragraphs assume that a holder of ADSs is the beneficial owner of the underlying ordinary shares and any dividends paid in respect of the underlying ordinary shares (where the dividends are regarded for UK purposes as that person's own income) for UK direct tax purposes.

THESE PARAGRAPHS ARE A SUMMARY OF CERTAIN UK TAX CONSIDERATIONS AND ARE INTENDED AS A GENERAL GUIDE ONLY. IT IS RECOMMENDED THAT ALL HOLDERS OF ADSs OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF OUR ADSs IN THEIR OWN PARTICULAR CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS. IN PARTICULAR, NON-UK RESIDENT OR DOMICILED PERSONS ARE ADVISED TO CONSIDER THE POTENTIAL IMPACT OF ANY RELEVANT DOUBLE TAXATION AGREEMENTS.

Dividends

Withholding Tax

Dividends that we pay will not be subject to any withholding or deduction for or on account of UK tax.

Income Tax

An individual UK Holder may, depending on his or her particular circumstances, be subject to UK tax on dividends received from us. An individual holder of ADSs who is not resident for tax purposes in the UK should not be chargeable to UK income tax on dividends received from us unless he or she carries on (whether solely or in partnership) a trade, profession or vocation in the UK through a permanent

establishment, branch or agency to which our ADSs are attributable. There are certain exceptions for trading in the UK through independent agents, such as some brokers and investment managers.

Dividend income is treated as the top slice of the total income chargeable to UK income tax for an individual UK Holder. An individual UK Holder who receives a dividend in the 2020/2021 tax year will be entitled to a tax-free allowance of £2,000. Dividend income in excess of this tax-free allowance will be charged at 7.5% to the extent the excess amount falls within the basic rate band, 32.5% to the extent the excess amount falls within the higher rate band, and 38.1% to the extent the excess amount falls within the additional rate band.

Corporation Tax

A corporate holder of ADSs who is not resident for tax purposes in the UK should not be chargeable to UK corporation tax on dividends received from us unless it carries on (whether solely or in partnership) a trade in the UK through a permanent establishment to which our ADSs are attributable.

Corporate UK Holders should not be subject to UK corporation tax on any dividend received from us so long as the dividends qualify for exemption, which should be the case, although certain conditions must be met. If the conditions for the exemption are not satisfied, or such UK Holder elects for an otherwise exempt dividend to be taxable, UK corporation tax will be chargeable on the amount of any dividends (at the current rate of 19%).

Chargeable Gains

A disposal or deemed disposal of ADSs by a UK Holder may, depending on the UK Holder's circumstances and subject to any available exemptions or reliefs (such as the annual exemption), give rise to a chargeable gain or an allowable loss for the purposes of UK capital gains tax and corporation tax on chargeable gains.

If an individual UK Holder who is subject to UK income tax at either the higher or the additional rate is liable to UK capital gains tax on the disposal of ADSs, the current applicable rate will be 20%. For an individual UK Holder who is subject to UK income tax at the basic rate and liable to UK capital gains tax on such disposal, the current applicable rate would be 10%, save to the extent that any capital gains when aggregated with the UK Holder's other taxable income and gains in the relevant tax year exceed the unused basic rate tax band. In that case, the rate currently applicable to the excess would be 20%.

If a corporate UK Holder becomes liable to UK corporation tax on the disposal (or deemed disposal) of ADSs, the main rate of UK corporation tax (currently 19%) would apply.

A holder of ADSs that is not resident for tax purposes in the UK should not normally be liable to UK capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of ADSs, unless the person is carrying on (whether solely or in partnership) a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate holder of ADSs, through a permanent establishment) to which our ADSs are attributable. However, an individual holder of ADSs who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double taxation treaty for a period of five years or less and who disposes of ADSs during that period of temporary non-residence may be liable on his or her return to the UK to UK tax on any capital gain realized (subject to any available exemption or relief).

Stamp Duty and Stamp Duty Reserve Tax

The discussion below relates to the holders of our ordinary shares or ADSs wherever resident, however it should be noted that special rules may apply to certain persons such as market makers, brokers, dealers or intermediaries.

Issue of Ordinary Shares

No UK stamp duty or stamp duty reserve tax, or SDRT, is payable on the issue of the ordinary shares underlying our ADSs.

Transfers of Ordinary Shares

An unconditional agreement to transfer ordinary shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. The purchaser of the shares is liable for the SDRT. Transfers of ordinary shares in certificated form are generally also subject to stamp duty at the rate of 0.5% of the amount or value of the consideration given for the transfer (rounded up to the next £5.00). Stamp duty is normally paid by the purchaser. The charge to SDRT will be cancelled or, if already paid, repaid (generally with interest), where a transfer instrument has been duly stamped within six years of the charge arising, (either by paying the stamp duty or by claiming an appropriate relief) or if the instrument is otherwise exempt from stamp duty.

Clearance Services and Depositary Receipts

Under current UK legislation, an issue of ordinary shares or an unconditional agreement to transfer ordinary shares to, or to a nominee or agent for, a person whose business is or includes the issue of depositary receipts or the provision of clearance services will generally be subject to SDRT (or, where the transfer is effected by a written instrument, stamp duty) at a higher rate of 1.5% of the amount or value of the consideration given for the transfer unless the clearance service has made and maintained an election under section 97A of the UK Finance Act 1986, or a section 97A election. It is understood that HMRC regards the facilities of DTC as a clearance service for these purposes and we are not aware of any section 97A election having been made by the DTC.

However, based on current published HMRC practice following European Union case law in respect of the European Council Directives 69/335/EEC and 2009/7/EC, no SDRT is generally payable in respect of such an issue of ordinary shares and no SDRT or stamp duty is generally payable in respect of such a transfer of ordinary shares where such transfer is an integral part of an issue of share capital.

Any stamp duty or SDRT payable on a transfer of ordinary shares to a depositary receipt system or clearance service will in practice generally be paid by the participants in the clearance service or depositary receipt system. Specific professional advice should be sought before incurring or reimbursing the costs of a 1.5% stamp duty or SDRT charge in any circumstances.

Issue or Transfers of ADSs

No UK SDRT or stamp duty will be payable in respect of the issue of or an agreement to transfer ADSs (including by way of a paperless transfer of ADSs through the facilities of DTC).

UNDERWRITING

We and Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC, as the representatives of the several underwriters for the offering named below have entered into an underwriting agreement with respect to the ADSs being offered. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase from us the number of ADSs set forth opposite its name below. Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC are the representatives of the underwriters.

<u>Underwriters</u>	<u>Number of ADSs</u>
Cowen and Company, LLC	
Evercore Group L.L.C.	
Berenberg Capital Markets LLC	
Canaccord Genuity LLC	
H.C. Wainwright & Co., LLC	
Total	\$ 6,700,000

The underwriting agreement provides that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters have agreed, severally and not jointly, to purchase all of the ADSs sold under the underwriting agreement if any of these ADSs are purchased, other than those ADSs covered by the option to purchase additional ADSs described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect thereof.

The underwriters are offering the ADSs, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel and other conditions specified in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Option to Purchase Additional ADSs. We have granted to the underwriters an option to purchase up to 1,005,000 additional ADSs at the public offering price, less the underwriting discounts and commissions. This option is exercisable for a period of 30 days from the date of this prospectus. To the extent that the underwriters exercise this option, the underwriters will purchase additional ADSs from us in approximately the same proportion as shown in the table above.

Discounts and Commissions. The following table shows the public offering price, underwriting discounts and commissions and proceeds, before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$2.9 million and are payable by us. We also have agreed to

reimburse the underwriters for up to \$35,000 for their FINRA counsel fee. In accordance with FINRA Rule 5110, this reimbursed fee is deemed underwriting compensation for this offering.

	Total	
	Per ADS	Without Over-Allotment With Over- Allotment
Public offering price		
Underwriting discount		
Proceeds, before expenses, to us		

The underwriters propose to offer the ADSs to the public at the public offering price set forth on the cover of this prospectus. The underwriters may offer the ADSs to securities dealers at the public offering price less a concession not in excess of \$ per ADS. If all of the ADSs are not sold at the public offering price, the underwriters may change the offering price and other selling terms. Sales of ADSs made outside of the United States may be made by affiliates of certain of the underwriters. Certain of the underwriters may sell ADSs through one or more of their affiliates as selling agents.

Discretionary Accounts. The underwriters do not intend to confirm sales of the ADSs to any accounts over which they have discretionary authority.

Market Information. Prior to the completion of this offering, there has been no public market for ADSs. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In addition to prevailing market conditions, the factors to be considered in these negotiations will include:

- the history of, and prospects for, our company and the industry in which we compete;
- our past and present financial information;
- an assessment of our management; its past and present operations, and the prospects for, and timing of, our future revenue;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the ADSs may not develop. It is also possible that after the offering the ADSs will not trade in the public market at or above the initial public offering price.

We have applied to list our ADSs on the Nasdaq Global Market under the symbol “CMPS.”

Stabilization. In connection with this offering, the underwriters may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions, penalty bids and purchases to cover positions created by short sales.

- Stabilizing transactions permit bids to purchase ADSs so long as the stabilizing bids do not exceed a specified maximum, and are engaged in for the purpose of preventing or retarding a decline in the market price of the ADSs while the offering is in progress.
- Overallotment transactions involve sales by the underwriters of ADSs in excess of the number of ADSs the underwriters are obligated to purchase. This creates a syndicate short position which may be either a covered short position or a naked short position. In a covered short position, the

number of ADSs over-allotted by the underwriters is not greater than the number of ADSs that they may purchase pursuant to the option to purchase additional ADSs. In a naked short position, the number of ADSs involved is greater than the number of ADSs that the underwriters have the option to purchase. The underwriters may close out any short position by exercising their option to purchase additional ADSs and/or purchasing ADSs in the open market.

- Syndicate covering transactions involve purchases of ADSs in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of ADSs to close out the short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared with the price at which they may purchase ADSs through exercise of the option to purchase additional ADSs. If the underwriters sell more ADSs than could be covered by exercise of the option to purchase additional ADSs and, therefore, have a naked short position, the position can be closed out only by buying ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that after pricing there could be downward pressure on the price of the ADSs in the open market that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the ADSs originally sold by that syndicate member is purchased in stabilizing or syndicate covering transactions to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our ADSs or preventing or retarding a decline in the market price of our ADSs. As a result, the price of our ADSs in the open market may be higher than it would otherwise be in the absence of these transactions. Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our ADSs. These transactions may be effected on the Nasdaq Global Market, in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making. In connection with this offering, underwriters and selling group members may engage in passive market making transactions in our ADSs on the Nasdaq Global Market in accordance with Rule 103 of Regulation M under the Securities Exchange Act of 1934, as amended, during a period before the commencement of offers or sales of ADSs and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, such bid must then be lowered when specified purchase limits are exceeded.

Lock-Up Agreements. Pursuant to certain "lock-up" agreements, we and our executive officers, directors and substantially all of our other shareholders, have agreed, subject to certain exceptions, not to offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of or announce the intention to otherwise dispose of, or enter into any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, the economic consequence of ownership of, directly or indirectly, or make any demand or request or exercise any right with respect to the registration of, or file with the SEC a registration statement under the Securities Act relating to, any ADSs or securities convertible into or exchangeable or exercisable for any ADSs without the prior written consent of Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC for a period of 180 days after the date of the pricing of the offering. Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC may waive the provisions of these agreements, in full or in part, at any time in their sole discretion.

This lock-up provision applies to ADSs and to securities convertible into or exchangeable or exercisable for ADSs. It also applies to ADSs owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. The exceptions permit us, among other things and subject to restrictions, to: (a) issue ADSs or options pursuant to employee benefit plans, (b) issue ADSs upon exercise of outstanding options or warrants or

(c) issue securities in connection with acquisitions or similar transactions. The exception permit parties to the “lock-up” agreements, among other things and subject to restrictions, to: (a) make certain gifts, (b) if the party is a corporation, partnership, limited liability company or other business entity, make transfers to transfers to any securityholder, partner or member of, or owner of a similar equity interest in, the party, as the case may be, if, in any such case, such transfer is not for value, (c) if the party is a trust, make certain distributions to beneficiaries if such transfer is not for value, (d) if the party is a corporation, partnership, limited liability company or other business, corporate or similar legal entity in its place of incorporation, any transfer made by the party (i) in connection with the sale or other bona fide transfer in a single transaction of all or substantially all of the party’s share capital, partnership interests, membership interests or other similar equity interests, as the case may be, or all or substantially all of the party’s assets, in any such case not undertaken for the purpose of avoiding the restrictions imposed by the lock-up or (ii) to another corporation, partnership, limited liability company or other business entity so long as the transferee is an affiliate of the party and such transfer is not for value, (e) transfers made solely by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement, (f) transfers to us pursuant to agreements in effect on the date of the final prospectus relating to this offering under which we has the option to repurchase such shares upon termination of the party’s service to us, (g) make transfers to us to satisfy tax withholding obligations pursuant to our equity incentive plans disclosed in this prospectus, (h) transfers pursuant to third-party tender offer, merger, consolidation or other similar transaction, (i) enter into transactions relating to ordinary shares represented by ADSs acquired in open market transactions after completion of the offering, provided that no public announcement or filing is required to be made regarding such transaction during the 180-day lockup period, (j) enter into a 10b5-1 trading plan, provided that such plan does not permit the sale of any ordinary shares (including ordinary shares represented by ADSs) during the 180-day lock-up period and no public announcement or filing is made regarding such plan during the 180-day lock-up period, (k) transfer pursuant to our corporate reorganization described herein, provided that any securities received be bound by the lock-up agreement and (l) the conversion of the outstanding shares of our convertible preference shares into our ordinary shares in connection with the consummation of the offering. In addition, the lock-up provision will not restrict broker-dealers from engaging in market making and similar activities conducted in the ordinary course of their business.

Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC in their sole discretion, may release our ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time. When determining whether or not to release our ADSs and other securities from lock-up agreements, Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC will consider, among other factors, the holder’s reasons for requesting the release, the number of ADSs for which the release is being requested and market conditions at the time of the request. In the event of such a release or waiver for one of our directors or officers, Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC shall provide us with notice of the impending release or waiver at least three business days before the effective date of such release or waiver and we will announce the impending release or waiver by issuing a press release at least two business days before the effective date of the release or waiver.

Directed ADS Program

At our request, the underwriters have reserved up to five (5%) percent of the ADSs for sale, at the initial public offering price, through a directed ADS program to certain directors, officers and employees and persons having relationships with us who have expressed an interest in purchasing ADSs in this offering. The sales will be made by Empire Asset Management Co. as the directed ADS program administrator.

If purchased by persons who are not officers or directors, the ADSs will not be subject to a lock-up restriction. If purchased by any officer or director, the ADSs will be subject to a 180-day lock-up restriction. The underwriters will receive the same underwriting discount on any ADSs purchased by these persons as they will on any other ADSs sold to the public in this offering. The number of ADSs available for sale to the general public in this offering, referred to as the general public ADSs, will be reduced to the extent

these persons purchase the directed ADSs in the program. Any directed ADSs not so purchased will be offered by the underwriters to the general public on the same terms as the other ADSs. Likewise, to the extent demand by these persons exceeds the number of directed ADSs reserved for sale in the program, and there are remaining ADSs available for sale to these persons after the general public ADSs have first been offered for sale to the general public, then such remaining ADSs may be sold to these persons at the discretion of the underwriters.

Selling Restrictions

Canada. The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Switzerland. The securities will not be offered, directly or indirectly, to the public in Switzerland and this prospectus does not constitute a public offering prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations.

European Economic Area and the UK. In relation to each Member State of the EEA and the UK, each a Relevant State, no ADSs have been offered or will be offered pursuant to the offering to the public in that Relevant State, except that offers of ADSs may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- (A) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- (B) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or
- (C) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any ADSs or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with us and each of the underwriters and that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any ADSs being offered to a financial intermediary as that term is used in Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ADSs acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any ADSs to the public other than their offer or resale in a Relevant

State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer to the public” in relation to ADSs in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any ADSs to be offered so as to enable an investor to decide to purchase or subscribe for any ADSs, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom. In addition, in the UK, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, the Order, and/or (ii) who are high net worth companies, unincorporated associations, etc. falling within Article 49(2)(a) to (d) of the Order and/or (iii) to whom it may otherwise be lawfully communicated, all such persons together being referred to as relevant persons, and in circumstances which have not resulted and will not result in an offer to the public of the ADSs in the UK within the meaning of the FSMA.

Any person in the UK that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the UK, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Hong Kong. The ADSs have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the SFO, of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the CO, or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the ADSs has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Singapore. Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any ADSs or caused the ADSs to be made the subject of an invitation for subscription or purchase and will not offer or sell any ADSs or cause the ADSs to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs, whether directly or indirectly, to any person in Singapore other than:

- (A) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time, or the SFA)) pursuant to Section 274 of the SFA;
- (B) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (C) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are purchased under Section 275 of the SFA by a relevant person which is:

- (A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification — In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of ADSs, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the ADSs are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Israel. In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase ADSs under the Israeli Securities Law, 5728 – 1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728–1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions, or the Addressed Investors; or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728 – 1968, subject to certain conditions, collectively, the Qualified Investors. The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. We have not and will not take any action that would require it to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728 – 1968. We have not and will not distribute this prospectus or make, distribute or direct an offer to subscribe for our ADSs to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728 – 1968. In particular, we may request, as a condition to be offered ADSs, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728 – 1968 and the regulations

promulgated thereunder in connection with the offer to be issued ADSs; (iv) that the ADSs that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728 – 1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728 – 1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on our behalf, other than offers made by the underwriters and their respective affiliates, with a view to the final placement of the securities as contemplated in this document. Accordingly, no purchaser of the ADSs, other than the underwriters, is authorized to make any further offer of ADSs on our behalf or on behalf of the underwriters.

Other Relationships. Certain of the underwriters and their affiliates have provided, and may in the future provide, various investment banking, commercial banking and other financial services for us and our affiliates for which they have received, and may in the future receive, customary fees.

Electronic Offer, Sale and Distribution of ADSs. A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically Cowen and Company, LLC, Evercore Group L.L.C. and Berenberg Capital Markets LLC may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or any underwriter in its capacity as underwriter, and should not be relied upon by investors.

EXPENSES OF THIS OFFERING

Set forth below is an itemization of the total expenses, excluding the underwriting discounts and commissions, which are expected to be incurred in connection with the sale of ADSs in this offering. With the exception of the registration fee payable to the SEC, the Nasdaq Global Market listing fee and the filing fee payable to FINRA, all amounts are estimates.

EXPENSE	AMOUNT
SEC registration fee	\$ 16,000
Nasdaq Global Market listing fee	150,000
FINRA filing fee	15,550
Printing expenses	175,000
Legal fees and expenses	1,400,000
Accounting fees and expenses	1,120,000
Transfer agent and registrar fees and expenses	11,000
Miscellaneous fees and expenses	60,000
Total	2,947,550

LEGAL MATTERS

The validity of our ADSs and our ordinary shares and certain other matters of U.S. federal law and English law will be passed upon for us by Goodwin Procter LLP, Boston, Massachusetts and Goodwin Procter (UK) LLP, London, United Kingdom, respectively. Legal counsel to the underwriters in connection with this offering are Cooley LLP, New York, New York with respect to U.S. federal law and Cooley (UK) LLP, London, United Kingdom with respect to English law.

EXPERTS

The financial statements as of December 31, 2018 and December 31, 2019 and for the years then ended, included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The registered business address of PricewaterhouseCoopers LLP is 1 Embankment Place, London, WC2N 6RH, United Kingdom.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are incorporated and currently existing under the laws of England and Wales. In addition, certain of our directors and officers reside outside of the United States and most of the assets of our non-U.S. subsidiaries are located outside of the United States. As a result, it may be difficult for investors to effect service of process on us or those persons in the United States or to enforce in the United States judgments obtained in United States courts against us or those persons based on the civil liability or other provisions of the United States securities laws or other laws.

In addition, uncertainty exists as to whether the courts of England and Wales would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liabilities provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in England and Wales against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

We have been advised by Goodwin Procter LLP that there is currently no treaty between (i) the United States and (ii) England and Wales providing for reciprocal recognition and enforcement of judgments of United States courts in civil and commercial matters (although the United States and the UK are both parties to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards) and that a final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the United States securities laws, would not be automatically enforceable in England and Wales. We have also been advised by Goodwin Procter LLP that any final and conclusive monetary judgment for a definite sum obtained against us in United States courts would be treated by the courts of England and Wales as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues would be necessary, provided that:

- the relevant U.S. court had jurisdiction over the original proceedings according to English conflicts of laws principles at the time when proceedings were initiated;

- the courts of England and Wales had jurisdiction over the matter on enforcement and we either submitted to such jurisdiction or were resident or carrying on business within such jurisdiction and were duly served with process;
- the U.S. judgment was final and conclusive on the merits in the sense of being final and unalterable in the court that pronounced it and being for a definite sum of money;
- the judgment given by the courts was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations (or otherwise based on a U.S. law that the courts of England and Wales consider to relate to a penal, revenue or other public law);
- the judgment was not procured by fraud;
- recognition or enforcement of the judgment in England and Wales would not be contrary to public policy or the Human Rights Act 1998;
- the proceedings pursuant to which judgment was obtained were not contrary to natural justice;
- the U.S. judgment was not arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the UK Protection of Trading Interests Act 1980, or is a judgment based on measures designated by the Secretary of State under Section 1 of that Act;
- there is not a prior decision of the courts of England and Wales or the court of another jurisdiction on the issues in question between the same parties; and
- the English enforcement proceedings were commenced within the limitation period.

Whether these requirements are met in respect of a judgment based upon the civil liability provisions of the United States securities laws, including whether the award of monetary damages under such laws would constitute a penalty, is an issue for the court making such decision.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. Nevertheless, we cannot assure you that those judgments will be recognized or enforceable in England and Wales.

If the courts of England and Wales give a judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the courts of England and Wales discretion to prescribe the manner of enforcement. In addition, it may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is or becomes subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor. Also note that, in any enforcement proceedings, the judgment debtor may raise any counterclaim that could have been brought if the action had been originally brought in England unless the subject of the counterclaim was in issue and denied in the U.S. proceedings. It should also be noted that in the courts of England and Wales system the usual rule is that the losing party is ordered to pay the legal costs of the litigation that were incurred by the successful party. These costs are assessed by the courts of England and Wales at the conclusion of the litigation.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission, or SEC, a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act of 1933, or the Securities Act. We have also filed a related registration statement on Form F-6 (File No. 333-248514) with the SEC to register the ADSs. This prospectus, which forms a part of the registration statement, does not contain all of the information included in the registration statement and the exhibits and schedules to the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits and schedules for that information. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers, like us, that file electronically with the SEC. We maintain a corporate website at www.compasspathways.com. Information contained in, or that can be accessed through, our website is not a part of, and shall not be incorporated by reference into, this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

Upon completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, applicable to foreign private issuers. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and current reports on Form 6-K. Those reports may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

As a foreign private issuer, we are also exempt from the requirements of Regulation FD (Fair Disclosure) which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors. We are, however, still subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5. Since many of the disclosure obligations required of us as a foreign private issuer are different than those required of U.S. domestic reporting companies, our shareholders, potential shareholders and the investing public in general should not expect to receive information about us in the same amount, or at the same time, as information is received from, or provided by, other U.S. domestic reporting companies. We are only liable for violations of the rules and regulations of the SEC that apply to us as a foreign private issuer.

We will send the depositary a copy of all notices of shareholders meetings and other reports, communications and information that are made generally available to shareholders. The depositary has agreed to mail to all holders of ADSs a notice containing the information (or a summary of the information) contained in any notice of a meeting of our shareholders received by the depositary and will make available to all holders of ADSs such notices and all such other reports and communications received by the depositary.

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Consolidated Financial Statements of COMPASS Pathfinder Holdings Limited

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All historical share and per share data included in these financial statements exclude the impact of the conversion of all outstanding convertible preferred shares into ordinary shares and subsequent one-for-0.1136 reverse share split that will be part of the Company's corporate reorganization to be effected immediately prior to and conditional on the completion of this offering. The pro forma net loss per share data does give effect to the reverse share split and the supplemental pro forma net loss per share data does give effect to conversion of all outstanding convertible preferred shares into ordinary shares and subsequent one-for-0.1136 reverse share split.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of COMPASS Pathfinder Holdings Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of COMPASS Pathfinder Holdings Limited and its subsidiaries (the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of operations and comprehensive loss, of convertible preferred shares and shareholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Reading, United Kingdom

July 2, 2020, except for the effects of the corporate reorganization discussed in Note 1 to the consolidated financial statements, as to which the date is August 28, 2020

We have served as the Company's auditor since 2018.

COMPASS PATHFINDER HOLDINGS LIMITED
Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(expressed in U.S. Dollars, unless otherwise stated)

	December 31,	
	2018	2019
ASSETS		
CURRENT ASSETS:		
Cash	\$ 22,907	\$ 24,966
Restricted cash	—	18
Prepaid expenses and other current assets	3,371	7,187
Total current assets	26,278	32,171
Property and equipment, net	108	218
Total assets	\$ 26,386	\$ 32,389
LIABILITIES, CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 683	\$ 1,262
Accounts payable - due to a related party	11	63
Accrued expenses and other liabilities	1,152	1,457
Convertible notes payable	—	12,397
Convertible notes payable - due to a related party	—	8,692
Total current liabilities	1,846	23,871
Total liabilities	1,846	23,871
Commitments and contingencies (Note 13)		
Convertible preferred shares, £0.001 par value; 86,113,692 shares authorized, issued and outstanding at December 31, 2018 and 2019; aggregate liquidation preference of \$39,729 at December 31, 2018 and 2019	38,908	38,908
SHAREHOLDERS' EQUITY (DEFICIT):		
Ordinary shares, £0.001 par value; 92,880,000 and 94,651,686 shares authorized, issued and outstanding at December 31, 2018 and 2019, respectively	122	124
Additional paid-in capital	3,898	7,149
Accumulated other comprehensive loss	(435)	(98)
Accumulated deficit	(17,953)	(37,565)
Total shareholders' deficit	(14,368)	(30,390)
Total liabilities, convertible preferred shares and shareholders' deficit	\$ 26,386	\$ 32,389

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

COMPASS PATHFINDER HOLDINGS LIMITED
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)

	Year Ended December 31,	
	2018	2019
OPERATING EXPENSES:		
Research and development	\$ 8,917	\$ 12,563
General and administrative	3,463	8,390
General and administrative - fees due to a related party	123	226
Total operating expenses	12,503	21,179
LOSS FROM OPERATIONS:	(12,503)	(21,179)
OTHER INCOME (EXPENSE), NET:		
Other income (expense), net	1	(8)
Fair value change of convertible notes	(2,638)	(670)
Fair value change of convertible notes - due to a related party	(44)	(469)
Benefit from R&D tax credit	1,965	2,729
Total other income (expense), net	(716)	1,582
Loss before income taxes	(13,219)	(19,597)
Income tax benefit (expense)	—	(15)
Net loss	(13,219)	(19,612)
Other comprehensive (loss) income:		
Foreign exchange translation adjustment	(522)	337
Comprehensive loss	\$ (13,741)	\$ (19,275)
Net loss per share attributable to ordinary shareholders—basic and diluted	\$ (0.40)	\$ (0.30)
Weighted average ordinary shares outstanding—basic and diluted	33,133,480	65,814,221
Pro forma net loss per share attributable to ordinary shareholders — basic and diluted (unaudited)	\$ (3.51)	\$ (2.62)
Pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited)	3,763,973	7,476,422
Supplemental pro forma net loss per share attributable to ordinary shareholders — basic and diluted (unaudited)		\$ (1.14)
Supplemental pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited)		17,258,928

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

COMPASS PATHFINDER HOLDINGS LIMITED
Consolidated Statements of Convertible Preferred Shares and Shareholders' Deficit
(in thousands, except share and per share amounts)

	CONVERTIBLE PREFERRED SHARES \$0.001 PAR VALUE		SERIES A CONVERTIBLE PREFERRED SHARES \$0.001 PAR VALUE		ORDINARY \$0.01 PAR VALUE		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	ACCUMULATED DEFICIT	TOTAL SHAREHOLDERS' DEFICIT
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT				
Balance at December 31, 2017	23,336,100	\$ 3,761	—	\$ —	92,880,000	\$ 122	\$ 2,480	\$ 87	\$ (4,734)	\$ (2,045)
Share-based compensation	—	—	—	—	—	—	1,418	—	—	1,418
Issuance of Series A convertible preferred shares, net of issuance costs	—	—	44,044,857	24,703	—	—	—	—	—	—
Conversion of notes into Series A convertible preferred shares	—	—	18,732,735	10,444	—	—	—	—	—	—
Unrealized loss on foreign currency translation	—	—	—	—	—	—	—	(522)	—	(522)
Net loss	—	—	—	—	—	—	—	—	(13,219)	(13,219)
Balance at December 31, 2018	23,336,100	\$ 3,761	62,777,592	\$ 35,147	92,880,000	\$ 122	\$ 3,898	\$ (435)	\$ (17,953)	\$ (14,368)
Share-based compensation expense	—	—	—	—	—	—	3,253	—	—	3,253
Issuance of ordinary shares, net of issuance costs	—	—	—	—	1,771,686	2	(2)	—	—	—
Unrealized gain on foreign currency translation	—	—	—	—	—	—	—	337	—	337
Net loss	—	—	—	—	—	—	—	—	(19,612)	(19,612)
Balance at December 31, 2019	23,336,100	\$ 3,761	62,777,592	\$ 35,147	94,651,686	\$ 124	\$ 7,149	\$ (98)	\$ (37,565)	\$ (30,390)

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

COMPASS PATHFINDER HOLDINGS LIMITED
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2018	2019
CASH FLOWS OPERATING ACTIVITIES:		
Net loss	\$ (13,219)	\$ (19,612)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	22	63
Change in fair value of convertible notes	2,682	1,139
Non-cash share-based compensation	1,418	3,253
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	(1,508)	(3,430)
Accounts payable	(12)	580
Accrued expenses and other liabilities	816	194
Net cash used in operating activities	(9,801)	(17,813)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(130)	(165)
Net cash used in investing activities	(130)	(165)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of issuance of convertible preferred shares, net of issuance costs	24,704	—
Repayment of related party notes payable	(235)	—
Payments of initial public offering costs	—	(55)
Proceeds from issuance of convertible notes	8492	18,434
Net cash provided by financing activities	32,961	18,379
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,168)	1,676
Net increase in cash	21,862	2,077
Cash, cash equivalents and restricted cash, beginning of year	1,045	22,907
Cash, cash equivalents and restricted cash, end of year	\$ 22,907	\$ 24,984
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Deferred offering costs included in accrued expenses	\$ —	\$ 58
Conversion of convertible notes into convertible preferred shares	\$ 10,444	\$ —

The following table provides a reconciliation of the cash, cash equivalents and restricted cash balances as of each of the periods, shown above:

	Year Ended December 31,	
	2018	2019
Cash and cash equivalents	\$ 22,907	\$ 24,966
Short-term restricted cash	—	18
Total cash, cash equivalents and restricted cash	\$ 22,907	\$ 24,984

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

COMPASS PATHFINDER HOLDINGS LIMITED
Notes to Condensed Consolidated Financial Statements

1. Nature of the Business

COMPASS Pathfinder Holdings Limited, the Company, is a mental health care company dedicated to accelerating patient access to evidence-based innovation in mental health. The Company is developing psilocybin therapy through late-stage clinical trials in Europe and North America for patients with treatment-resistant depression.

The Company is a private limited liability company incorporated under the laws of England and Wales and its primary offices are in London, United Kingdom. The Company has two wholly-owned subsidiaries, COMPASS Pathways Limited, whose primary office is in London, United Kingdom and COMPASS Pathways Inc., whose primary office is located in New York, United States of America.

Subsequent to December 31, 2019, in preparation for this offering, the Company commenced a reorganization of entities under common control. Pursuant to the terms of a share for share exchange agreement entered into on August 7, 2020, all shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them for 1,161 of the same class, with the same shareholder rights, of newly issued shares of COMPASS Rx Limited and, as a result, COMPASS Pathfinder Holdings Limited became a wholly owned subsidiary of COMPASS Rx Limited. This share exchange had the effect of a 1,161:1 reverse share split. No other shareholder rights or preferences changed as a result of this reorganization. Subsequently, COMPASS Rx Limited was re-registered as a public limited company and renamed COMPASS Pathways plc, effective on August 21, 2020. There are no material differences between the financial information of COMPASS Pathways plc and COMPASS Pathfinder Holdings Limited, other than the impact of the share exchange, which had the effect of a reverse share split and has been given retroactive application in these financial statements. COMPASS Pathways plc is a holding company with nominal activity. These transactions are detailed below:

Exchange of COMPASS Pathfinder Holdings Limited Shares for COMPASS Rx Limited Shares

Prior to the share exchange on August 7, 2020, the share capital of COMPASS Pathfinder Holdings Limited was divided into 83,025 ordinary shares of nominal value of £0.01 each; 20,100 preferred shares of nominal value of £0.01 each; 54,072 Series A preferred shares of nominal value of £0.01 each; 47,091 Series B preferred shares of nominal value of £0.01 each. On August 7, 2020, the shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them of COMPASS Pathfinder Holdings Limited for 1,161 of the same class, with the same shareholder rights, of shares in COMPASS Rx Limited. Following the share exchange, 96,392,025 ordinary shares, 23,336,100 preferred shares, 62,777,592 Series A preferred shares and 54,672,651 Series B preferred shares were outstanding, each with a nominal value of £1.00.

Reduction of Capital of COMPASS Rx Limited

Pursuant to Part 17 of the Companies Act 2006, COMPASS Rx Limited reduced its share capital by way of a reduction of the nominal value of each share in the capital of COMPASS Rx Limited from £1.00 to £0.001 in order to satisfy the net asset test requirement in section 92 of the Companies Act 2006 for re-registration as a public limited company and to create distributable reserves.

Re-registration of COMPASS Rx Limited as COMPASS Pathways plc and Reorganization of Shares in COMPASS Pathways plc

Following COMPASS Pathfinder Holdings Limited becoming a wholly owned subsidiary of COMPASS Rx Limited and following the capital reduction, COMPASS Rx Limited was re-registered as a public limited company and renamed COMPASS Pathways plc, which required the passing of special resolutions by the shareholders of COMPASS Rx Limited to approve the re-registration of COMPASS Rx Limited as a public

limited company, the name change to COMPASS Pathways plc and the adoption of new articles of association of COMPASS Pathways plc.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional capital to fund operations. Therapeutic candidates currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company's therapeutic development efforts are successful, it is uncertain when, if ever, the Company will realize revenue from sales.

The Company has funded its operations primarily with proceeds from the sale of its convertible preferred shares and issuance of convertible notes. The Company has incurred recurring losses since its inception, including net losses of \$13.2 million and \$19.6 million for the years ended December 31, 2018 and 2019, respectively. In addition, as of December 31, 2019, the Company had an accumulated deficit of \$37.6 million. The Company expects to continue to generate operating losses for the foreseeable future. The future viability of the Company is dependent on its ability to raise additional capital to finance its operations. The Company's inability to raise capital as and when needed could have a negative impact on its financial condition and ability to pursue its business strategies. There can be no assurance that the current operating plan will be achieved or that additional funding will be available on terms acceptable to the Company, or at all.

The Company believes the cash and cash equivalents on hand as of December 31, 2019 of \$25.0 million, together with the \$56.3 million of net cash proceeds received from the Company's sale of Series B convertible preferred shares in the first half of 2020 will be sufficient to fund its operations and capital expenditure requirements through at least the next twelve months from the date of issuance of these consolidated financial statements.

The Company is assessing the impact the COVID-19 pandemic may have on its ability to advance its clinical trial activities or to raise financing to support the development of therapeutic candidates, but no assurances can be given that this analysis will enable it to avoid part or all of any impact from the disruption caused by COVID-19 or its consequences, including downturns in business sentiment generally or in its sector in particular. The Company is still assessing its business plans and the impact the COVID-19 pandemic may have on its ability to advance the testing, development and manufacturing of their therapeutic candidates and cannot currently predict the scope and severity of any potential business shutdowns or disruptions, but if it or any of the third parties on whom it relies or with whom it conducts business, were to experience shutdowns or other business disruptions, its ability to conduct its business in the manner and on the timelines presently planned could be materially and adversely impacted.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or U.S. GAAP.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting periods. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, the accrual for research and development expenses, the fair value of ordinary shares, share-based compensation, measurement of the fair value of the Company's convertible notes and the research and development tax credit. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ materially from those estimates.

Unaudited pro forma information

COMPASS Pathways plc's financial statements will be the same as COMPASS Pathfinder Holdings Limited's financial statements prior to the IPO after adjusting retrospectively for the COMPASS Pathways plc capital structure, which includes the one-for-0.1136 reverse share split of all ordinary shares, to be effected immediately prior to and conditional on the completion of this offering, but does not include the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares. In the accompanying consolidated statements of operations and comprehensive loss, the unaudited pro forma information represents information for COMPASS Pathways plc for the years ended December 31, 2018 and 2019.

Unaudited supplemental pro forma information

In the accompanying consolidated statements of operations and comprehensive loss, the unaudited supplemental pro forma basic and diluted net loss per share attributable to ordinary shareholders for the year ended December 31, 2019 has been prepared to give effect to, upon the closing of a qualified IPO, the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares and the subsequent one-for-0.1136 reverse share split of all of COMPASS Pathways plc's ordinary shares (including the converted preferred shares) as if the conversion had occurred on the later of January 1, 2019 or the issuance date of the convertible preferred shares, to be effected immediately prior to and conditional on the completion of this offering.

Cash and Cash Equivalents

The Company considers all highly liquid investments that have maturities of three months or less when acquired to be cash equivalents. The Company does not currently have any cash equivalents.

Restricted Cash

Restricted cash as of December 31, 2019 represents a collateral deposit for employee credit cards.

Deferred Initial Public Offering Costs

The Company capitalizes deferred initial public offering, or IPO, costs, which primarily consist of direct, incremental legal, professional accounting and other third-party fees relating to the Company's IPO, within prepaid expenses and other current assets. The deferred IPO costs will be offset against IPO proceeds upon the consummation of an offering. Should the planned IPO be abandoned, the deferred IPO costs will be expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. The Company recorded \$0.1 million of deferred IPO costs as of December 31, 2019. The Company did not record any deferred IPO costs as of December 31, 2018.

Fair Value of Financial Instruments

Certain liabilities of the Company are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize

the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques

The Company's convertible notes are classified within Level 3 of the fair value hierarchy because their fair values are estimated by utilizing valuation models and significant unobservable inputs. The convertible notes were valued using a scenario-based discounted cash flow analysis. Two primary scenarios were considered and probability weighted to arrive at the valuation conclusion for each convertible note. The first scenario considers the value impact of conversion at the stated discount to the issue price if the Company raises over £25.0 million in an equity financing before the first anniversary of the issuance date, the Qualified Financing, otherwise Non-Qualified Financing, while the second scenario assumes the convertible notes are held to maturity. As of the issuance date of the convertible notes, an implied yield was calculated such that the probability weighted value of the convertible note was equal to the principal investment amount. The implied yield of previously issued convertible notes is carried forward and used as the primary discount rate for subsequent valuation dates. The Company estimates the fair value of the convertible notes based on a future value on projected conversion dates which have been i) discounted back to the valuation date at an appropriate discount rate and ii) probability weighted to arrive at an indication of value for the convertible notes.

Fair Value Option

As permitted under Accounting Standards Codification 825, Financial Instruments, or ASC 825, the Company has elected the fair value option to account for its convertible notes. In accordance with ASC 825, the Company records these convertible notes at fair value with changes in fair value recorded as a component of other income (expense), net in the consolidated statement of operations and comprehensive loss. As a result of applying the fair value option, direct costs and fees related to the convertible notes were expensed as incurred and were not deferred. The Company concluded that it was appropriate to apply the fair value option to the convertible notes because there are no non-contingent beneficial conversion options related to the convertible notes.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents. The Company places cash and cash equivalents in established financial institutions. The Company has no significant off-balance-sheet risk or concentration of credit risk, such as foreign exchange contracts, options contracts, or other foreign hedging arrangements.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

	Estimated Useful Life
Lab equipment	5 years
Office equipment	5 years
Computer equipment	3 years
Leasehold improvements	Shorter of useful life or remaining lease term

Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the consolidated statement of operations and comprehensive loss. Expenditures for repairs and maintenance are charged to expense as incurred.

Impairment of Long-Lived Assets

The Company evaluates assets for potential impairment when events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is measured by comparing the book values of the assets to the expected 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 values of the assets exceed their fair value. The Company has not recognized any impairment losses or had triggering events related to its underlying assets for the years ended December 31, 2018 and 2019.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker in deciding how to allocate resources and assess performance. The Company and the Company's chief operating decision maker, the Company's Chief Executive Officer, views the Company's operations and manages its business as a single operating segment; however, the Company operates in two geographic regions: the UK and the United States. The Company's fixed assets are primarily located in the UK. The Company's singular concentration is focused on accelerating patient access to evidence-based innovation in mental health.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development expenses consist of costs incurred in performing research and development activities, including salaries, share-based compensation and benefits, travel, and external costs of outside vendors engaged to conduct clinical development activities, clinical trials, cost to manufacture clinical trial materials.

Research Contract Costs and Accruals

The Company has entered into various research and development-related contracts with research institutions and other companies. These agreements are generally cancelable, and related payments are recorded as research and development expenses as incurred. The Company records accruals for estimated ongoing research costs and receives updated estimates of costs and amounts owed on a monthly basis from its third-party service providers. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies or clinical trials, including the phase or completion of events, invoices received and contracted cost estimates from third-party service providers. Estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates. The Company's historical accrual estimates have not been materially different from the actual costs.

Share-Based Compensation

The Company accounts for all share-based payment awards granted to employees and non-employees as share-based compensation expense at fair value. The Company grants equity awards under its share-based compensation programs, which may include share options and restricted ordinary shares. The measurement date for employee and non-employee awards is the date of grant, and share-based compensation costs are recognized as expense over the requisite service period, which is the vesting period, on a straight-line basis. Share-based compensation expense is classified in the accompanying consolidated statement of operations and comprehensive loss based on the function to which the related services are provided. The Company recognizes share-based compensation expense for the portion of awards that have vested. Forfeitures are recorded as they occur.

There have been no performance conditions attached to the share options granted by the Company to date. The fair value of each share option grant is estimated on the date of grant using the Black-Scholes option pricing model. See Note 10 for the Company's assumptions used in connection with option grants made during the periods covered by these consolidated financial statements. Assumptions used in the option pricing model include the following:

Expected volatility. As a private company, the Company lacks company-specific historical and implied volatility information for its ordinary shares. Therefore, it estimates its expected share volatility based on the historical volatility of publicly traded peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded share price.

Expected term. The expected term of the Company's share options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options.

Risk-free interest rate. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods that are approximately equal to the expected term of the award.

Expected dividend. Expected dividend yield of zero is based on the fact that the Company has never paid cash dividends on ordinary shares and does not expect to pay any cash dividends in the foreseeable future.

Fair value of ordinary shares. The grant date fair value of restricted ordinary shares and share options were calculated based on the grant date fair value of the underlying ordinary shares. The Company calculated the fair value of the ordinary shares in accordance with the guidelines in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the "Practice Aid. The Company's valuations of ordinary shares were prepared using a market approach, based on precedent transactions in the shares, to estimate the Company's total equity value using an option-pricing method, or OPM.

The OPM method derives an equity value such that the value indicated for ordinary shares is consistent with the investment price, and it provides an allocation of this equity value to each of the Company's securities. The OPM treats the various classes of ordinary shares as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the ordinary shares have value only if the funds available for distribution to shareholders exceeded the value of the share liquidation preferences of ordinary shares with senior preferences at the time of the liquidity event. Key inputs into the OPM calculation included the risk-free rate, expected time to liquidity and volatility. A reasonable discount for lack of marketability was applied to the total equity value to arrive at an estimate of the total fair value of equity on a non-marketable basis.

Foreign Currency Translation

The Company maintains its consolidated financial statements in its functional currency, which is the Pound Sterling. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from foreign currency transactions are included in other income (expense), net in the consolidated statement of operations and comprehensive loss. The Company recorded foreign exchange losses of approximately \$0.1 million for each of the years ended December 31, 2018 and 2019.

For financial reporting purposes, the consolidated financial statements of the Company have been presented in the U.S. dollar, the reporting currency. The financial statements of entities are translated from their functional currency into the reporting currency as follows: assets and liabilities are translated at the exchange rates at the balance sheet dates, expenses and other income (expense), net are translated at the average exchange rates and shareholders' deficit is translated based on historical exchange rates. Translation adjustments are not included in determining net loss but are included as a foreign exchange adjustment to other comprehensive (loss) income, a component of shareholders' deficit.

Income Taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in its tax returns. Deferred tax assets and liabilities are determined on the basis of the differences between the consolidated financial statements and tax basis of assets and liabilities substantively enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that deferred tax assets will be recovered in the future to the extent management believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to income tax expense. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

The Company accounts for uncertainty in income taxes in the consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed as the amount of benefit to recognize in the consolidated financial statements. The amount of benefits that may be used is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate, as well as the related net interest and penalties. As of December 31, 2018 and 2019, the Company has not identified any uncertain tax positions.

The Company recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statement of operations and comprehensive loss. As of December 31, 2018 and 2019 no accrued interest or penalties are included on the related tax liability line in the consolidated balance sheets.

Benefit from Research and Development Tax Credit

The Company is subject to corporate taxation in the UK. Due to the nature of the business, the Company has generated losses since inception. The benefit from research and development, or R&D, tax credits is recognized in the consolidated statements of operations and comprehensive loss as a

component of other income, net, and represents the sum of the research and development tax credits recoverable in the UK.

The UK research and development tax credit is fully refundable to the Company and is not dependent on current or future taxable income. As a result, the Company has recorded the entire benefit from the UK research and development tax credit as a benefit which is included in net loss before income tax and accordingly, not reflected as part of the income tax provision. If, in the future, any UK research and development tax credits generated are needed to offset a corporate income tax liability in the UK, that portion would be recorded as a benefit within the income tax provision and any refundable portion not dependent on taxable income would continue to be recorded within other income (expense), net.

As a company that carries out extensive research and development activities, the Company benefits from the UK research and development tax credit regime under the scheme for small or medium-sized enterprises, or SME. Under the SME regime, the Company is able to surrender some of its trading losses that arise from qualifying research and development activities for a cash rebate of up to 33.35% of such qualifying research and development expenditure. The Company meets the conditions of the SME regime. Qualifying expenditures largely comprise employment costs for research staff, consumables, outsourced contract research organization costs and utilities costs incurred as part of research projects. Certain subcontracted qualifying research and development expenditures are eligible for a cash rebate of up to 21.67%. A large portion of costs relating to research and development, clinical trials and manufacturing activities are eligible for inclusion within these tax credit cash rebate claims.

The Company may not be able to continue to claim research and development tax credits under the SME regime in the future because it may no longer qualify as a small or medium-sized company.

Unsurrendered UK losses may be carried forward indefinitely to be offset against future taxable profits, subject to numerous utilization criteria and restrictions. The amount that can be offset each year is limited to £5.0 million plus an incremental 50% of UK taxable profits.

Value Added Tax, or VAT, is broadly charged on all taxable supplies of goods and services by VAT-registered businesses. Similarly, VAT paid on purchase invoices is generally reclaimable from Her Majesty's Revenue & Customs, or HMRC.

Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in shareholders' deficit that result from transactions and economic events other than those with shareholders.

Net Loss per Share

The Company has reported losses since inception and has computed basic net loss per share attributable to ordinary shareholders by dividing net loss attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding for the period, without consideration for potentially dilutive securities. The Company computes diluted net loss per ordinary share after giving consideration to all potentially dilutive ordinary shares, including unvested ordinary shares, share options, convertible preferred and Series A convertible preferred shares, outstanding during the period determined using the treasury-stock and if-converted methods, except where the effect of including such securities would be antidilutive. Because the Company has reported net losses since inception, these potential ordinary shares have been anti-dilutive and basic and diluted loss per share were the same for all periods presented.

Recently Issued Accounting Pronouncements Not Yet Adopted

In February 2016, the Financial Accounting Standards Board, or the FASB, issued Accounting Standard Update, or ASU, No. 2016-02, (Topic 842) Leases, or ASU 2016-02. ASU 2016-02 requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases. The

ASU will also require new qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. For public entities, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018. As a result of the Company having elected the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act, ASU 2016-02 is effective for the Company for the year ended December 31, 2021, and all interim periods thereafter. Early adoption is permitted. In July 2018, the FASB issued ASU 2018-11 Leases – Targeted Improvements, or ASU 2018-11, intended to ease the implementation of the new lease standard for financial statement preparers by, among other things, allowing for an additional transition method. In lieu of presenting transition requirements to comparative periods, as previously required, an entity may now elect to show a cumulative effect adjustment on the date of adoption without the requirement to recast prior period financial statements or disclosures presented in accordance with ASU 2016-02.

The Company is continuing to evaluate developments within the new lease guidance and is finalizing its evaluation of its existing population of contracts to ensure all contracts that meet the definition of a lease contract under the new standard are identified. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements and footnote disclosures. The Company is currently evaluating the impact of adopting this guidance on the Company's consolidated financial statements and expects that its operating lease commitments will be subject to the new standard and recognized as right-of-use assets and operating lease liabilities upon adoption of this standard, which will increase the total assets and total liabilities that it reports relative to such amounts presented prior to adoption.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)," or ASU 2019-12, which simplifies the accounting for income taxes. The new guidance removes certain exceptions to the general principles in ASC 740 such as recognizing deferred taxes for equity investments, the incremental approach to performing intra-period tax allocation and calculating income taxes in interim periods. The standard also simplifies accounting for income taxes under U.S. GAAP by clarifying and amending existing guidance, including the recognition of deferred taxes for goodwill, the allocation of taxes to members of a consolidated group and requiring that an entity reflect the effect of enacted changes in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date. This guidance is effective for annual periods beginning after December 15, 2020, and interim periods thereafter; however, early adoption is permitted. The Company is currently evaluating the impact that the adoption of ASU 2019-12 will have on the consolidated financial statements and related disclosures.

3. Fair Value Measurements

The following table presents information about the Company's financial instruments measured at fair value on a recurring basis and indicates the level of the fair value hierarchy utilized to determine such fair values as of December 31, 2019:

Description	Fair Value Measurement as of December 31, 2019 Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Liabilities			
Convertible Notes	\$ —	\$ —	\$ 21,089

Management believes that the carrying amounts of the Company's consolidated financial instruments, including accounts payable and accrued expenses approximate fair value due to the short-term nature of those instruments.

The Company elected the fair value option to account for its convertible notes issued during 2018 and 2019 (See Note 7). On August 31, 2018, the convertible notes issued during 2018 were converted to Series A convertible preferred shares and no other financial instruments with a fair value election were outstanding as of December 31, 2018. The fair value of the convertible notes was determined based on significant inputs not observable in the market, which represents a level 3 measurement within the fair value hierarchy.

The Company recorded losses of \$2.7 million and \$1.1 million for changes in the fair value of the convertible notes in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2018 and 2019, respectively.

The following table provides a roll forward of the aggregate fair value of the Company's convertible notes, for which fair value was determined using level 3 inputs (in thousands):

	Convertible notes
Balance as of December 31, 2017	\$ —
Issuance of convertible notes	8,492
Change in fair value	2,682
Settlement of convertible notes	(10,444)
Exchange difference	(730)
Balance as of December 31, 2018	—
Issuance of convertible notes	18,434
Change in fair value	1,139
Exchange difference	1,516
Balance as of December 31, 2019	\$ 21,089

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	2018	2019
UK R&D tax credit	\$ 1,879	\$ 4,791
Prepaid research and development	943	903
VAT recoverable	261	426
Deferred IPO costs	—	115
Other current assets	288	952
	\$ 3,371	\$ 7,187

5. Property and Equipment, Net

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

	2018	2019
Lab equipment	\$ 72	\$ 114
Office equipment	33	133
Furniture and fixtures	4	38
Leasehold improvements	20	—
	129	285
Less: accumulated depreciation	(21)	(67)
	\$ 108	\$ 218

Depreciation and amortization expense were less than \$0.1 million for the years ended December 31, 2018 and 2019.

6. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (in thousands):

	2018	2019
Accrued research and development expense	\$ 844	\$ 491
Accrued professional expenses	304	232
Compensation and benefit costs	4	682
Other liabilities	—	52
	<u>\$ 1,152</u>	<u>\$ 1,457</u>

7. Convertible Notes

In February and March 2018, the Company issued convertible notes to investors of the Company, or the Noteholders, for a total principal amount of \$8.5 million (£6.1 million). The notes were issued on February 9, 2018 and March 20, 2018 for principal value of \$7.0 million and \$1.5 million, respectively. The convertible notes issued in 2018 were collectively referred to as the “2018 Convertible Notes”. The convertible notes bore interest at 3% per annum and were payable concurrently with repayment of the principal amount. No repayment of principal or interest was due until maturity, which occurred 12 months after issuance of the convertible notes. The convertible notes automatically converted upon the issuance of Series A convertible preferred shares, or the Series A Qualified Financing, into the number of Series A Qualified Financing shares equal to the lesser of (i) 25% of the per share price of the securities or (ii) the quotient resulting from dividing £60.0 million by the fully-diluted capitalization of the Company immediately prior to the Series A Qualified Financing.

On August 31, 2018, upon the Series A convertible preferred share financing, the outstanding principal of the convertible notes of \$8.5 million (£6.1 million) automatically converted into 18,732,735 Series A convertible preferred shares.

On August 28, 2019, the Company entered into convertible note agreements for a total additional principal amount of \$18.4 million (£15.0 million). The convertible notes issued in 2019 are collectively referred to as the “2019 Convertible Notes”. The 2019 Convertible Notes bore interest at 3% per annum and were payable concurrently with repayment of the principal amount. No repayment of principal or interest was due until maturity, which occurs 12 months after issuance of the 2019 Convertible Notes. Under the agreement, the 2019 Convertible Notes will automatically convert upon a Qualified Financing and Non-Qualified Financing securities upon (i) the completion of a Qualified Financing; or (ii) noteholder majority has approved a Non-Qualified Financing constituting a conversion event, at 15% discount of the per share price of the securities sold in either a Qualified Financing or Non-Qualified Financing.

The Company elected the fair value option to account for the 2018 and 2019 Convertible Notes. The Company recorded the 2018 and 2019 Convertible Notes at fair value and subsequently remeasured them to fair value at each reporting date. Changes in fair value were recognized as a component of other income (expense), net in the consolidated statements of operations and comprehensive loss. The Company recognized losses in the consolidated statement of operations and comprehensive loss of \$2.7 million and \$1.1 million as a change in fair value of the convertible notes during the years ended December 31, 2018 and 2019, respectively.

As of December 31, 2019, the outstanding 2019 Convertible Notes are shown on the accompanying consolidated balance sheet at the fair value of \$21.1 million. It was referenced as part of subsequent events (Note 16), the outstanding 2019 Convertible Notes were converted to Series B convertible preferred shares on April 17, 2020.

8. Convertible Preferred Shares

In August 2017, the Company entered into a subscription and shareholders agreement, or the 2017 Agreements, pursuant to which the Company issued an aggregate of 23,336,100 convertible preferred shares for total proceeds of approximately \$3.9 million and incurred issuance costs of \$0.1 million, recorded as a reduction to convertible preferred shares.

The 2017 Agreements were amended and restated in September 2018, as so amended, the Amended 2018 Agreements. Pursuant to the Amended 2018 Agreements, the Company issued 62,777,592 Series A convertible preferred shares for an aggregate purchase price of \$35.4 million and incurred issuance costs of \$0.3 million, recorded as a reduction to convertible preferred shares.

In accordance with FASB ASC Topic 480, "Distinguishing Liabilities from Equity (ASC 480)", preferred shares issued with redemption provisions that are outside of the control of the Company or that contain certain redemption rights in a deemed liquidation event is required to be presented outside of shareholders' deficit on the face of the consolidated balance sheet. The Company's convertible preferred shares and Series A convertible preferred shares contain redemption provisions that require it to be presented outside of shareholders' deficit.

Convertible preferred shares and Series A convertible preferred shares consisted of the following as of December 31, 2018 and 2019 (in thousands, except for share amounts):

	Shares		Liquidation Preference	Carrying Value
	Authorized	Outstanding		
Convertible preferred shares	23,336,100	23,336,100	\$ 3,865	\$ 3,761
Series A convertible preferred shares	62,777,592	62,777,592	35,414	35,147
	86,113,692	86,113,692	\$ 39,279	\$ 38,908

As of December 31, 2018 and 2019, the holders of the convertible preferred shares and Series A convertible preferred shares have the following rights and preferences:

Conversion

Each convertible preferred share and Series A convertible preferred share is convertible into an equivalent number of ordinary shares, at any time, at the option of the holder.

Dividends

Dividends may be paid to the holders of convertible preferred shares, Series A convertible preferred shares and ordinary shares as determined by the board of directors of the Company. Through December 31, 2019, no dividends have been declared or paid.

Voting rights

The holders of the convertible preferred shares, Series A convertible preferred shares and ordinary shares are entitled to vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the convertible preferred shares and Series A convertible preferred shares may choose to either: i) convert their shares into ordinary shares on a 1:1 basis; or ii) continue to hold their shares. In the event that any of the investors continue to hold convertible preferred shares or Series A convertible preferred shares, such investors shall, ahead of the holders of the ordinary shares, be entitled to receive an amount equal to the sum credited as paid up on the investor shares, or the Liquidation Preference, to

the holders of convertible preferred shares first and then to the holders of Series A convertible preferred shares.

Any remaining proceeds shall be divided between the holders of the ordinary shares in proportion to the number of ordinary shares held. The holders of the convertible preferred shares and Series A convertible preferred shares shall not be entitled to receive an amount in excess of the Liquidation Preference.

9. Ordinary Shares

In August 2017, the Company issued 92,880,000 ordinary shares as founder shares for services rendered to the Company at a nominal value less than £0.01 per share. In connection with the issuance of convertible preferred shares in August 2017, vesting conditions were placed on the 92,880,000 founder shares. These shares vest as follows: 25% of the shares held by certain of the founders vested on August 17, 2017; 25% of the shares vested on August 17, 2018; and 50% of shares vest in twenty-four equal monthly installments from August 17, 2018 through August 17, 2020. The fair value of the ordinary shares issued to certain of the founders in excess of the consideration initially paid will be recognized as share-based compensation over the vesting period.

During the year ended December 31, 2019, the Company issued 871,991 and 899,775 ordinary shares to a nonemployee and an employee, with vesting periods of three and four years, respectively. Changes to the ordinary shares are disclosed further in Note 10.

10. Share-Based Compensation

2017 Equity Incentive Plan

Under the Company's shareholder and subscription agreements, the Company is authorized to issue ordinary shares, as well as options, as incentives to its employees, non-employees and members of its board of directors. To the extent such incentives are in the form of share options, the options are granted pursuant to the terms of the 2017 Equity Incentive Plan, or the 2017 Plan. As of December 31, 2019, the Company was authorized under the shareholder agreements to issue a total of 119,729,286 ordinary shares, including shares underlying options granted pursuant to the 2017 Plan. Forfeitures are accounted for as they occur.

Ordinary Shares

A summary of the changes in the Company's unvested ordinary shares during the years ended December 31, 2018 and 2019 are as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested and Outstanding as of December 31, 2017	69,660,000	\$ 0.07
Granted	—	—
Vested	(30,960,000)	0.07
Forfeited	—	—
Unvested and Outstanding as of December 31, 2018	38,700,000	0.07
Granted	1,771,686	0.26
Vested	(23,680,175)	0.07
Forfeited	—	—
Unvested and Outstanding as of December 31, 2019	16,791,511	\$ 0.08

As of December 31, 2018 and 2019, there was \$2.2 million and \$1.2 million of unrecognized compensation cost related to unvested ordinary shares, which is expected to be recognized over

weighted-average periods of 1.6 years and 1.1 years, respectively. The total fair value of vested shares was \$2.0 million and \$1.7 million for the years ended December 31, 2018 and 2019, respectively.

Share Options

In July 2019, the Company's board of directors first granted share options under the 2017 Plan. The 2017 Plan provides for the grant of Enterprise Management Incentive, or EMI, options, to its UK employees, for the grant of options to its U.S. employees and non-employees of the Company. The 2017 Plan is administered by the board of directors.

Under the Company's subscription and shareholder agreement in effect as of September 20, 2018, the Company was authorized to issue a total of 26,849,286 shares, including shares underlying options granted pursuant to the 2017 Plan. As of December 31, 2019, there were 11,527,569 shares available for issuance as incentives to the Company's employees and directors, which includes shares underlying options that may be granted from time to time subsequent to December 31, 2019 under the terms of the 2017 Plan.

Options granted under the 2017 Plan, typically vest over a three or four-year service period with 33.3% and 25%, respectively, of the award vesting on the first anniversary of the commencement date and the balance vesting monthly over the remaining years. Options granted under the 2017 Plan generally expire 10 years from the date of grant.

Share Option Valuation

The weighted-average assumptions (see Note 2) used in the Black-Scholes option pricing model to determine the fair value of the share options granted to employees and directors during the year ended December 31, 2019 were as follows:

	December 31, 2019
Expected term (in years)	5.90 Years
Expected volatility	63.4 %
Expected dividend yield	0.00 %
Risk-free interest rate	1.88 %
Fair value of underlying ordinary shares	\$ 0.25

There were no share options granted for the year ended December 31, 2018.

Share Options

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2018	—	\$ —	—	\$ —
Granted	13,550,031	\$ 0.09		
Exercised	—	\$ —		
Forfeited	—	\$ —		
Outstanding as of December 31, 2019	13,550,031	\$ 0.09	9.58	\$ 2,284
Exercisable as of December 31, 2019	7,858,711	\$ 0.09	9.58	\$ 1,377
Unvested as of December 31, 2019	5,691,320	\$ 0.10	9.57	\$ 907

The weighted average exercise price of options granted to UK employees in 2019 was the nominal value of the underlying shares. The weighted average exercise price of options granted to United States employees in 2019 was \$0.16 per share.

The aggregate intrinsic value of share options is calculated as the difference between the exercise price of the share options and the fair value of the Company's ordinary shares for those share options that had exercise prices lower than the fair value of the Company's ordinary shares.

The weighted average grant-date fair value of share options granted during the year ended December 31, 2019 was \$0.21 per share.

As of December 31, 2019, there was \$1.1 million of unrecognized compensation cost related to unvested share options, which is expected to be recognized over a weighted-average period of 2.0 years.

Share-based Compensation Expense

Share-based compensation expense recorded as research and development and general and administrative expenses is as follows (in thousands):

	Years Ended December 31,	
	2018	2019
Research and development	\$ 709	\$ 1,817
General and administrative	709	1,436
	<u>\$ 1,418</u>	<u>\$ 3,253</u>

11. Income Taxes

The provision for income taxes for the years ended December 31, 2018 and 2019 was computed at the UK statutory income tax rate. The income tax provision for the years then ended comprised (in thousands):

	Year Ended December 31,	
	2018	2019
Current income tax provision		
United Kingdom	\$ —	\$ —
Foreign	—	15
Total current expense:	<u>\$ —</u>	<u>\$ 15</u>
Deferred income tax benefit:		
United Kingdom	—	—
Foreign	—	—
Total deferred income tax benefit:	<u>—</u>	<u>—</u>
Total provision for income taxes	<u>\$ —</u>	<u>\$ 15</u>

A reconciliation of income tax expense computed at the statutory UK income tax rate to income taxes as reflected in the consolidated financial statements is as follows (in thousands):

	Year Ended December 31,	
	2018	2019
Income taxes at UK statutory rate	\$ (2,512)	\$ (3,724)
Permanent differences	1,326	1,274
Change in valuation allowance	1,061	2,205
State income taxes	—	5
Other	125	255
	<u>\$ —</u>	<u>\$ 15</u>

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2018 and 2019 consist of the following (in thousands):

	Year Ended December 31,	
	2018	2019
Net operating loss carryforward	\$ 1,105	\$ 2,936
Charitable contributions	1	2
Share-based compensation	230	757
Total deferred tax assets	1,336	3,695
Valuation allowance	<u>\$ (1,321)</u>	<u>\$ (3,665)</u>
Depreciation	(15)	(30)
Total deferred tax liabilities	(15)	(30)
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2018 and 2019, the Company had UK net operating loss carryforwards of approximately \$6.8 million and \$17.7 million, respectively, that can be carried forward indefinitely.

Changes in the valuation allowance for deferred tax assets during the years ended December 31, 2018 and 2019 related primarily to the increases in net operating loss carryforwards and research and development tax credit carryforwards and were as follows (in thousands):

	Year Ended December 31,	
	2018	2019
Valuation allowance at beginning of year	\$ 306	\$ 1,321
Increases recorded to income tax provision	1,015	2,344
Decreases recorded to income tax provision	—	—
Valuation allowance at end of year	<u>\$ 1,321</u>	<u>\$ 3,665</u>

Future realization of the tax benefits of existing temporary differences and net operating loss carryforwards ultimately depends on the existence of sufficient taxable income within the carryforward period. As of December 31, 2018 and 2019, the Company performed an evaluation to determine whether a valuation allowance was needed. The Company considered all available evidence, both positive and negative, which included the results of operations for the current and preceding years. The Company determined that it was not possible to reasonably quantify future taxable income and determined that it is more likely than not that all of the deferred tax assets will not be realized. Accordingly, the Company maintained a full valuation allowance against its net UK deferred tax assets as of December 31, 2018 and 2019.

The Company applies the authoritative guidance on accounting for and disclosure of uncertainty in tax positions, which requires the Company to determine whether a tax position of the Company is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon the ultimate settlement with the relevant taxing authority. There were no material uncertain tax positions as of December 31, 2018 and 2019.

The Company will recognize interest and penalties related to uncertain tax positions in income tax expense when in a taxable income position. As of December 31, 2018 and 2019, the Company had no accrued interest or penalties related to uncertain tax positions and no amounts have been recognized in the Company's statement of operations and comprehensive loss.

The Company and its subsidiaries file income tax returns in the UK and U.S. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the federal, state, or foreign tax authorities, if such tax attributes are utilized in a future period.

12. Net Loss Per Share

Basic and diluted net loss per share attributable to ordinary shareholders was calculated as follows (in thousands, except share and per share amounts):

	Year Ended December 31,	
	2018	2019
Numerator		
Net loss	\$ (13,219)	\$ (19,612)
Net loss attributable to ordinary shareholders - basic and diluted	<u>\$ (13,219)</u>	<u>\$ (19,612)</u>
Denominator		
Weighted-average number of ordinary shares used in net loss per share - basic and diluted	33,133,480	65,814,221
Net loss per share - basic and diluted	<u>\$ (0.40)</u>	<u>\$ (0.30)</u>

The Company's potentially dilutive securities, which include unvested ordinary shares, convertible preferred shares, Series A convertible preferred shares and options granted, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of ordinary shares outstanding used to calculate both basic and diluted net loss per share attributable to ordinary shareholders is the same. The Company excluded the following potential ordinary shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to ordinary shareholders for the years ended December 31, 2018 and 2019 because including them would have had an anti-dilutive effect:

	Year Ended December 31,	
	2018	2019
Unvested ordinary shares	38,700,000	16,791,511
Convertible preferred shares	23,336,100	23,336,100
Series A convertible preferred shares	62,777,592	62,777,592
Share options	—	13,550,031
	<u>124,813,692</u>	<u>116,455,234</u>

Unaudited pro forma net loss per share attributable to ordinary shareholders

COMPASS Pathways plc's financial statements will be the same as COMPASS Pathfinder Holdings Limited's financial statements prior to the IPO after adjusting retrospectively for the COMPASS Pathways plc capital structure, which includes the one-for-0.1136 reverse share split of all ordinary shares, to be effected immediately prior to and conditional on the completion of this offering, but does not include the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares. The following represents pro forma net loss per share information for COMPASS Pathways plc for the years ended December 31, 2018 and 2019 (in thousands, except share and per share amounts):

	Year Ended December 31,	
	2018	2019
Numerator		
Net loss	\$ (13,219)	\$ (19,612)
Net loss attributable to ordinary shareholders - basic and diluted	\$ (13,219)	\$ (19,612)
Denominator		
Pro forma weighted-average number of ordinary shares used in net loss per share - basic and diluted (unaudited)	3,763,973	7,476,422
Pro forma net loss per share - basic and diluted (unaudited)	\$ (3.51)	\$ (2.62)

Unaudited supplemental pro forma net loss per share attributable to ordinary shareholders

The unaudited supplemental pro forma basic and diluted net loss per share attributable to ordinary shareholders for the year ended December 31, 2019 have been prepared to give effect to adjustments arising has been prepared to give effect to, upon the closing of a qualified IPO, the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares and the subsequent one-for-0.1136 reverse share split of all of COMPASS Pathways plc's ordinary shares (including the converted preferred shares) as if the conversion had occurred on the later of January 1, 2019 or the issuance date of the convertible preferred shares, to be effected immediately prior to and conditional on the completion of this offering.

A reconciliation of the pro forma weighted-average number of ordinary shares used in computing supplemental pro forma basic and diluted net loss per share applicable to ordinary shareholders is as follows (in thousands, except share and per share amounts):

	Year Ended December 31,
	2019
Numerator	
Net loss	\$ (19,612)
Net loss attributable to ordinary shareholders - basic and diluted	\$ (19,612)
Denominator	
Pro forma weighted-average number of ordinary shares used in net loss per share - basic and diluted (unaudited)	7,476,422
Pro forma adjustment to reflect assumed conversion of preferred share into ordinary share (unaudited)	9,782,506
Supplemental pro forma weighted average number of ordinary shares used in computing supplemental pro forma net loss per share attributable to ordinary shareholders – basic and diluted (unaudited)	17,258,928
Supplemental pro forma net loss per share – basic and diluted (unaudited)	\$ (1.14)

13. Commitments and Contingencies***Legal Proceedings***

From time to time, the Company may be a party to litigation or subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course matters will not have a material adverse effect on its result of operations, cash flows and financial position. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors. The Company was not a party to any material litigation and did not have material contingency reserves established for any liabilities as of December 31, 2018 and 2019.

Leases

The Company's corporate headquarters is located in London, United Kingdom, for which, as of December 31, 2018 and December 31, 2019, the Company leased a series of office space at 19 Eastbourne Terrace, London, United Kingdom from The Office Group under non-cancelable leases. The leases related to this facility are classified as operating leases with terms ranging from two months to two years. The Company recognizes rent expense on a straight-line basis over the respective lease period.

The Company leased office space at 180 Varick Street NY, NY from BioInnovations Labs, LLC under a cancelable lease that can be terminated by either party with one-month advanced notice. The lease related to this facility is classified as an operating lease.

The following table summarizes the future minimum lease payments due under operating leases as of December 31, 2019 (in thousands):

Years Ended December 31,		
2020	\$	1,035
2021		1,035
	\$	2,070

The Company recorded rent expense totaling \$0.1 million and \$0.4 million for the years ended December 31, 2018 and 2019, respectively.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

In accordance with its Articles of Association, the Company has indemnification obligations to its officers and directors for certain events or occurrences, subject to certain limits, while they are serving at the Company's request in such capacity. There have been no claims to date, and the Company has director and officer insurance that may enable it to recover a portion of any amounts paid for future potential claims.

14. Related Party Transactions

On March 30, 2018, as part of the Company's 2018 Convertible Notes issuance an amount of \$0.1 million (£0.1 million) was issued to a shareholder. On August 31, 2018, upon the Series A convertible preferred share financing, the outstanding principal of the convertible notes was automatically converted

into 308,826 Series A convertible preferred shares. Refer to Note 7 for additional information on the 2018 Convertible Notes.

In September 2018, the Company issued as part of the Series A convertible preferred share financing 23,243,220 Series A convertible preferred shares to a significant shareholder for an aggregate purchase price of \$13.2 million (£10.0 million).

On August 28, 2019, as part of the Company's 2019 Convertible Notes issuance an amount of \$7.6 million (£6.2 million) was issued to a shareholder. As of December 31, 2019, the shareholder's convertible loan note remained outstanding. Refer to Note 7 for additional information on the 2019 Convertible Notes.

The Company receives accounting and professional services from Tapestry Networks, Inc. a company affiliated with a director of the Company and the Company's Chief Executive Officer, from time to time as needed. The Company recorded accounting and professional fees totaling \$0.1 million and \$0.2 million for the years ended December 31, 2018 and 2019, respectively. As of December 31, 2018 and 2019, the Company had less than \$0.1 million and \$0.1 million outstanding to Tapestry Networks, Inc., respectively.

In July of 2017, the Company entered into a loan agreement with Tapestry Networks, Inc. Pursuant to the loan agreement, Tapestry Networks, Inc. issued an interest-free loan in the principal amount of \$0.7 million to the Company to fund the Company's payments to its vendors, or the Tapestry Loan. The Company repaid \$0.5 million of the Tapestry Loan on the date of the loan agreement. The Company and Tapestry Networks Inc. entered into a new loan agreement with respect to the remaining \$0.2 million of the Tapestry Loan. In October 2018, the remaining \$0.2 million of the Tapestry Loan was paid in full by the Company.

15. Employee Benefit Plans

In the UK, the Company makes contributions to private defined benefit pension schemes on behalf of its employees. The Company paid less than \$0.1 million and \$0.1 million in contributions for the years ended December 31, 2018 and 2019, respectively.

16. Subsequent Events (unaudited)

The Company has evaluated subsequent events through August 28, 2020, the date the financial statements were available to be issued and identified the following subsequent events:

On April 17, 2020, the Company closed a Series B funding round to secure an additional \$80.0 million of funding, including the conversion of the £15.0 million 2019 Convertible Notes, through the issuance of Series B convertible preferred shares. The Company received \$49.8 million in cash proceeds upon the initial issuance of 34,940,295 Series B convertible preferred shares. The 2019 Convertible Notes were converted into 15,169,626 Series B convertible preferred shares. In May and August 2020, the Company received \$6.5 million for the issuance of 4,562,730 Series B convertible preferred shares and received \$5.3 million for the issuance of 3,748,869 Series B convertible preferred shares, respectively. The Series B convertible preferred shares holders have priority over the Series A convertible preferred shares, convertible preferred shares and ordinary shares in the case of a liquidation event. The issuance price of the Series B convertible preferred shares is \$1.42 per share, and each share of Series B convertible preferred share is convertible into one ordinary share.

The Company has assessed the impact of COVID-19 on its operations. On March 25, 2020 the Company announced that it had paused the inclusion of new patients into its clinical trials; patients who are already enrolled will continue to be supported remotely and its contracts with the clinical sites will continue.

On March 6, 2020, the Company made a strategic investment of \$0.5 million to acquire an 8% (on a fully diluted basis) shareholding in Delix Therapeutics, Inc., a drug discovery and development company researching novel small molecules for use in CNS indications. The Company's investment in Delix Therapeutics, Inc. does not provide it with significant influence over the investee. The investment does not have a readily determinable fair value and therefore will be measured at cost minus impairment adjusted by observable price changes in orderly transactions for the identical or a similar investment of the same issuer. This investment will be measured at fair value on a nonrecurring basis when there are events or changes in circumstances that may have a significant adverse effect. An impairment loss is recognized in the consolidated statements of operations and comprehensive loss equal to the amount by which the carrying value exceeds the fair value of the investment.

On August 5, 2020, the Company entered into a research services and license agreement with University of the Sciences in Philadelphia, Pennsylvania, or USciences, pursuant to which the Company engaged USciences to perform research services and USciences granted the Company 1) an exclusive, royalty bearing, worldwide license, including rights to sublicense, all jointly held intellectual property for any and all purposes, and 2) a non-exclusive, fully paid-up, worldwide license to any pre-existing intellectual property utilized over the course of performing the services which is necessary to allow the company to make use of the jointly held intellectual property. Under this agreement, the Company will pay a research service fee of an estimated \$0.5 million and tiered payments upon completion of certain milestones up to an aggregate of \$0.9 million per licensed product covered by a valid claim of a patent included in the intellectual property rights licensed to us under the agreement. The Company also agrees to pay USciences a low single-digit royalty percentage on annual net sales of licensed products covered by a valid claim of a patent included in the intellectual property rights licensed to use under the agreement, subject to certain reductions. In addition, USciences is entitled to a low double-digit percentage of sublicense revenue for agreements entered into prior to the Phase II trial and a mid-single-digit percentage of sublicense revenue for agreements entered into after the start of the Phase II trial. Unless terminated earlier, the agreement expires upon the expiration or revocation of the last valid claim of any patent included in the joint intellectual property. USciences and the Company can terminate the agreement in the event of a material breach by the other party and failure to cure such breach within a certain period of time. USciences and the Company can terminate the research service in the event of a material safety or regulatory issue with respect to the research service. The Company may terminate the research service at will upon sixty-day period prior written notice to USciences. USciences can terminate the research service if such services would materially and negatively interfere with its operations or upon the continuation of a force majeure event. There are no current licensed patents or patent applications under the sponsored research agreement.

On August 12, 2020, the Company repurchased unvested restricted shares upon a certain employee's resignation. The Company spent a nominal amount to acquire 563,085 unvested shares in connection with the employee's resignation.

On August 19, 2020, the son of one of the co-founders entered into a contract of employment with the Company as Stakeholder Engagement and Operations Associate and will begin work for the Company on or around October 1, 2020.

COMPASS PATHFINDER HOLDINGS LIMITED

Condensed Consolidated Balance Sheets

(unaudited)

(in thousands, except share and per share amounts)

(expressed in U.S. Dollars, unless otherwise stated)

	December 31, 2019	June 30, 2020
ASSETS		
CURRENT ASSETS:		
Cash	\$ 24,966	\$ 67,606
Restricted cash	18	25
Prepaid expenses and other current assets	7,187	8,664
Total current assets	32,171	76,295
Other investment	—	479
Property and equipment, net	218	238
Other assets	—	67
Total assets	\$ 32,389	\$ 77,079
LIABILITIES, CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,262	\$ 3,444
Accounts payable - due to a related party	63	16
Accrued expenses and other liabilities	1,457	1,979
Convertible notes payable	12,397	—
Convertible notes payable - due to a related party	8,692	—
Total current liabilities	23,871	5,439
Total liabilities	23,871	5,439
Commitments and contingencies (Note 13)		
Convertible preferred shares, £0.001 par value; 86,113,692 and 144,535,212 shares authorized at December 31, 2019 and June 30, 2020, respectively; 86,113,692 and 140,786,343 shares issued and outstanding at December 31, 2019 and June 30, 2020, respectively; aggregate liquidation preference of \$39,279 and \$117,167 at December 31, 2019 and June 30, 2020, respectively		
	38,908	116,495
SHAREHOLDERS' EQUITY (DEFICIT):		
Ordinary shares, £0.001 par value; 94,651,686 shares authorized, issued and outstanding at December 31, 2019 and June 30, 2020		
	124	124
Additional paid-in capital	7,149	18,551
Accumulated other comprehensive loss	(98)	(1,131)
Accumulated deficit	(37,565)	(62,399)
Total shareholders' deficit	(30,390)	(44,855)
Total liabilities, convertible preferred shares and shareholders' deficit	\$ 32,389	\$ 77,079

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

COMPASS PATHFINDER HOLDINGS LIMITED
Condensed Consolidated Statements of Operations and Comprehensive Loss
(unaudited)
(in thousands, except share and per share amounts)

	Six Months Ended June 30,	
	2019	2020
OPERATING EXPENSES:		
Research and development	\$ 4,866	\$ 11,947
General and administrative	2,623	14,358
General and administrative - fees due to a related party	93	87
Total operating expenses	7,582	26,392
LOSS FROM OPERATIONS:	(7,582)	(26,392)
OTHER INCOME (EXPENSE), NET:		
Other income (expense), net	57	1,258
Fair value change of convertible notes	—	(1,023)
Fair value change of convertible notes - due to a related party	—	(717)
Benefit from R&D tax credit	1,228	2,083
Total other income (expense), net	1,285	1,601
Loss before income taxes	(6,297)	(24,791)
Income tax benefit (expense)	—	(43)
Net loss	(6,297)	(24,834)
Other comprehensive (loss) income:		
Foreign exchange translation adjustment	(19)	(1,033)
Comprehensive loss	\$ (6,316)	\$ (25,867)
Net loss per share attributable to ordinary shareholders—basic and diluted	\$ (0.11)	\$ (0.30)
Weighted average ordinary shares outstanding—basic and diluted	59,878,864	83,878,882
Pro forma net loss per share attributable to ordinary shareholders — basic and diluted (unaudited)	\$ (0.93)	\$ (2.61)
Pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited)	6,802,151	9,528,596
Supplemental pro forma net loss per share attributable to ordinary shareholders — basic and diluted (unaudited)		\$ (1.14)
Supplemental pro forma weighted average ordinary shares outstanding — basic and diluted (unaudited)		21,724,644

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

COMPASS PATHFINDER HOLDINGS LIMITED
Condensed Consolidated Statements of Convertible Preferred Shares and Shareholders' Deficit
(unaudited)
(in thousands, except share and per share amounts)

	CONVERTIBLE PREFERRED SHARES \$0.001 PAR VALUE		SERIES A CONVERTIBLE PREFERRED SHARES \$0.001 PAR VALUE		SERIES B CONVERTIBLE PREFERRED SHARES \$0.001 PAR VALUE		ORDINARY \$0.001 PAR VALUE		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	ACCUMULATED DEFICIT	TOTAL SHAREHOLDERS' DEFICIT
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT				
Balance at December 31, 2018	23,336,100	\$ 3,761	62,777,592	\$ 35,147	—	\$ —	92,880,000	\$ 122	\$ 3,898	\$ (435)	\$ (17,953)	\$ (14,368)
Share-based compensation	—	—	—	—	—	—	—	—	681	—	—	681
Unrealized gain (loss) on foreign currency translation	—	—	—	—	—	—	—	—	—	(19)	—	(19)
Net loss	—	—	—	—	—	—	—	—	—	—	(6,297)	(6,297)
Balance at June 30, 2019	23,336,100	\$ 3,761	62,777,592	\$ 35,147	—	\$ —	92,880,000	\$ 122	\$ 4,579	\$ (454)	\$ 3	\$ (20,003)
Balance at December 31, 2019	23,336,100	\$ 3,761	62,777,592	\$ 35,147	—	\$ —	94,651,686	\$ 124	\$ 7,149	\$ (98)	\$ (37,565)	\$ (30,390)
Issuance of B convertible preferred shares, net of issuance costs	—	—	—	—	39,503,025	55,973	—	—	—	—	—	—
Conversion of notes into B convertible preferred shares	—	—	—	—	15,169,626	21,614	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	—	—	—	11,402	—	—	11,402
Unrealized gain (loss) on foreign currency translation	—	—	—	—	—	—	—	—	—	(1,033)	—	(1,033)
Net loss	—	—	—	—	—	—	—	—	—	—	(24,834)	(24,834)
Balance at June 30, 2020	23,336,100	\$ 3,761	62,777,592	\$ 35,147	54,672,651	\$ 77,587	94,651,686	\$ 124	\$ 18,551	\$ (1,131)	\$ (62,399)	\$ (44,855)

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

COMPASS PATHFINDER HOLDINGS LIMITED
Condensed Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2019	2020
CASH FLOWS OPERATING ACTIVITIES:		
Net loss	\$ (6,297)	\$ (24,834)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	21	57
Change in fair value of convertible notes	—	1,740
Non-cash share-based compensation	681	11,402
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	(1,575)	(1,026)
Other assets	—	(74)
Accounts payable	1,049	2,101
Accrued expenses and other liabilities	(226)	(87)
Net cash used in operating activities	(6,347)	(10,714)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(63)	(93)
Purchase of other investments	—	(488)
Net cash used in investing activities	(63)	(581)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of issuance of preferred shares, net of issuance costs	—	55,973
Payments of initial public offering costs	—	(87)
Net cash provided by financing activities	—	55,886
Effect of exchange rate changes on cash, cash equivalents and restricted cash	5	(1,944)
Net (decrease) increase in cash	(6,405)	42,647
Cash, cash equivalents and restricted cash, beginning of period	22,907	24,984
Cash, cash equivalents and restricted cash, end of period	\$ 16,502	\$ 67,631
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Deferred offering costs included in accrued expenses	\$ —	\$ 921
Conversion of convertible notes into convertible preferred shares	\$ —	\$ 21,614

The following table provides a reconciliation of the cash, cash equivalents and restricted cash balances as of each of the periods, shown above:

	Six Months Ended June 30,	
	2019	2020
Cash and cash equivalents	\$ 16,502	\$ 67,606
Short-term restricted cash	—	25
Total cash, cash equivalents and restricted cash	\$ 16,502	\$ 67,631

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

COMPASS PATHFINDER HOLDINGS LIMITED
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of the Business

COMPASS Pathfinder Holdings Limited, or the Company, is a mental health care company dedicated to accelerating patient access to evidence-based innovation in mental health. The Company is developing psilocybin therapy through late-stage clinical trials in Europe and North America for patients with treatment-resistant depression.

The Company is a private limited liability company incorporated under the laws of England and Wales and its primary offices are in London, United Kingdom. The Company has two wholly-owned subsidiaries, COMPASS Pathways Limited, whose primary office is in London, United Kingdom and COMPASS Pathways Inc. whose primary office is located in New York, United States of America.

Subsequent to June 30, 2020, in preparation for this offering, the Company commenced a reorganization of entities under common control. Pursuant to the terms of a share for share exchange agreement entered into on August 7, 2020, all shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them for 1,161 of the same class, with the same shareholder rights, of newly issued shares of COMPASS Rx Limited and, as a result, COMPASS Pathfinder Holdings Limited became a wholly owned subsidiary of COMPASS Rx Limited. This share exchange had the effect of a 1,161:1 reverse share split. No other shareholder rights or preferences changed as a result of this reorganization. Subsequently, COMPASS Rx Limited was re-registered as a public limited company and renamed COMPASS Pathways plc, effective on August 21, 2020. There are no material differences between the financial information of COMPASS Pathways plc and COMPASS Pathfinder Holdings Limited, other than the impact of the share exchange, which had the effect of a reverse share split and has been given retroactive application in these financial statements. COMPASS Pathways plc is a holding company with nominal activity. These transactions are detailed below:

Exchange of COMPASS Pathfinder Holdings Limited Shares for COMPASS Rx Limited Shares

Prior to the share exchange on August 7, 2020, the share capital of COMPASS Pathfinder Holdings Limited was divided into 83,025 ordinary shares of nominal value of £0.01 each; 20,100 preferred shares of nominal value of £0.01 each; 54,072 Series A preferred shares of nominal value of £0.01 each; 47,091 Series B preferred shares of nominal value of £0.01 each. On August 7, 2020, the shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them of COMPASS Pathfinder Holdings Limited for 1,161 of the same class, with the same shareholder rights, of shares in COMPASS Rx Limited. Following the share exchange, 96,392,025 ordinary shares, 23,336,100 preferred shares, 62,777,592 Series A preferred shares and 54,672,651 Series B preferred shares were outstanding, each with a nominal value of £1.00.

Reduction of Capital of COMPASS Rx Limited

Pursuant to Part 17 of the Companies Act 2006, COMPASS Rx Limited reduced its share capital by way of a reduction of the nominal value of each share in the capital of COMPASS Rx Limited from £1.00 to £0.001 in order to satisfy the net asset test requirement in section 92 of the Companies Act 2006 for re-registration as a public limited company and to create distributable reserves.

Re-registration of COMPASS Rx Limited as COMPASS Pathways plc and Reorganization of Shares in COMPASS Pathways plc

Following COMPASS Pathfinder Holdings Limited becoming a wholly owned subsidiary of COMPASS Rx Limited and following the capital reduction, COMPASS Rx Limited was re-registered as a public limited company and renamed COMPASS Pathways plc, which required the passing of special resolutions by the shareholders of COMPASS Rx Limited to approve the re-registration of COMPASS Rx Limited as a public

limited company, the name change to COMPASS Pathways plc and the adoption of new articles of association of COMPASS Pathways plc.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional capital to fund operations. Therapeutic candidates currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company's therapeutic development efforts are successful, it is uncertain when, if ever, the Company will realize revenue from sales.

The Company has funded its operations primarily with proceeds from the sale of its convertible preferred shares and issuance of convertible notes. The Company has incurred recurring losses since its inception, including net losses of \$6.3 million and \$24.8 million for the six months ended June 30, 2019 and 2020, respectively. In addition, as of June 30, 2020, the Company had an accumulated deficit of \$62.4 million. The Company expects to continue to generate operating losses for the foreseeable future. The future viability of the Company is dependent on its ability to raise additional capital to finance its operations. The Company's inability to raise capital as and when needed could have a negative impact on its financial condition and ability to pursue its business strategies. There can be no assurance that the current operating plan will be achieved or that additional funding will be available on terms acceptable to the Company, or at all.

The Company believes the cash and cash equivalents on hand as of June 30, 2020 of \$67.6 million will be sufficient to fund its operations and capital expenditure requirements through at least the next twelve months from the date of issuance of these condensed consolidated financial statements.

The Company is assessing the impact the COVID-19 pandemic may have on its ability to advance its clinical trial activities or to raise financing to support the development of therapeutic candidates, but no assurances can be given that this analysis will enable it to avoid part or all of any impact from the disruption caused by COVID-19 or its consequences, including downturns in business sentiment generally or in its sector in particular. The Company is still assessing its business plans and the impact the COVID-19 pandemic may have on its ability to advance the testing, development and manufacturing of its therapeutic candidates and cannot currently predict the scope and severity of any potential business shutdowns or disruptions, but if it or any of the third parties on whom it relies or with whom it conducts business, were to experience shutdowns or other business disruptions, its ability to conduct its business in the manner and on the timelines presently planned could be materially and adversely impacted.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or U.S. GAAP.

The unaudited condensed consolidated interim financial statements have been prepared on the same basis as the audited annual consolidated financial statements as of and for the year ended December 31, 2019, and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary for the fair statement of the Company's financial position as of June 30, 2020, and the results of its operations and comprehensive loss, and its cash flows for the six months ended June 30, 2019 and 2020.

The results for the six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020, any other interim periods, or any future year or period.

These interim financial statements should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2019, and the notes thereto, which are included elsewhere in the Company's Registration Statement on Form F-1.

The Company's significant accounting policies are disclosed in the audited consolidated financial statements for the year ended December 31, 2019 included in the Company's Form F-1. Since the date of such consolidated financial statements, there have been no changes to the Company's significant accounting policies except for the investment and the recently adopted and issued accounting pronouncements described below.

Unaudited pro forma information

COMPASS Pathways plc's financial statements will be the same as COMPASS Pathfinder Holdings Limited's financial statements prior to the IPO after adjusting retrospectively for the COMPASS Pathways plc capital structure, which includes the one-for-0.1136 reverse share split of all ordinary shares, to be effected immediately prior to and conditional on the completion of this offering, but does not include the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares. In the accompanying consolidated statements of operations and comprehensive loss, the unaudited pro forma information represents information for COMPASS Pathways plc for the six months ended June 30, 2019 and 2020.

Unaudited supplemental pro forma information

In the accompanying consolidated statements of operations and comprehensive loss, the unaudited supplemental pro forma basic and diluted net loss per share attributable to ordinary shareholders for the six months ended June 30, 2020 has been prepared to give effect to, upon the closing of a qualified IPO, the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares and the subsequent one-for-0.1136 reverse share split of all of COMPASS Pathways plc's ordinary shares (including the converted preferred shares) as if the conversion had occurred on the later of January 1, 2019 or the issuance date of the convertible preferred shares, to be effected immediately prior to and conditional on the completion of this offering.

Investment

In circumstances where the Company does not have the ability to exercise significant influence or control over the operating and financial policies of the investee, the investment is carried at cost, less impairment, adjusted for subsequent changes to estimated fair value up to the original cost.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*, or ASU 2018-13, which amends changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty which should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. ASU 2018-13 is effective for annual periods beginning after December 15, 2019, including interim periods within those periods. Early application is permitted. The Company adopted this ASU as of January 1, 2020 and it has no material impact on the condensed consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The new standard will align the requirements for capitalizing implementation costs for hosting arrangements (services) with costs for internal-use software (assets). As a result, certain implementation costs incurred in hosting arrangements will be deferred and amortized. The new standard will be effective for the Company on January 1, 2020. The Company adopted this ASU as of January 1, 2020 and an immaterial amount of implementation costs were capitalized within other assets as of June 30, 2020.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, No. 2016-02, (Topic 842) Leases, or ASU 2016-02. ASU 2016-02 requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases. The ASU will also require new qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. For public entities, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018. As a result of the Company having elected the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act, ASU 2016-02 is effective for the Company for the year ended December 31, 2021, and all interim periods thereafter. Early adoption is permitted. In July 2018, the FASB issued ASU 2018-11 Leases – Targeted Improvements, or ASU 2018-11, intended to ease the implementation of the new lease standard for financial statement preparers by, among other things, allowing for an additional transition method. In lieu of presenting transition requirements to comparative periods, as previously required, an entity may now elect to show a cumulative effect adjustment on the date of adoption without the requirement to recast prior period financial statements or disclosures presented in accordance with ASU 2016-02.

The Company is continuing to evaluate developments within the new lease guidance and is finalizing its evaluation of its existing population of contracts to ensure all contracts that meet the definition of a lease contract under the new standard are identified. The Company is currently evaluating the impact of adopting this guidance on the Company's condensed consolidated financial statements and expects that its operating lease commitments will be subject to the new standard and recognized as right-of-use assets and operating lease liabilities upon adoption of this standard, which will increase the total assets and total liabilities that it reports relative to such amounts presented prior to adoption.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)," or ASU 2019-12, which simplifies the accounting for income taxes. The new guidance removes certain exceptions to the general principles in ASC 740 such as recognizing deferred taxes for equity investments, the incremental approach to performing intraperiod tax allocation and calculating income taxes in interim periods. The standard also simplifies accounting for income taxes under U.S. GAAP by clarifying and amending existing guidance, including the recognition of deferred taxes for goodwill, the allocation of taxes to members of a condensed consolidated group and requiring that an entity reflect the effect of enacted changes in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date. This guidance is effective for annual periods beginning after December 15, 2020, and interim periods thereafter; however, early adoption is permitted. The Company is currently evaluating the impact that the adoption of ASU 2019-12 will have on the condensed consolidated financial statements and related disclosures.

Subsequent Event Considerations

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the condensed consolidated financial statements to provide additional evidence for certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated as required. See Note 15.

3. Fair Value Measurements

There are no financial instruments measured at fair value on a recurring basis as of June 30, 2020. The following table presents information about the Company's financial instruments measured at fair

value on a recurring basis and indicates the level of the fair value hierarchy utilized to determine such fair values as of December 31, 2019:

Description	Fair Value Measurement as of December 31, 2019 Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Liabilities	\$ —	\$ —	\$ 21,089
Convertible notes	\$ —	\$ —	\$ 21,089

Management believes that the carrying amounts of the Company's unaudited condensed consolidated financial instruments, including accounts payable and accrued expenses approximate fair value due to the short-term nature of those instruments.

The Company elected the fair value option to account for its convertible notes issued during 2019 (See Note 8). The fair value of the convertible notes was determined based on significant inputs not observable in the market, which represents a level 3 measurement within the fair value hierarchy.

The Company recorded a loss of \$1.7 million for changes in the fair value of the convertible notes in the unaudited condensed consolidated statements of operations and comprehensive loss for the six months ended June 30, 2020.

The following table provides a roll forward of the aggregate fair value of the Company's convertible notes, for which fair value was determined using level 3 inputs (in thousands):

	Convertible notes
Balance as of December 31, 2019	\$ 21,089
Change in fair value	1,740
Settlement of convertible notes	(21,614)
Exchange difference	(1,215)
Balance as of June 30, 2020	\$ —

4. Investment

On March 6, 2020, the Company made a strategic investment of \$0.5 million to acquire an 8% (on a fully diluted basis) shareholding in Delix Therapeutics, Inc., a drug discovery and development company researching novel small molecules for use in CNS indications. The Company's investment in Delix Therapeutics, Inc. does not provide it with significant influence over the investee. The investment does not have a readily determinable fair value and therefore will be measured at cost minus impairment adjusted by observable price changes in orderly transactions for the identical or a similar investment of the same issuer. This investment will be measured at fair value on a nonrecurring basis when there are events or changes in circumstances that may have a significant adverse effect. An impairment loss is recognized in the condensed consolidated statements of operations and comprehensive loss equal to the amount by which the carrying value exceeds the fair value of the investment. As of June 30, 2020, no impairment loss was recognized.

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31, 2019	June 30, 2020
U.K R&D tax credit	\$ 4,791	\$ 4,691
Prepaid research and development	903	1,306
VAT recoverable	426	652
Deferred IPO costs	115	1,060
Other current assets	952	955
	<u>\$ 7,187</u>	<u>\$ 8,664</u>

6. Property and Equipment, Net

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

	December 31, 2019	June 30, 2020
Lab equipment	\$ 114	\$ 111
Office equipment	133	205
Furniture and fixtures	38	35
Leasehold improvements	—	5
	<u>285</u>	<u>356</u>
Less: accumulated depreciation	(67)	(118)
	<u>\$ 218</u>	<u>\$ 238</u>

Depreciation and amortization expense were less than \$0.1 million for the six months ended June 30, 2019 and 2020.

7. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (in thousands):

	December 31, 2019	June 30, 2020
Accrued research and development expense	\$ 491	\$ 108
Accrued professional expenses	232	1,460
Compensation and benefit costs	682	310
Other liabilities	52	101
	<u>\$ 1,457</u>	<u>\$ 1,979</u>

8. Convertible Notes

On August 28, 2019, the Company entered into convertible note agreements for a total additional principal amount of \$18.4 million (£15.0 million). The convertible notes issued in 2019 are collectively referred to as the “2019 Convertible Notes”. The 2019 Convertible Notes bore interest at 3% per annum and were payable concurrently with repayment of the principal amount. No repayment of principal or interest was due until maturity, which occurs 12 months after issuance of the 2019 Convertible Notes. Under the agreement, the 2019 Convertible Notes automatically converted upon a Qualified Financing and Non-Qualified Financing securities upon (i) the completion of a Qualified Financing; or (ii) noteholder majority has approved a Non-Qualified Financing constituting a conversion event, at 15% discount of the per share price of the securities sold in either a Qualified Financing or Non-Qualified Financing.

On April 17, 2020, upon the B convertible preferred share financing, the outstanding principal of the convertible notes of \$18.4 million (£15.0 million) automatically converted into 15,169,626 B convertible preferred shares.

The Company elected the fair value option to account for the 2019 Convertible Notes. The Company recorded the 2019 Convertible Notes at fair value and subsequently remeasured them to fair value at each reporting date. Changes in fair value were recognized as a component of other income (expense), net in the condensed consolidated statements of operations and comprehensive loss. The Company recognized losses in the unaudited condensed consolidated statements of operations and comprehensive loss of \$1.7 million as change in fair value of the convertible notes during the six months ended June 30, 2020. No change in fair value of convertible notes was recognized during the six months ended June 30, 2019 as no convertible notes were outstanding during the six months ended June 30, 2019.

As of December 31, 2019, the outstanding 2019 Convertible Notes are shown on the accompanying unaudited condensed consolidated balance sheets at the fair value of \$21.1 million.

9. Convertible Preferred Shares

In August 2017, the Company entered into a subscription and shareholders agreement, or the 2017 Agreements, pursuant to which the Company issued an aggregate of 23,336,100 convertible preferred shares for total proceeds of approximately \$3.9 million and incurred issuance costs of \$0.1 million, recorded as a reduction to convertible preferred shares.

The 2017 Agreements were amended and restated in September 2018, as so amended, the Amended 2018 Agreements. Pursuant to the Amended 2018 Agreements, the Company issued 62,777,592 Series A convertible preferred shares for an aggregate purchase price of \$35.4 million and incurred issuance costs of \$0.3 million, recorded as a reduction to convertible preferred shares.

On April 17, 2020, the Company closed a Series B funding round to secure an additional \$80.0 million of funding, including the conversion of the 2019 Convertible Notes (see Note 8), through the issuance of Series B convertible preferred shares. The Company received \$49.8 million in cash proceeds upon the initial issuance of 34,940,295 Series B convertible preferred shares and incurred issuance costs of \$0.3 million, recorded as a reduction to the convertible preferred shares. The 2019 Convertible Notes were converted into 15,169,626 Series B convertible preferred shares. In May and June 2020, the Company received \$5.0 million and \$1.5 million for the issuance of 4,562,730 Series B convertible preferred shares and had the option to issue an additional 3,748,869 Series B convertible preferred shares amounting to \$5.3 million within five months after April 17, 2020, which was completed in August 2020 (Note 15). The issuance price of the Series B convertible preferred shares was \$1.42 per share.

Convertible preferred shares, Series A convertible preferred shares and Series B convertible preferred shares consisted of the following as of December 31, 2019 and June 30, 2020 (in thousands, except for share amounts)

As of December 31, 2019

	Shares		Liquidation Preference	Carrying Value
	Authorized	Outstanding		
Convertible preferred shares	23,336,100	23,336,100	\$ 3,865	\$ 3,761
Series A convertible preferred shares	62,777,592	62,777,592	35,414	35,147
	86,113,692	86,113,692	\$ 39,279	\$ 38,908

As of June 30, 2020

	Shares		Liquidation Preference	Carrying Value
	Authorized	Outstanding		
Convertible preferred shares	23,336,100	23,336,100	\$ 3,865	\$ 3,761
Series A convertible preferred shares	62,777,592	62,777,592	35,414	35,147
Series B convertible preferred shares	58,421,520	54,672,651	77,888	77,587
	144,535,212	140,786,343	\$ 117,167	\$ 116,495

As of December 31, 2019 and June 30, 2020, the holders of the convertible preferred shares, Series A convertible preferred shares and Series B convertible preferred share have the following rights and preferences:

Conversion

Each convertible preferred share, Series A convertible preferred share and Series B convertible preferred share is convertible into an equivalent number of ordinary shares, at any time, at the option of the holder.

Dividends

Dividends may be paid to the holders of convertible preferred shares, Series A convertible preferred shares, Series B convertible preferred shares and ordinary shares as determined by the board of directors of the Company. Through June 30, 2020, no dividends have been declared or paid.

Voting rights

The holders of the convertible preferred shares, Series A convertible preferred shares, Series B convertible preferred shares and ordinary shares are entitled to vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the convertible preferred shares, Series A convertible preferred shares and Series B convertible preferred shares may choose to either: 1) convert their shares into ordinary shares on a 1:1 basis; or 2) continue to hold their shares. In the event that any of the investors continue to hold convertible preferred shares, Series A convertible preferred shares or Series B convertible preferred shares, such investors shall, ahead of the holders of the ordinary shares, be entitled to receive an amount equal to the sum credited as paid up on the investor shares, or the Liquidation Preference, to the holders of Series B convertible preferred shares first, then to the holders of Series A convertible preferred shares and then to the holders of convertible preferred shares last.

Any remaining proceeds shall be divided between the holders of the ordinary shares in proportion to the number of ordinary shares held. The holders of the convertible preferred shares, Series A convertible preferred shares and Series B convertible preferred shares shall not be entitled to receive an amount in excess of the Liquidation Preference.

10. Ordinary Shares

In August 2017, the Company issued 92,880,000 ordinary shares as founder shares for services rendered to the Company at a nominal value less than £0.01 per share. In connection with the issuance of convertible preferred shares in August 2017, vesting conditions were placed on the 92,880,000 shares. These shares vest as follows: 25% of the shares held by certain of the founder vested on August 17, 2017; 25% of the shares vested on August 17, 2018; and 50% of shares vest in twenty-four equal monthly installments from August 17, 2018 through August 17, 2020. The fair value of the ordinary shares issued to certain of the founders in excess of the consideration initially paid is recognized as share-based compensation over the vesting period.

In October 2019, the Company issued 871,911 and 899,775 ordinary shares to a nonemployee and an employee, with the vesting period of three and four years, respectively.

11. Share-Based Compensation

2017 Equity Incentive Plan

Under the Company's shareholder and subscription agreements, the Company is authorized to issue restricted shares, restricted share units, as well as options, as incentives to its employees, non-employees and members of its board of directors. To the extent such incentives are in the form of share options, the options are granted pursuant to the terms of the 2017 Equity Incentive Plan, or the 2017 Plan. In July 2019, the Company's board of directors adopted the 2017 Plan. The 2017 Plan provides for the grant of Enterprise Management Incentive, or EMI, options, to its UK employees, for the grant of options to its U.S. employees and non-employees of the Company. The 2017 Plan is administered by the board of directors.

As of June 30, 2020, the Company was authorized under the shareholder agreements to issue a total of 119,729,286 ordinary shares, including shares underlying options granted pursuant to the 2017 Plan. Forfeitures are accounted for as they occur. As of June 30, 2020, there were 1,960,929 shares available for issuance as incentives to the Company's employees and directors, which includes shares underlying options that may be granted from time to time subsequent to June 30, 2020 under the terms of the 2017 Plan.

Options granted under the 2017 Plan, typically vest over a three or four-year service period with 33.3% and 25%, respectively, of the award vesting on the first anniversary of the commencement date and the balance vesting monthly over the remaining years. Restricted share units granted under the 2017 Plan, typically vest over a four-year service period with 25% of the award vesting on the first anniversary of the commencement date. The options granted by the Company prior to April 17, 2020 contain provisions that to the extent then outstanding, they will be subject to accelerated vesting upon the occurrence of a Sale, Asset Sale or listing of the Company's ordinary shares on any stock exchange, and any such unvested options will accordingly become fully vested upon a Listing. The options granted on May 19, 2020 became fully vested on August 17, 2020. The options granted on June 30, 2020 are subject to 25% vesting upon the earlier occurrence of (i) the one year anniversary of the date of grant, or (ii) the date of the listing of the Company's ordinary shares on any stock exchange. The restricted share units granted on June 30, 2020 are subject to 25% vesting upon the earlier of (i) the one year anniversary of the date of grant, or (ii) the first day following the six-month anniversary of the listing of the Company's ordinary shares on any stock exchange on which the closing price of the shares is 20% higher than the listing price for at least five consecutive trading days. Options granted under the 2017 Plan generally expire 10 years from the date of grant.

Restricted Shares

A summary of the changes in the Company's unvested restricted shares during the six months ended June 30, 2020 are as follows:

	Number of shares	Weighted Average Grant Date Fair Value
Unvested and Outstanding as of December 31, 2019	16,791,511	\$ 0.08
Granted	—	—
Vested	(12,073,989)	0.07
Forfeited	—	—
Unvested and Outstanding as of June 30, 2020	4,717,522	\$ 0.10

As of June 30, 2020, there was \$0.4 million of unrecognized compensation cost related to unvested restricted shares, which is expected to be recognized over a weighted-average period of 1.1 years. The

total fair value of vested shares was \$0.8 million and \$0.9 million for the six months ended June 30, 2019 and 2020, respectively.

Restricted Share Units

A summary of the changes in the Company's unvested restricted share units during the six months ended June 30, 2020 are as follows:

	Number of units	Weighted Average Grant Date Fair Value
Unvested and Outstanding as of December 31, 2019	—	\$ —
Granted	2,268,594	1.11
Vested	—	—
Forfeited	—	—
Unvested and Outstanding as of June 30, 2020	2,268,594	\$ 1.11

As of June 30, 2020, there was \$2.5 million of unrecognized compensation cost related to unvested restricted share units, which is expected to be recognized over a weighted-average period of 4.0 years. The exercise price of restricted share units is at a nominal value less than £0.01 per share.

Share Options

The following table summarizes the Company's share options activity for the six months ended June 30, 2020:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2019	13,550,031	\$ 0.09	9.58	\$ 2,284
Granted	21,683,997	\$ 0.06		
Exercised	—			
Forfeited	—			
Outstanding as of June 30, 2020	35,234,028	\$ 0.07	9.58	\$ 36,733
Exercisable as of June 30, 2020	20,756,084	\$ 0.05	9.49	\$ 21,960
Unvested as of June 30, 2020	14,477,944	\$ 0.09	9.71	\$ 14,773

The weighted average exercise price of options granted to UK employees during the six months ended June 30, 2020 was \$0.04 per share. The weighted average exercise price of options granted to United States employees during the six months ended June 30, 2020 was \$0.27 per share.

The aggregate intrinsic value of share options is calculated as the difference between the exercise price of the share options and the fair value of the Company's ordinary shares for those share options that had exercise prices lower than the fair value of the Company's ordinary shares.

The weighted average grant-date fair value of share options granted during the six months ended June 30, 2020 was \$0.93 per share. There were no share options granted during the six months ended June 30, 2019.

As of June 30, 2020, there was \$10.3 million of unrecognized compensation cost related to unvested share options, which is expected to be recognized over a weighted-average period of 3.5 years.

Share Option Valuation

The weighted-average assumptions used in the Black-Scholes option pricing model to determine the fair value of the share options granted to employees and directors during the six months ended June 30, 2020 were as follows:

	Six months Ended June 30, 2020
Expected term (in years)	5.89 Years
Expected volatility	65.8 %
Expected dividend yield	0.00 %
Risk free interest rate	0.44 %
Fair value of underlying ordinary shares	\$ 0.96

Share-based Compensation Expense

Share-based compensation expense recorded as research and development and general and administrative expenses is as follows (in thousands):

	Six months Ended June 30,	
	2019	2020
Research and development	\$ 426	\$ 3,517
General and administrative	255	7,885
	<u>\$ 681</u>	<u>\$ 11,402</u>

12. Net Loss Per Share

Basic and diluted net loss per share attributable to ordinary shareholders was calculated as follows (in thousands, except share and per share amounts):

	Six months Ended June 30,	
	2019	2020
Numerator		
Net loss	\$ (6,297)	\$ (24,834)
Net loss attributable to ordinary shareholder- basic and diluted	<u>\$ (6,297)</u>	<u>\$ (24,834)</u>
Denominator		
Weighted-average number of ordinary shares used in net loss per share-basic and diluted	59,878,864	83,878,882
Net loss per share - basic and diluted	<u>\$ (0.11)</u>	<u>\$ (0.30)</u>

The Company's potentially dilutive securities, which include unvested restricted shares, unvested restricted share units, convertible preferred shares, Series A convertible preferred shares, Series B convertible preferred shares and options granted, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of ordinary shares outstanding used to calculate both basic and diluted net loss per share attributable to ordinary shareholders is the same. The Company excluded the following potential ordinary shares, presented based on amounts outstanding at each period end, from the computation of diluted net

loss per share attributable to ordinary shareholders for the six months ended June 30, 2019 and 2020 because including them would have had an anti-dilutive effect:

	Six months Ended June 30,	
	2019	2020
Unvested restricted shares	27,089,613	4,717,522
Unvested restricted share units	—	2,268,594
Convertible preferred shares	23,336,100	23,336,100
Series A convertible preferred shares	62,777,592	62,777,592
Series B convertible preferred shares	—	54,672,651
Share options	—	35,234,028
	<u>113,203,305</u>	<u>183,006,487</u>

Unaudited pro forma net loss per share attributable to ordinary shareholders

COMPASS Pathways plc's financial statements will be the same as COMPASS Pathfinder Holdings Limited's financial statements prior to the IPO after adjusting retrospectively for the COMPASS Pathways plc capital structure, which includes which includes the one-for-0.1136 reverse share split of all ordinary shares, to be effected immediately prior to and conditional on the completion of this offering, but does not include the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares. The following represents pro forma earnings per share information for COMPASS Pathways plc for the six months ended June 30, 2019 and 2020 (in thousands, except share and per share amounts):

	Six Months Ended June 30,	
	2019	2020
Numerator		
Net loss	\$ (6,297)	\$ (24,834)
Net loss attributable to ordinary shareholders - basic and diluted	<u>\$ (6,297)</u>	<u>\$ (24,834)</u>
Denominator		
Pro forma weighted-average number of ordinary shares used in net loss per share - basic and diluted (unaudited)	6,802,151	9,528,596
Pro forma net loss per share - basic and diluted (unaudited)	<u>\$ (0.93)</u>	<u>\$ (2.61)</u>

Unaudited supplemental pro forma net loss per share attributable to ordinary shareholders

The unaudited supplemental pro forma basic and diluted net loss per share attributable to ordinary shareholders for the six months ended June 30, 2020 have been prepared to give effect to, upon the closing of a qualified IPO, the conversion of all of COMPASS Pathways plc's outstanding convertible preferred shares into ordinary shares and the subsequent one-for-0.1136 reverse share split of all of COMPASS Pathways plc's ordinary shares (including the converted preferred shares) as if the conversion had occurred on the later of January 1, 2019 or the issuance date of the convertible preferred shares, to be effected immediately prior to and conditional on the completion of this offering.

A reconciliation of the pro forma weighted-average number of ordinary shares used in computing supplemental pro forma basic and diluted net loss per share applicable to ordinary shareholders is as follows (in thousands, except share and per share amounts):

	Six Months Ended June 30, 2020
Numerator	
Net loss	\$ (24,834)
Net loss attributable to ordinary shareholders - basic and diluted	\$ (24,834)
Denominator	
Pro forma weighted-average number of ordinary shares used in net loss per share - basic and diluted (unaudited)	9,528,596
Pro forma adjustment to reflect assumed conversion of preferred share into ordinary share (unaudited)	12,196,048
Supplemental pro forma weighted average number of ordinary shares used in computing supplemental pro forma net loss per share attributable to ordinary shareholders – basic and diluted (unaudited)	21,724,644
Supplemental pro forma net loss per share – basic and diluted (unaudited)	\$ (1.14)

13. Commitments and Contingencies

Legal Proceedings

From time to time, the Company may be a party to litigation or subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course matters will not have a material adverse effect on its results of operations, cash flows and financial position. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors. The Company was not a party to any material litigation and did not have material contingency reserves established for any liabilities as of December 31, 2019 and June 30, 2020.

Leases

The Company's corporate headquarters is located in London, United Kingdom, for which, as of June 30, 2020, the Company leased a series of office space at 120 Cavendish Street, London, United Kingdom from Landmark Space Limited under non-cancelable leases. The leases related to this facility are classified as operating leases with terms of two years. The Company recognizes rent expense on a straight-line basis over the respective lease period.

The Company leased office space at 180 Varick Street NY, NY from BioInnovations Labs, LLC under a cancelable lease that can be terminated by either party with one-month advanced notice. The lease related to this facility is classified as an operating lease.

The Company recorded rent expense totaling \$0.1 million and \$0.5 million for the six months ended June 30, 2019 and 2020, respectively.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

In accordance with its Articles of Association, the Company has indemnification obligations to its officers and directors for certain events or occurrences, subject to certain limits, while they are serving at the Company's request in such capacity. There have been no claims to date, and the Company has director and officer insurance that may enable it to recover a portion of any amounts paid for future potential claims.

14. Related Party Transactions

On August 28, 2019, as part of the Company's 2019 Convertible Notes issuance an amount of \$7.6 million (£6.2 million) was issued to a shareholder and it was converted to 6,255,468 shares of Series B convertible preferred shares on April 17, 2020. As of December 31, 2019, the shareholder's convertible loan note remained outstanding. Refer to Note 8 for additional information on the 2019 Convertible Notes.

The Company receives accounting and professional services from Tapestry Networks, Inc., or Tapestry, a company affiliated with a director of the Company and the Company's Chief Executive Officer, from time to time as needed. The Company recorded accounting and professional fees totaling \$0.1 million for the six months ended June 30, 2019 and 2020. As of December 31, 2019 and June 30, 2020, the Company had \$0.1 million and less than \$0.1 million outstanding to Tapestry, respectively.

15. Subsequent Events

The Company has evaluated subsequent events through August 28, 2020, the date the financial statements were available to be issued and identified the following subsequent event:

In August 2020, the Company received \$5.3 million for the issuance of additional 3,748,869 Series B preferred shares to a significant shareholder.

On August 5, 2020, the Company entered into a research services and license agreement with University of the Sciences in Philadelphia, Pennsylvania, or USciences, pursuant to which the Company engaged USciences to perform research services and USciences granted the Company 1) an exclusive, royalty bearing, worldwide license, including rights to sublicense, all jointly held intellectual property for any and all purposes, and 2) a non-exclusive, fully paid-up, worldwide license to any pre-existing intellectual property utilized over the course of performing the services which is necessary to allow the company to make use of the jointly held intellectual property. Under this agreement, the Company will pay a research service fee of and estimated \$0.5 million and tiered payments upon completion of certain milestones up to an aggregate of \$0.9 million per licensed product covered by a valid claim of a patent included in the intellectual property rights licensed to us under the agreement. The Company also agrees to pay USciences a low single-digit royalty percentage on annual net sales of licensed products covered by a valid claim of a patent included in the intellectual property rights licensed to use under the agreement, subject to certain reductions. In addition, USciences is entitled to a low double-digit percentage of sublicense revenue for agreements entered into prior to the Phase II trial and a mid-single-digit percentage of sublicense revenue for agreements entered into after the start of the Phase II trial. Unless terminated earlier, the agreement expires upon the expiration or revocation of the last valid claim of any patent included in the joint intellectual property. USciences and the Company can terminate the agreement in the event of a material breach by the other party and failure to cure such breach within a certain period of time. USciences and the Company can terminate the research service in the event of a material safety or regulatory issue with respect to the research service. The Company may terminate the research service at will upon sixty-day period prior written notice to USciences. USciences can terminate the research service if such services would materially and negatively interfere with its operations or upon the continuation of a force majeure event. There are no current licensed patents or patent applications under the sponsored research agreement.

On August 12, 2020, the Company repurchased unvested restricted shares upon a certain employee's resignation. The Company spent a nominal amount to acquire 563,085 unvested shares in connection with the employee's resignation.

On August 19, 2020, the son of Dr. Malievskaia entered into a contract of employment with the Company as Stakeholder Engagement and Operations Associate and will begin work for the Company on or around October 1, 2020.

**American Depositary Shares
Representing 6,700,000 Ordinary Shares**



PRELIMINARY PROSPECTUS

, 2020

**Cowen
Evercore ISI
Berenberg
Canaccord Genuity
H.C. Wainwright & Co.**

Through and including _____, 2020 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers.

Subject to the Companies Act 2006, members of the registrant's board of directors and its officers (excluding auditors) have the benefit of the following indemnification provisions in our articles of association, or the Articles:

Current and former members of the registrant's board of directors or officers shall be:

- (i) indemnified against any loss or liability which has been or may be incurred by them in connection with their duties or powers in relation to the company, any associated company (as defined in the Articles) or any pension fund or employees' share scheme of the company or associated company and in relation to the company's (or associated company's) activities as trustee of an occupational pension scheme, including any liability incurred in defending any civil or criminal proceedings in which judgment is given in his or her favor or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or associated company's) affairs; and
- (ii) provided with funds to meet expenses incurred or to be incurred in defending any criminal or civil proceedings or application referred to above.

In the case of current or former members of the registrant's board of directors, in compliance with the Companies Act 2006, there shall be no entitlement to reimbursement as referred to above for (i) any liability incurred to the registrant or any associated company, (ii) the payment of a fine imposed in any criminal proceeding or a penalty imposed by a regulatory authority for non-compliance with any requirement of a regulatory nature, (iii) the defense of any criminal proceeding if the director is convicted, (iv) the defense of any civil proceeding brought by the registrant or an associated company in which judgment is given against the director, and (v) any application for relief under the statutes of the UK and any other statutes that concern and affect the registrant as a company in which the court refuses to grant relief to the director.

In addition, members of the registrant's board of directors and its officers who have received payment from the registrant under these indemnification provisions must repay the amount they received in accordance with the Companies Act 2006 or in any other circumstances that the registrant may prescribe or where the registrant has reserved the right to require repayment.

The board of directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

The underwriting agreement the registrant will enter into in connection with the offering of ADSs being registered hereby provides that the underwriters will indemnify, under certain conditions, the registrant's board of directors and its officers against certain liabilities arising in connection with this offering.

Item 7. Recent Sales of Unregistered Securities.

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act:

(a) Issuances of Share Capital

In August 2017, COMPASS Pathfinder Holdings Limited issued an aggregate of 2,650,980 preferred shares at an issue price of £1.13 per share, pursuant to an agreement entered into with its investors.

In September 2018, COMPASS Pathfinder Holdings Limited issued an aggregate of 7,131,525 Series A preferred shares at a purchase price of £3.79 per share, pursuant to an agreement entered into with its investors.

In April and May 2020, COMPASS Pathfinder Holdings Limited issued an aggregate of 6,210,796 Series B preferred shares at a subscription price of \$12.54 per share, pursuant to agreements entered into with its investors.

On August 7, 2020, the shareholders of COMPASS Pathfinder Holdings Limited exchanged each of the shares held by them of COMPASS Pathfinder Holdings Limited for 1,161 of the same class, with the same shareholder rights, of shares in COMPASS Rx Limited pursuant to a share for share exchange agreement entered into between COMPASS Rx Limited and those shareholders. Following the share exchange, 96,392,025 ordinary shares, 23,336,100 preferred shares, 62,777,592 Series A preferred shares and 54,672,651 Series B preferred shares were outstanding, each with a nominal value of £1.00.

In August 2020, COMPASS Rx Limited issued an aggregate 425,871 Series B preferred shares to a significant shareholder at an aggregate subscription price of \$5,340,766, pursuant to an agreement entered into with the relevant significant shareholder.

No underwriters were involved in the foregoing sales of securities. The sales of securities described above were deemed to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, or the Securities Act, including Regulation D and Rule 506 promulgated thereunder, as transactions by an issuer not involving a public offering. All of the purchasers in these transactions represented to us in connection with their purchase that they were acquiring the securities for investment and not distribution, that they could bear the risks of the investment and could hold the securities for an indefinite period of time. Such purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration or an available exemption from such registration. All of the foregoing securities are deemed restricted securities for the purposes of the Securities Act.

Item 8. Exhibits and Financial Statement Schedules

Exhibits

The exhibits to the registration statement are listed in the exhibit index attached hereto and are incorporated by reference herein.

Financial Statement Schedules

None. All schedules have been omitted because the information required to be set forth therein is not applicable or has been included in the consolidated financial statements and notes thereto.

Item 9. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6 hereof, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange

Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (i) The registrant will provide to the underwriter at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.
- (ii) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (iii) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (iv) If the Registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
1.1	Form of Underwriting Agreement.
3.1*	Articles of Association of COMPASS Pathways plc, as currently in effect.
3.2	Form of Articles of Association of COMPASS Pathways plc (to be adopted immediately prior to the completion of this offering).
4.1*	Form of Deposit Agreement (incorporated by reference to Exhibit (a) to Form F-6 registration statement (File No. 333-248514) filed with the Commission on August 31, 2020 (the "F-6 Registration Statement")).
4.2*	Form of American Depositary Receipt (incorporated by reference to Exhibit (a) of our F-6 Registration Statement).
5.1	Opinion of Goodwin Procter (UK) LLP.
10.1#*	Investment and Shareholders' Agreement by and between COMPASS Rx Limited and the shareholders named therein, dated April 17, 2020 and amended and restated on August 7, 2020.
10.2#	2020 Share Option and Incentive Plan.
10.3#	2020 Employee Share Purchase Plan.
10.4	License Agreement by and between The Office Group and COMPASS Pathways Limited, dated October 31 2019.
10.5	Services Agreement by and between BioInnovation Labs LLC and COMPASS Pathways, Inc., dated May 30, 2019, as amended by Amendment No. 1 to Services Agreement, dated April 22, 2020, and as supplemented by Services Agreement, dated June 26, 2020.
10.6	Form of Deed of Indemnity between COMPASS Pathways plc and each of its Directors and Officers.
21.1*	Subsidiaries of COMPASS Pathways plc.
23.1	Consent of independent registered public accounting firm.
23.2	Consent of Goodwin Procter (UK) LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page to this registration statement).

* Previously filed.

Indicates a management contract or any compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of London, United Kingdom, on the 14th day of September, 2020.

COMPASS PATHWAYS PLC

By: /s/ George Goldsmith
 Name: George Goldsmith
 Title: Chief Executive Officer

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints George Goldsmith and Piers Morgan, and each of them, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for and in his or her name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this Registration Statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this Registration Statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his or her substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
<u>/s/ George Goldsmith</u> George Goldsmith	Chief Executive Officer and Chair of the Board of Directors (Principal Executive Officer)	September 14, 2020
<u>/s/ Piers Morgan</u> Piers Morgan	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 14, 2020
<u>*</u> Ekaterina Malievskaia, M.D.	Chief Innovation Officer and Director	September 14, 2020
<u>*</u> David York Norton	Lead Director	September 14, 2020
<u>*</u> Florian Brand	Director	September 14, 2020
<u>*</u> Jason Camm	Director	September 14, 2020
<u>*</u> Annalisa Jenkins, MBBS	Director	September 14, 2020
<u>*</u> Thomas Lönngren	Director	September 14, 2020
<u>*</u> Robert McQuade	Director	September 14, 2020
<u>/s/ Linda McGoldrick</u> Linda McGoldrick	Director	September 14, 2020
By: <u>/s/ Nate Poulsen</u> Name: Nate Poulsen Title: General Counsel	Authorized Representative in the United States	September 14, 2020
*By: <u>/s/ George Goldsmith</u> Name: George Goldsmith Title: Attorney-in-Fact		September 14, 2020

COMPASS Pathways plc

[●] American Depositary Shares Representing [●] Ordinary Shares

(Nominal Value £0.001 Each)

UNDERWRITING AGREEMENT

[Date], 2020

COWEN AND COMPANY, LLC
 EVERCORE GROUP L.L.C.
 BERENBERG CAPITAL MARKETS LLC

As Representatives of the several Underwriters

c/o Cowen and Company, LLC
 599 Lexington Avenue
 New York, New York 10022

c/o Evercore Group L.L.C.
 55 East 52nd Street
 New York, New York 10055

c/o Berenberg Capital Markets LLC
 1251 Avenue of the Americas, 53rd Floor
 New York, New York 10020

Dear Sirs and Madams:

1. *INTRODUCTORY.* COMPASS Pathways plc, a public limited company incorporated under the laws of England and Wales with registered number 12696098 (the “*Company*”), proposes to sell, pursuant to the terms of this Agreement (the “*Agreement*”), to the several underwriters named in Schedule A hereto (the “*Underwriters*,” or, each, an “*Underwriter*”), an aggregate of [●] American Depositary Shares (“*ADSs*”), each representing one (1) ordinary share, nominal value £0.001 each, of the Company (each, an “*Ordinary Share*”). The [●] ADSs to be sold by the Company are hereinafter referred to as the “*Firm ADSs*.” The Company also proposes to sell to the Underwriters, upon the terms and conditions set forth in Section 3 hereof, up to an additional [●] ADSs, each representing one (1) Ordinary Share (the “*Optional ADSs*”). The Firm ADSs and, if and to the extent such option is exercised, the Optional ADSs are referred to herein as the “*Offered ADSs*.” The Ordinary Shares represented by the Firm ADSs and, if and to the extent such option is exercised, the Ordinary Shares represented by the Optional ADSs are hereinafter called the “*Shares*.” Unless context otherwise requires, each reference to the Firm ADSs, the Optional ADSs and the Offered ADSs herein also includes the Ordinary Shares underlying the ADSs. Cowen and Company, LLC (“*Cowen*”), Evercore Group L.L.C. (“*Evercore*”) and Berenberg Capital Markets LLC (“*Berenberg*”) are acting as representatives of the several Underwriters and in such capacity are hereinafter referred to as the “*Representatives*.”

As part of the offering contemplated by this Agreement, Cowen (the “*Designated Underwriter*”) has agreed to reserve out of the Firm ADSs purchased by it under this Agreement up to [●] shares for sale to the Company’s and its subsidiaries’ officers, directors, employees, customers and friends of the

Company's and its subsidiaries' officers, directors and employees (collectively, "**Participants**"), as set forth in the Prospectus (as defined below) under the heading "Underwriting" (the "**Directed ADS Program**"). The Firm ADSs to be sold by the Designated Underwriter pursuant to the Directed ADS Program (the "**Directed ADSs**") will be sold by the Designated Underwriter pursuant to this Agreement at the public offering price. Any Directed ADSs not subscribed for by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

The ADSs will be evidenced by American Depositary Receipts (the "**ADRs**") to be issued pursuant to a deposit agreement to be dated [●], 2020 (the "**Deposit Agreement**"), among the Company and Citibank N.A., as depositary (the "**Depositary**"), and the holders from time to time of the ADRs evidencing the ADSs issued thereunder. The Company shall, following subscription by the Underwriters of the Firm ADSs and, if applicable, the Optional ADSs, deposit, on behalf of the Underwriters, the Ordinary Shares represented by such ADSs with Citibank N.A., as custodian (the "**Custodian**") for the Depositary or its nominee, which shall deliver such ADSs to the Representatives for the account of the several Underwriters for subsequent delivery to the other several Underwriters or the investors, as the case may be.

As described more fully in the Registration Statement, General Disclosure Package and Prospectus, in connection with and prior to the completion of the offering contemplated by this Agreement, (i) all shareholders of COMPASS Pathfinder Holdings Limited, a private limited company incorporated under the laws of England and Wales with registered number 10830790, exchanged each of the shares held by them in COMPASS Pathfinder Holdings Limited for 1,161 shares of the same class in COMPASS Rx Limited, a private limited company incorporated under the laws of England and Wales with registered number 12696098, on August 7, 2020, (ii) COMPASS Rx Limited re-registered as a public limited company incorporated under the laws of England and Wales and changed its name to COMPASS Pathways plc on August 21, 2020, and (iii) all of the issued preferred shares, series A preferred shares and series B preferred shares in the Company will be converted into ordinary shares, of nominal value £0.001 each (collectively, the "**Corporate Reorganization**").

2. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY.** The Company represents and warrants to the several Underwriters, and the Designated Underwriter, as of the date hereof and as of each Closing Date (as defined below), and agrees with the several Underwriters, and the Designated Underwriter, that:

(a) **Registration Statement.** A registration statement of the Company on Form F-1 (File No. 333-248484) (including all pre-effective amendments thereto, and all post-effective amendments thereto filed before the execution of this Agreement, the "**Initial Registration Statement**") in respect of the Offered ADSs has been filed with the Securities and Exchange Commission (the "**Commission**"). The Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form and meet the requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the rules and regulations of the Commission thereunder (the "**Rules and Regulations**"). Other than (i) the Initial Registration Statement, (ii) a registration statement, if any, increasing the size of the offering filed pursuant to Rule 462(b) under the Securities Act and the Rules and Regulations (a "**Rule 462(b) Registration Statement**"), (iii) a registration statement on Form F-6 (File No. 333-248514) covering the registration of the ADSs to be issued and sold by the Company to the Underwriters hereunder under the Securities Act and the Rules and Regulations (the "**ADS Registration Statement**"), (iv) any Preliminary Prospectus (as defined below), (v) the Prospectus (as defined below) contemplated by this Agreement to be filed pursuant to Rule 424(b) of

the Rules and Regulations in accordance with Section 4(a) hereof and (vi) any Issuer Free Writing Prospectus (as defined below), no other document with respect to the offer or sale of the Offered ADSs has heretofore been filed with the Commission. No stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, or the ADS Registration Statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the Securities Act has been initiated or, to the Company's knowledge, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424 of the Rules and Regulations is hereinafter called a "**Preliminary Prospectus**"). The Initial Registration Statement, including all exhibits thereto and including the information contained in the Prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations and deemed by virtue of Rule 430A under the Securities Act to be part of the Initial Registration Statement at the time it became effective is hereinafter collectively called the "**Registration Statement**." If the Company has filed a Rule 462(b) Registration Statement, then any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462 Registration Statement. The final prospectus, in the form filed pursuant to and within the time limits described in Rule 424(b) under the Rules and Regulations, is hereinafter called the "**Prospectus**."

(b) **General Disclosure Package.** As of the Applicable Time (as defined below) and as of the Closing Date or the Option Closing Date (as defined below), as the case may be, neither (i) the General Use Free Writing Prospectus(es) (as defined below) issued at or prior to the Applicable Time, the Pricing Prospectus (as defined below) and the information included on Schedule C hereto, all considered together (collectively, the "**General Disclosure Package**"), (ii) any individual Limited Use Free Writing Prospectus (as defined below), (iii) the bona fide electronic roadshow (as defined in Rule 433(h)(5) of the Rules and Regulations); nor (iv) any individual Written Testing-the-Waters Communication when considered together with the General Disclosure Package, included or will include any untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to information contained in or omitted from the Pricing Prospectus or any Issuer Free Writing Prospectus (as defined below), in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriters' Information (as defined in Section 18). As used in this paragraph (b) and elsewhere in this Agreement:

"**Applicable Time**" means [●] [A/P].M., New York time, on the date of this Agreement or such other time as agreed to by the Company and the Representatives.

"**Pricing Prospectus**" means the Preliminary Prospectus relating to the Shares that is included in the Registration Statement immediately prior to the Applicable Time.

"**Issuer Free Writing Prospectus**" means any "issuer free writing prospectus," as defined in Rule 433 of the Rules and Regulations relating to the Shares in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) of the Rules and Regulations.

"**General Use Free Writing Prospectus**" means any Issuer Free Writing Prospectus that is identified on Schedule B to this Agreement.

“**Limited Use Free Writing Prospectuses**” means any Issuer Free Writing Prospectus that is not a General Use Free Writing Prospectus.

“**Written Testing-the-Waters Communication**” means any Testing-the-Waters Communication (as defined below) that is a written communication within the meaning of Rule 405 of the Rules and Regulations.

(c) No Stop Orders; No Material Misstatements. No order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus relating to the proposed offering of the Offered ADSs has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act has been instituted or, to the Company’s knowledge, threatened by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Securities Act and the Rules and Regulations, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to information contained in or omitted from any Preliminary Prospectus, in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriters’ Information.

(d) Registration Statement and Prospectus Contents. At the respective times the Registration Statement and any amendments thereto and the ADS Registration Statement and any amendments thereto became or become effective as to the Underwriters and at each Closing Date, the Registration Statement and any amendments thereto and the ADS Registration Statement and any amendments thereto conformed and will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations and did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Prospectus and any amendments or supplements thereto, at the time the Prospectus or any amendment or supplement thereto was issued and at each Closing Date, conformed and will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that the foregoing representations and warranties in this paragraph (d) shall not apply to information contained in or omitted from the Registration Statement, the ADS Registration Statement or the Prospectus, or any amendment or supplement thereto, in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriters’ Information.

(e) Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Offered ADSs or until any earlier date that the Company notified or notifies the Representatives as described in Section 4(h), did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the ADS Registration Statement, the Pricing Prospectus or the Prospectus, or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, *provided, however*, that the foregoing representations and warranties in this paragraph (e)

shall not apply to information contained in or omitted from the Registration Statement, the ADS Registration Statement or the Prospectus, or any amendment or supplement thereto, in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriters' Information.

(f) Foreign Private Issuer. The Company is a "foreign private issuer" within the meaning of Rule 405 under the Securities Act.

(g) Distribution of Offering Materials. The Company has not, directly or indirectly, distributed and will not distribute any offering material in connection with the offering and sale of the Offered ADSs other than any Preliminary Prospectus, the Prospectus and other materials, if any, permitted under the Securities Act and consistent with Section 4(e) below. The Company will file with the Commission all Issuer Free Writing Prospectuses (other than a "road show" as described in Rule 433(d)(8) of the Rules and Regulations) in the time and manner required under Rules 163(b)(2) and 433(d) of the Rules and Regulations. From and after twelve (12) months prior to the date of this Agreement, the Company has not taken any action which would constitute an offer of the Offered ADSs to the public in any Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**") for which a prospectus would need to be approved and published, in accordance with the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Offered ADSs in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offered ADSs to be offered so as to enable an investor to decide to purchase or subscribe for any Offered ADSs, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

(h) Emerging Growth Company. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communications) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**"). "**Testing-the-Waters Communication**" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) or 163B of the Securities Act.

(i) Not an Ineligible Issuer. At the time of filing the Initial Registration Statement, the ADS Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto, and at the date hereof, the Company was not, and the Company currently is not, an "ineligible issuer," as defined in Rule 405 of the Rules and Regulations.

(j) Testing the Waters Communications. The Company (a) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (b) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications.

(k) Incorporation and Good Standing. The Company and each of its subsidiaries (as defined in Section 15) have been duly incorporated and are validly existing as corporations or other legal

entities in good standing (or the foreign equivalent thereof) under the laws of their respective jurisdictions of incorporation. The Company and each of its subsidiaries are duly qualified to do business and are in good standing as foreign corporations or other legal entities in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification and have all power and authority (corporate or other) necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to so qualify or have such power or authority would not (i) have, singularly or in the aggregate, a material adverse effect on the business, properties, management, financial position, shareholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole, or (ii) impair in any material respect the ability of the Company to perform its obligations under this Agreement or to consummate any transactions contemplated by this Agreement, the General Disclosure Package or the Prospectus (any such effect as described in clauses (i) or (ii), a "***Material Adverse Effect***"). The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Registration Statement.

(l) Underwriting Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(m) The Deposit Agreement. The Deposit Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Depositary, constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles. Upon due issuance by the Depositary of the Offered ADSs (which may be evidenced by ADRs) against the deposit of the Ordinary Shares in respect thereof in accordance with the provisions of the Deposit Agreement, such Offered ADSs (and the ADRs evidencing such Offered ADSs, as applicable) will be duly and validly issued and the persons in whose names the Offered ADSs are registered will be entitled to the rights specified therein and in the Deposit Agreement. The issuance and sale of the Offered ADSs by the Company and the deposit of the Ordinary Shares with the Depositary and the issuance of the Offered ADSs as contemplated by this Agreement and the Deposit Agreement will not trigger any anti-dilution rights of any holder of any Ordinary Shares or ADSs, securities convertible into or exchangeable or exercisable for Ordinary Shares or ADSs or options, warrants or other rights to purchase Ordinary Shares or ADSs or any other securities of the Company with respect to such Ordinary Shares, ADSs, securities, options, warrants or rights, save for any rights of pre-emption under the United Kingdom Companies Act 2006, as amended (the "***CA 2006***"), as amended that have been duly waived or disappplied. The Deposit Agreement, the Offered ADSs and the ADRs, if applicable, conform in all material respects to the descriptions thereof in the Registration Statement, General Disclosure Package and Prospectus.

(n) The Offered ADSs. The Offered ADSs in the form of Ordinary Shares to be issued and sold by the Company to the Underwriters hereunder will be duly and validly authorized (including pursuant to section 551 of the CA 2006) and, when allotted, issued and delivered against payment therefor as provided herein, will be duly and validly allotted and issued, fully paid not subject to any call for the payment of further capital and free of any liens, encumbrances, rights of first refusal, preemptive or other similar rights, and will conform to the descriptions thereof in the Registration Statement, the General Disclosure Package and the Prospectus. The Ordinary Shares represented by ADSs may be freely deposited by the Company with the Custodian for the Depositary against issuance of Offered ADSs, including ADRs evidencing such Offered ADSs, as applicable, in each case as contemplated by the Deposit Agreement. The Offered ADSs have been duly authorized for issuance and

sale pursuant to this Agreement (including, in respect of Ordinary Shares represented by the ADSs, pursuant to section 551 of the CA 2006) and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued, fully paid and nonassessable, and free of any liens, encumbrances, rights of first refusal, preemptive or other similar rights, and will conform to the descriptions thereof in the Registration Statement, the General Disclosure Package and the Prospectus. The issuance of the Offered ADSs is not subject to any liens, encumbrances, rights of first refusal, preemptive or similar rights (including those provided by section 561 (1) of the CA 2006 in respect of the Ordinary Shares represented by ADSs). Upon the issuance, sale and delivery to the Underwriters of the Offered ADSs, and payment therefor, the Underwriters will acquire good, marketable and valid title to such Offered ADSs, free and clear of all pledges, liens, security interests, charges, claims or encumbrances. Upon the deposit of the Offered Shares with the Custodian, or on behalf of the Depositary or any of their respective nominees, the Custodian on behalf of the Depositary or any of their respective nominees will, subject to the terms of the Deposit Agreement, acquire good, marketable and valid legal title to such Ordinary Shares, free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim. The registration of the Offered Shares in the name of the Depositary, the Custodian or any of their respective nominees, shall, to the maximum extent permitted by applicable law and subject to the terms of the Deposit Agreement, vest in the Depositary, the Custodian or the applicable nominee the record ownership in the applicable Offered Shares with the beneficial ownership rights and interests in such Offered Shares being at all times vested with the beneficial owners of the Offered ADSs representing the Offered Shares.

(o) Corporate Reorganization. The agreements entered into to give effect to the Corporate Reorganization (the “**Reorganization Agreements**”) constitute valid and legally binding obligations of each of the Company and its subsidiaries (as applicable), enforceable in accordance with their respective terms, and each of the Company and its subsidiaries (as applicable) has the full right, power and authority to execute and deliver the Reorganization Agreements and to perform their obligations thereunder, and the transactions contemplated thereby have been carried out in accordance with all applicable laws.

(p) Capitalization. The authorized, issued and outstanding share capital of the Company is, and upon completion of the Corporate Reorganization will be, as set forth in the Registration Statement, the Pricing Prospectus and the Prospectus under the caption “Capitalization” as of the respective dates set forth therein. The Company has an authorized capitalization as set forth under the heading “Capitalization” in the Pricing Prospectus, and all of the issued share capital of the Company have been duly and validly authorized and issued, are fully paid and non-assessable have been issued in compliance with the Company’s articles of association, the CA 2006 and applicable federal and state securities laws, and conform to the description thereof contained in the General Disclosure Package and the Prospectus under the heading “Description of Securities”. All of the Company’s options and other rights to purchase or exchange any securities for the Company’s capital shares have been duly authorized and validly issued and were issued in compliance with the CA 2006 and applicable federal and state securities laws other than those which have been waived or satisfied. None of the outstanding Ordinary Shares were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. As of the date set forth in the General Disclosure Package, there were no authorized or outstanding share capital, options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital shares of the Company or any of its subsidiaries other than those described above or accurately described in the General Disclosure Package. Since such date, the Company has not issued any securities other than Ordinary Shares issued upon the exercise of share options or other awards outstanding under the Company’s share option plans, options or other securities

granted or issued pursuant to the Company's existing equity compensation plans or other plans, and the issuance of Ordinary Shares pursuant to employee share purchase plans. The description of the Company's share option, share bonus and other share plans or arrangements, and the options or other rights granted thereunder, as described in the General Disclosure Package and the Prospectus, accurately and fairly present the information required to be shown with respect to such plans, arrangements, options and rights. All the outstanding share capital (if any) of each subsidiary of the Company have been duly authorized and validly issued, are fully paid and nonassessable and, except to the extent set forth in the General Disclosure Package or the Prospectus, are owned by the Company directly or indirectly through one or more wholly-owned subsidiaries, free and clear of any claim, lien, encumbrance, security interest, restriction upon voting or transfer or any other claim of any third party.

(q) No Conflicts. The execution, delivery and performance of this Agreement by the Company and of each of the Reorganization Agreements by the Company and its subsidiaries (as applicable), the issue and sale of the Offered ADSs by the Company, the deposit of the Ordinary Shares represented by ADSs with the Custodian for the Depositary, and the consummation of the transactions contemplated hereby will not (with or without notice or lapse of time or both) (i) conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, encumbrance, security interest, claim or charge upon any property or assets of the Company or any subsidiary pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the articles of association (or analogous governing instruments, as applicable) of the Company or any of its subsidiaries or (iii) result in the violation of any U.S. or non-U.S. law, statute, rule, regulation, judgment, order or decree of any court or governmental or regulatory agency or authority, having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets except, in the case of clauses (i) and (iii) above, to the extent that any such conflict, breach, violation or default that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. A "***Debt Repayment Triggering Event***" means any event or condition that gives, or with the giving of notice or lapse of time would give the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(r) No Consents Required. Except for the registration of the Offered ADSs under the Securities Act and applicable state securities laws and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Financial Industry Regulatory Authority ("***FINRA***"), the Nasdaq Global Market (the "***Exchange***"), or pursuant to the CA 2006 in connection with the purchase and distribution of the Offered ADSs by the Underwriters, the listing of the Offered ADSs on the Exchange, no consent, approval, authorization or order of, or filing, qualification or registration (each, an "***Authorization***") with, any court, governmental or regulatory agency or body, foreign or domestic, which has not been made, obtained or taken and is not in full force and effect, is required for the execution, delivery and performance of this Agreement or the Deposit Agreement by the Company, the issuance and sale of the Offered ADSs, the deposit of the Ordinary Shares underlying the Offered ADSs with the Custodian for the Depositary or the consummation of the transactions contemplated hereby; and no event has occurred that allows or results in, or after notice or lapse of time or both would allow or result in, revocation, suspension, termination or invalidation of any such Authorization or any other impairment of the rights of the holder or maker of any such Authorization. All corporate approvals

(including those of shareholders) necessary for the Company to consummate the transactions contemplated by this Agreement have been obtained and are in effect.

(s) Independent Auditors. PricewaterhouseCoopers LLP, who have certified certain financial statements of the Company and its subsidiaries included in the Registration Statement, the General Disclosure Package and the Prospectus, is an independent registered public accounting firm with respect to the Company and its subsidiaries within the meaning of Article 2-01 of Regulation S-X and the Public Company Accounting Oversight Board (United States) (the “**PCAOB**”) and applicable laws of England and Wales.

(t) Financial Statements. The financial statements, together with the related notes, included in the General Disclosure Package, the Prospectus and in the Registration Statement fairly, present the financial position and the results of operations and changes in financial position of the Company and its consolidated subsidiaries at the respective dates or for the respective periods therein specified. Such statements and related notes and schedules have been prepared in accordance with the generally accepted accounting principles in the United States (“**GAAP**”) applied on a consistent basis throughout the periods involved except as may be set forth in the related notes and schedules included in the General Disclosure Package. The financial statements, together with the related notes, included in the General Disclosure Package and the Prospectus comply in all material respects with Regulation S-X. No other financial statements or supporting schedules or exhibits are required by Regulation S-X to be described or included in the Registration Statement, the General Disclosure Package or the Prospectus. There is no pro forma financial information which is required to be included in the Registration Statement, the General Disclosure Package or the Prospectus in accordance with Regulation S-X which has not been included or incorporated as so required. The summary and selected financial data included in the General Disclosure Package, the Prospectus and the Registration Statement fairly present, the information shown therein as at the respective dates and for the respective periods specified and are derived from the consolidated financial statements set forth in the Registration Statement, the Pricing Prospectus and the Prospectus and other financial information.

(u) No Material Adverse Change. Neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included in the General Disclosure Package, (i) any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or action, order or decree of any court or governmental or regulatory authority, otherwise than as set forth or contemplated in the General Disclosure Package, (ii) any change in the share capital (other than the issuance of Ordinary Shares upon exercise of share options described as outstanding in, and the grant of options and awards under existing equity incentive plans described in, the Registration statement, the General Disclosure Package and the Prospectus) or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital shares, or any material adverse changes, or any development involving a prospective material adverse change, in or affecting the business, properties, assets, general affairs, management, financial position, prospects, shareholders’ equity or results of operations of the Company and its subsidiaries taken as a whole, otherwise than as set forth or contemplated in the General Disclosure Package.

(v) Legal Proceedings. Except as set forth in the General Disclosure Package, to the Company’s knowledge, there is no legal or governmental proceeding pending to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that is required to be described in the Registration Statement, the General Disclosure Package or the Prospectus and is not described therein, or which, singularly or in the

aggregate, if determined adversely to the Company or any of its subsidiaries, could reasonably be expected to have a Material Adverse Effect; and no such proceedings are threatened in writing by governmental or regulatory authorities.

(w) No Violation or Default. Neither the Company nor any of its subsidiaries is (i) in violation of its articles of association (or analogous governing instrument, as applicable) or (ii) in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets are subject or (iii) in violation in any respect of any law, ordinance, governmental rule, regulation or court order, decree or judgment to which it or its property or assets may be subject (including, without limitation, those administered by the FDA, the DEA, the EMA, the MHRA or by any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA, the DEA, the EMA, the MHRA) except, in the case of clauses (ii) and (iii) above, for any such violation or default that would not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(x) Licenses or Permits. The Company and each of its subsidiaries possess all required licenses, certificates, authorizations and permits issued by, and have made all declarations and filings with, the appropriate local, state, federal or foreign governmental or regulatory agencies or bodies (including, without limitation, those administered by the United States Food and Drug Administration of the U.S. Department of Health and Human Services (“**FDA**”), the Drug Enforcement Administration (“**DEA**”), the European Medicines Agency (“**EMA**”), the Medicines and Healthcare Products Regulatory Agency (“**MHRA**”) and any other state, federal, national and foreign agencies or bodies performing similar functions to the FDA, the DEA, the EMA and MHRA or engaged in the regulation of pharmaceuticals) that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the General Disclosure Package and the Prospectus (collectively, the “**Governmental Permits**”) except where any failures to possess or make the same would not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company and its subsidiaries are in compliance with the terms and conditions of all such Governmental Permits, except where the failure so to comply would not, singularly or in the aggregate, reasonably be expected to result in a Material Adverse Effect; all such Governmental Permits are valid and in full force and effect, except where the invalidity or failure to be in full force and effect would not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Company nor any subsidiary has received written notification of any revocation, significant modification, suspension, termination or invalidation (or proceedings related thereto) of any such Governmental Permit, which, singularly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Effect. The Company has no reason to believe that any such Governmental Permit will not be renewed, except where the failure to renew would not, singularly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The Company and each of its subsidiaries have filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any applicable laws or Governmental Permits, and all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and accurate on the date filed in all material respects (or were corrected or supplemented by a subsequent submission).

(y) Regulatory Matters. The Company is in compliance with all statutes, rules or regulations of the FDA, the DEA, the EMA, the MHRA and other comparable governmental agencies

engaged in the regulation of pharmaceutical drugs applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product under development, manufactured or distributed by the Company except where noncompliance would not, singularly or in the aggregate, have a Material Adverse Effect. The nonclinical studies and clinical trials conducted by or on behalf of the Company that are described in the General Disclosure Package and the Prospectus (the “**Company Studies and Trials**”) were and, if still pending, are being, conducted in all material respects with all applicable federal, state and foreign laws, rules, orders and regulations; the descriptions of the results of the Company Studies and Trials contained in the Registration Statement, General Disclosure Package and Prospectus are accurate in all material respects; the Company has no knowledge of any other studies or trials not described in the General Disclosure Package and the Prospectus, the results of which are inconsistent with or reasonably call into question the results described or referred to in the General Disclosure Package and the Prospectus; and the Company has not received any written notices or correspondence from the FDA, the DEA, the EMA, the MHRA or any foreign, state or local governmental body exercising comparable authority requiring the termination, suspension or material modification of any Company Studies and Trials that termination, suspension or material modification would reasonably be expected to have a Material Adverse Effect and, to the Company’s knowledge, there are no reasonable grounds for the same. In using or disclosing patient information received by the Company in connection with the Company Studies and Trials, the Company has complied in all material respects with all federal, state, local or foreign applicable laws and regulatory rules or requirements, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 and the rules and regulations thereunder (“**HIPAA**”). Neither the Company, nor its subsidiaries or any of their respective directors, officers, employees or, to the Company’s knowledge, agents is or since January 1, 2015 has been debarred, suspended or excluded or, to the knowledge of the Company, engaged in any conduct that would reasonably be expected to result in a debarment, suspension or exclusion from any federal or state government health care program or human clinical research. To the Company’s knowledge, none of the Company Studies and Trials involved any investigator, as such term is defined in Title 21, Section 50.3 of the U.S. Code of Federal Regulations, who has been disqualified as a clinical investigator or has been found by the FDA to have engaged in scientific misconduct. To the Company’s knowledge, the manufacturing facilities and operations of its suppliers are operated in compliance in all material respects with all applicable statutes, rules and regulations of the FDA, the DEA, the EMA, the MHRA or comparable regulatory agencies outside of the United States to which the Company is subject.

(z) Regulatory Compliance. Neither the Company nor any of its subsidiaries has received any unresolved FDA Form 483, notice of adverse filing, warning letter, untitled letter or other correspondence or written notice from the FDA, or any other court or arbitrator or federal, state, local, or foreign governmental or regulatory authority, alleging or asserting material noncompliance with the Federal Food, Drug and Cosmetic Act (21 U.S.C. § 301 et seq.) (the “**FDCA**”). The Company and its subsidiaries have been in material compliance with applicable health care laws, including without limitation, the FDCA, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the civil False Claims Act (31 U.S.C. § 3729 et seq.), the criminal False Claims Law (42 U.S.C. § 1320a-7b(a)), 18 U.S.C. §§ 286 and 287 (criminal health care fraud statutes), the Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (42 U.S.C. § 17921 et seq.) the exclusions law (42 U.S.C. § 1320a-7), Medicare (Title XVIII of the Social Security Act), Medicaid (Title XIX of the Social Security Act), and the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Affordability Reconciliation Act of 2010, including, without limitation, the Physician Payments Sunshine Act (42 U.S.C. § 1320a-7h), and the regulations promulgated pursuant to such laws, and comparable state laws, and all other local, state,

federal, national, supranational, and foreign laws relating to the regulation of the Company (collectively, “**Health Care Laws**”). Further, the Company and its subsidiaries have not received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or governmental or regulatory authority or third party alleging that any product operation of the Company or any of its subsidiaries is in violation of any Health Care Laws nor, to the Company’s knowledge, is any such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action threatened in writing, except, in both circumstances, as would not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company is not a party to and has no ongoing reporting obligations pursuant to any corporate integrity agreement, deferred prosecution agreement, monitoring agreement, consent decree, settlement order, plan of correction or similar agreement imposed by any governmental or regulatory authority.

(aa) Criminal Laws. Neither the Company nor any of its subsidiaries has engaged in or will engage in (i) any direct or indirect dealings or transactions in violation of applicable criminal laws, including, without limitation, the Controlled Substances Act of 1970, the Racketeering Influenced and Corrupt Practices Act of 1977, the Fraud Act of 2006, the Theft Act of 1968 the Travel Act of 1961 or any anti-money laundering statute, or (ii) any “aiding and abetting” in any violation of applicable criminal laws. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to criminal laws is pending or threatened except as would not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(bb) Investment Company Act. Neither the Company nor any of its subsidiaries is, and after giving effect to the offering of the Offered ADSs and the application of the proceeds thereof as described in the General Disclosure Package and the Prospectus, will not be required to register as an “investment company” or an entity “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

(cc) Related Party Transactions. There are no business relationships or related person transactions involving the Company or any of its subsidiaries or any other person required to be described in the General Disclosure Package and the Prospectus that have not been described as required.

(dd) No Stabilization. Neither the Company nor, to the Company’s knowledge, any of its officers, directors or affiliates has taken or will take, directly or indirectly, any action designed or intended to stabilize or manipulate the price of any security of the Company, or which caused or resulted in, or which might in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any security of the Company.

(ee) Intellectual Property. The Company and its subsidiaries own or possess the right to (i) valid and enforceable patents, patent applications, trademarks, trademark registrations, service marks, service mark registrations, Internet domain name registrations, copyrights, copyright registrations, licenses, trade secret rights (“**Intellectual Property Rights**”) and (ii) inventions, software, works of authorships, trademarks, service marks, trade names, databases, formulae, know how, Internet domain names and other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary confidential information, systems, or procedures) (collectively, “**Intellectual Property Assets**”) necessary to conduct their respective businesses as currently conducted, and as proposed to be conducted to the extent described in the General Disclosure Package and the Prospectus. The Company and its subsidiaries have not received written advice from their legal counsel concluding that any

activities of their respective businesses infringe, misappropriate, or otherwise violate, valid and enforceable Intellectual Property Rights of any other person and have not received written notice of any challenge other than that described in the Registration Statement, which is to their knowledge still pending, by any other person to the rights of the Company and its subsidiaries with respect to any Intellectual Property Rights or Intellectual Property Assets owned or used by the Company or its violation of, any valid and enforceable Intellectual Property Rights of any other person. To the Company's knowledge, there are no third parties who have rights to any Intellectual Property Rights described in the Registration Statement, General Disclosure Package and the Prospectus as being exclusively licensed to the Company, including no liens, security interests, or other encumbrances, except for customary reversionary rights of third party licensors with respect to Intellectual Property Rights that are disclosed as licensed to the Company or one or more of its subsidiaries. To the Company's knowledge, there is no infringement by marketing of an FDA-approved product by third parties of any Intellectual Property Assets described in the Registration Statement, the General Disclosure Package and the Prospectus as being owned by or licensed to the Company. To the Company's knowledge, there are no material defects in any of the patents or patent applications included in the Intellectual Property Rights disclosed in the Registration Statement, General Disclosure Package and the Prospectus as being owned by the Company. To the Company's knowledge, all licenses for the use of the Intellectual Property Rights material to its business described in the General Disclosure Package and the Prospectus are valid, binding upon and enforceable by or against the parties thereto in accordance to their terms. The Company has complied in all material respects with, and has not received a written claim of breach of any Intellectual Property license, and the Company has no knowledge of any breach or anticipated breach by any other person to any Intellectual Property license. Except as described in the General Disclosure Package and the Prospectus, no written claim has been made against the Company (i) alleging the infringement by the Company of any patent, trademark, service mark, trade name, copyright or trade secret of any person or (ii) challenging the validity, enforceability, or scope of any Intellectual Property Rights owned or exclusively licensed by the Company, including no interferences, oppositions, reexaminations, or government proceedings. The Company has taken all reasonable steps to protect and maintain its Intellectual Property Rights. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person under any written agreement in respect of, the Company's right to own, use, or hold for use any of the Intellectual Property Rights as owned, used or held for use in the conduct of the business as currently conducted. With respect to the use of the software in the Company's business as it is currently conducted, the Company has not experienced any material defects in such software including any material error or omission in the processing of any transactions other than defects which have been corrected, and to the Company's knowledge, no such software contains any device or feature designed to disrupt, disable, or otherwise impair the functioning of any software or is subject to the terms of any "open source" or other similar license that provides for the source code of the software to be publicly distributed or dedicated to the public. The Company and each of its subsidiaries has taken reasonable steps to obtain executed nondisclosure, confidentiality agreements and invention assignment agreements and invention assignments with their employees, and to the Company's knowledge, no employee of the Company or any of its subsidiaries is in or has been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement, or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company or any of its subsidiaries. To the Company's Knowledge, the duty of candor and good faith as required by the United States Patent and Trademark Office during the prosecution of the United States patents and patent applications included in the Intellectual Property Rights have been complied with; and in all foreign offices having similar requirements, all such requirements have been complied with. The Company has at all times complied with all applicable federal, state, local or foreign laws relating to

privacy, data protection, and the collection and use of personal information collected, used, or held for use by the Company or any of its subsidiaries in the conduct of the Company's business. No written claims have been asserted against the Company or any of its subsidiaries alleging a violation of any person's privacy or personal information or data rights and the consummation of the transactions contemplated hereby will not breach or otherwise cause any violation of any law related to privacy, data protection, or the collection and use of personal information collected, used, or held for use by the Company in the conduct of the Company's business. The Company takes reasonable measures to ensure that such information is protected against unauthorized access, use, modification, denial of service or destruction. The Company and each of its subsidiaries has taken reasonable actions to obtain ownership of all works of authorship and inventions made by its employees and consultants which relate to the Company's business. All founders and key employees have signed confidentiality and invention assignment agreements with the Company.

(ff) Privacy Laws. The Company and its subsidiaries are, and at all prior times since January 1, 2015 were, in material compliance with all applicable data privacy and security laws and regulations, including, in each case, to the extent applicable, the HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (the "**HITECH Act**") (42 U.S.C. Section 17921 et seq.); the European Union General Data Protection Regulation ("**GDPR**") (EU 2016/679), and the California Consumer Privacy Act (CCPA) (collectively, "**Privacy Laws**"). The Company and its subsidiaries have in place, comply with, and take appropriate steps to ensure compliance with their policies and procedures relating to data privacy and security and the collection, storage, use, disclosure, handling and analysis of Personal Data (the "**Policies**") and any other confidential information in possession of the Company (collectively, with Personal Data, the "**Sensitive Data**"). The Policies have been designed and kept updated to maintain compliance with the Privacy Laws. The Company provides accurate notice of its Policies to those data subjects whose Personal Information whose Personal Data is subject to the Policies. The Policies provide accurate and sufficient notice of the Company's then-current privacy practices relating to its subject matter and such Policies do not contain any material omissions of the Company's then-current privacy practices. "Personal Data" means (i) a natural persons' name, street address, telephone number, email address, photograph, social security number, bank information, or customer or account number; (ii) any information which would qualify as "personally identifying information" under the Federal Trade Commission Act, as amended; (iii) Protected Health Information as defined by HIPAA; (iv) "personal data" as defined by GDPR; and (v) any other piece of information that allows the identification of such natural person, or his or her family, or permits the collection or analysis of any data related to an identified person's health or sexual orientation. To the Company's knowledge, none of such disclosures made or contained in any of the Policies have been inaccurate, misleading, deceptive or in violation of any Privacy Laws or Policies in any material respect. To the Company's knowledge the execution, delivery and performance of this Agreement or any other agreement referred to in this Agreement will not result in a breach of any Privacy Laws or Policies. Neither the Company nor any of its subsidiaries, (i) has received written notice of any actual or potential liability under or relating to, or actual or potential violation of, any of the Privacy Laws, and has no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) is currently conducting or paying for, in whole or in part, any investigation, remediation or other corrective action pursuant to any Privacy Law; or (iii) is a party to any order, decree, or agreement that imposed any obligation or liability under any Privacy Law.

(gg) IT Systems. (i) To the Company's knowledge, there has been no actual or alleged security breach or attack or other compromise of or relating to any of the Company's and its subsidiaries' information technology and computer systems, networks, hardware, software, data (including any Sensitive Data and the data of their respective customers, employees, suppliers, vendors and any third

party data maintained by or on behalf of them), equipment or technology (“**IT Systems and Data**”) and (ii) the Company and its subsidiaries have materially complied, and are presently in material compliance with, all applicable laws, statutes, security policies of the Company and its subsidiaries, as applicable and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification. The Company and its subsidiaries have implemented backup and disaster recovery technology consistent with industry standards and practice.

(hh) Title to Real and Personal Property. The Company and each of its subsidiaries have good and marketable title in and (in the case of real property) to or have valid and marketable rights to lease or otherwise use, all items of real or personal property which are material to the business of the Company and its subsidiaries taken as a whole, in each case free and clear of all liens, encumbrances, security interests, claims and defects that (i) do not, singularly or in the aggregate, materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries or (ii) could not reasonably be expected, singularly or in the aggregate, to have a Material Adverse Effect.

(ii) No Labor Dispute. There is (A) no significant unfair labor practice complaint pending against the Company, or any of its subsidiaries, nor to the Company’s knowledge, threatened against it or any of its subsidiaries, before the National Labor Relations Board, any state or local labor relations board or any foreign labor relations board, and no significant grievance or significant arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Company or any of its subsidiaries, or, to the Company’s knowledge, threatened against it and (B) no labor disturbance by or dispute with, employees of the Company or any of its subsidiaries exists or, to the Company’s knowledge, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any of its subsidiaries’ principal suppliers, manufacturers, customers or contractors, that could reasonably be expected, singularly or in the aggregate, to have a Material Adverse Effect. The Company is not aware that any key employee or significant group of employees of the Company or any subsidiary plans to terminate employment with the Company or any such subsidiary.

(jj) Compliance with ERISA. No “prohibited transaction” (as defined in Section 406 of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder (“**ERISA**”), or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the “**Code**”)) or “accumulated funding deficiency” (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the thirty (30)-day notice requirement under Section 4043 of ERISA has been waived) has occurred or could reasonably be expected to occur with respect to any employee benefit plan of the Company or any of its subsidiaries which could, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each employee benefit plan of the Company or any of its subsidiaries is in compliance in all material respects with applicable law, including ERISA and the Code. The Company and its subsidiaries have not incurred and could not reasonably be expected to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan (as defined in ERISA). Each pension plan for which the Company or any of its subsidiaries would have any liability that is intended to be qualified under Section 401(a) of the Code has received or may rely upon a favorable determination or opinion letter with respect to its qualification, and to the Company’s knowledge, nothing has occurred, whether by action or by failure to act, which could, singularly or in the aggregate, reasonably be expected to cause the loss of such qualification.

(kk) Environmental Laws and Hazardous Materials. The Company and its subsidiaries are in compliance with all foreign, federal, state and local rules, laws and regulations relating to the use, treatment, storage and disposal of hazardous or toxic substances or waste and protection of health and safety or the environment which are applicable to their businesses ("***Environmental Laws***"). There has been no storage, generation, transportation, handling, treatment, disposal, discharge, emission, or other release of any kind of toxic or other wastes or other hazardous substances by, due to, or caused by the Company or any of its subsidiaries (or, to the Company's knowledge, any other entity for whose acts or omissions the Company or any of its subsidiaries is or may otherwise be liable) upon any of the property now or previously owned or leased by the Company or any of its subsidiaries, or upon any other property, in violation of any law, statute, ordinance, rule, regulation, order, judgment, decree or permit or which would, under any law, statute, ordinance, rule (including rule of common law), regulation, order, judgment, decree or permit, give rise to any liability; and there has been no disposal, discharge, emission or other release of any kind onto such property or into the environment surrounding such property of any toxic or other wastes or other hazardous substances with respect to which the Company or any of its subsidiaries has knowledge.

(ll) Taxes. The Company and its subsidiaries each (i) have timely filed all necessary federal, state, local and foreign tax returns, and all such returns were true, complete and correct, (ii) have paid all federal, state and local and all non-U.S. taxes, for which it is liable, including, without limitation, all sales and use taxes and all taxes which the Company or any of its subsidiaries is obligated to withhold from amounts owing to employees, creditors and third parties, and (iii) do not have any tax deficiency or claims outstanding or assessed or, to its knowledge, proposed against any of them, except those, in each of the cases described in clauses (i), (ii) and (iii) above that (a) are being contested in good faith and for which reserves in accordance with GAAP have been taken on the Company's most recent financial statements or (b) would not, singularly or in the aggregate, have a Material Adverse Effect.

(mm) Transfer Taxes. No stamp duty, stamp duty reserve, registration, documentary, issue, transfer or other similar taxes or duties ("***Transfer Taxes***") are payable in the United Kingdom or the United States by or on behalf of the Underwriters, the Company or any of its subsidiaries in connection with (i) the issuance and delivery of the Shares by the Company in the manner contemplated by this Agreement and the Deposit Agreement; (ii) the issuance, sale and delivery of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to or for the account of the Underwriters, in each case in the manner contemplated by this Agreement and the Deposit Agreement; (iii) the initial sale and delivery by the Underwriters of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to purchasers thereof in the manner contemplated by this Agreement; or (iv) the execution and delivery of this Agreement or the Deposit Agreement.

(nn) United States and United Kingdom Tax Considerations. The statements contained in the General Disclosure Package and the Prospectus under the headings (i) "Material Income Tax Considerations—Material U.S. Federal Income Tax Considerations for U.S. Holders" and (ii) "Material Income Tax Considerations—UK Taxation," insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate and complete in all material respects.

(oo) Insurance. The Company and each of its subsidiaries carry or are covered by, insurance in such amounts and covering such risks for the conduct of their respective businesses and the value of their respective properties as is customary for companies engaged in similar businesses, at a similar stage of development, in similar industries. Neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its

business at a cost that would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received written notice from any insurer, agent of such insurer or the broker of the Company or any of its subsidiaries that any material capital improvements or any other material expenditures (other than premium payments) are required or necessary to be made in order to continue such insurance.

(pp) Accounting Controls. The Company and each of its subsidiaries maintains a system of “*internal control over financial reporting*” (as such term is defined in Rule 13a-15(f) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (such act, the “**Exchange Act**,” and such rules and regulations, the “**Exchange Act Rules**”)) that complies with the requirements of the Exchange Act and has been designed by their respective principal executive and principal financial officers, or under their supervision, to provide reasonable assurances that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company’s internal control over financial reporting is effective. Except as described in the General Disclosure Package, since the end of the Company’s most recent audited fiscal year, there has been (A) no material weakness in the Company’s internal control over financial reporting (whether or not remediated) and (B) no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

(qq) Disclosure Controls. The Company and its subsidiaries maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Exchange Act Rules) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company and its subsidiaries in reports that they file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company’s management to allow timely decisions regarding disclosures. The Company and its subsidiaries have conducted evaluations of the effectiveness of their disclosure controls as required by Rule 13a-15 of the Exchange Act.

(rr) Minute Books and Written Resolutions. The minute books and written resolutions of the Company and each of its subsidiaries have been made available to counsel for the Underwriters, and such books (i) contain a complete summary of all meetings and written actions of the Board (including each Board committee) and shareholders of the Company (or analogous governing bodies and interest holders, as applicable) and each of its subsidiaries since the time of its respective incorporation through the date of the latest meeting and action, and (ii) accurately in all material respects reflect all transactions referred to in such minutes or written resolutions.

(ss) Material Agreements. There is no license, lease, contract, or other agreement or document required by the Securities Act or by the Rules and Regulations to be described in the General Disclosure Package or to be filed as an exhibit to the Registration Statement which is not so described therein or filed therewith as required; and all descriptions of any such licenses, leases, contracts, or other agreements or documents contained in the General Disclosure Package are accurate and complete descriptions of such documents in all material respects. Other than as described in the General Disclosure

Package, no such license, lease, contract or other agreement has been suspended or terminated for convenience or default by the Company or any of the other parties thereto, and the Company and its subsidiaries have not received notice of and the Company does not have knowledge of any such pending or threatened suspension or termination.

(tt) No Undisclosed Relationships. No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries on the one hand, and the directors, officers, shareholders (or analogous interest holders), customers or suppliers of the Company or any of its affiliates on the other hand, which is required to be described in the General Disclosure Package and the Prospectus and which is not so described.

(uu) No Registration Rights. No person or entity has the right to require registration of shares of Ordinary Shares, ADSs or other securities of the Company or any of its subsidiaries because of the filing or effectiveness of the Registration Statement, the ADS Registration Statement or otherwise, except for persons and entities who have expressly waived such right in writing or who have been given timely and proper written notice and have failed to exercise such right within the time or times required under the terms and conditions of such right. Except as described in the General Disclosure Package, there are no persons with registration rights or similar rights to have any securities registered by the Company or any of its subsidiaries under the Securities Act.

(vv) Margin Rules. The application of the proceeds received by the Company from the issuance, sale and delivery of the Shares as described in the General Disclosure Package and the Prospectus will not violate Regulation T, U or X of the Board of Governors of the Federal Reserve system or any other regulation of such Board of Governors.

(ww) No Broker's Fees. Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company or any of its subsidiaries or the Underwriters for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Offered ADSs or any transaction contemplated by this Agreement, the Registration Statement, the General Disclosure Package or the Prospectus.

(xx) No Restrictions on Subsidiaries. Except as described in the General Disclosure Package and the Prospectus, no subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital shares, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(yy) Dividends. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, no approvals are currently required in England and Wales in order for the Company to pay dividends or other distributions declared by the Company to the holders of Ordinary Shares. Under current laws and regulations of England and Wales and any political subdivisions thereof, any amount payable with respect to the Ordinary Shares upon liquidation of the Company or upon redemption thereof and dividends and other distributions declared and payable on the share capital of the Company and its subsidiaries may be paid by the Company or the relevant subsidiary in United States dollars or euros and freely transferred out of the United Kingdom, and no such payments made to the holders thereof or therein who are either the Company, or any subsidiary, or non-residents of the United Kingdom who hold their Ordinary Shares as an investment and not in connection with any trade

carried on by them, will be subject to income, withholding or other taxes under laws and regulations of the United Kingdom or any political subdivision or taxing authority thereof or therein and without the necessity of obtaining any governmental authorization in the United Kingdom or any political subdivisions or taxing authorities thereof or therein.

(zz) Insolvency. No order has been made or petition or application presented or resolution passed by the Company or any of its subsidiaries or any of their respective directors for the winding up of the Company or any of its subsidiaries or for the appointment of a provisional liquidator to the Company or any of its subsidiaries or for an administration order in respect of the Company or any of its subsidiaries; no receiver or receiver and manager has been appointed by any person of the whole or any part of the business or assets of the Company or any of its subsidiaries; no voluntary arrangement has been proposed under section 1 of the United Kingdom Insolvency Act 1986, as amended, in respect of the Company or any of its subsidiaries; no compromise or arrangement has been proposed, agreed to or sanctioned under section 899 of the CA 2006 in respect of the Company or any of its subsidiaries; no action is being taken to strike the Company or any of its subsidiaries off the register of companies under sections 1000 or 1003 of the CA 2006; and, to the Company's knowledge, no equivalent steps or action are being undertaken, or equivalent circumstances exist, in any jurisdiction outside the United Kingdom.

(aaa) Taxes on Corporate Reorganization. No liability to tax will arise to the Company or any of its subsidiaries as a result of the Corporate Reorganization (or any of the transactions effected in connection with it) which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(bbb) PFIC and Foreign Personal Holding Company Status. The Company is not currently a Passive Foreign Investment Company ("**PFIC**") within the meaning of Section 1296 of the Code, and the Company is not likely to become a PFIC. The Company is not currently a "foreign personal holding company" within the meaning of the Code.

(ccc) Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in either the General Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ddd) ADS. The Offered ADSs have been approved for listing subject to notice of issuance on the Exchange. A registration statement has been filed on Form 8-A pursuant to Section 12 of the Exchange Act, which registration statement complies in all material respects with the Exchange Act.

(eee) Sarbanes-Oxley Act. There is and has been no failure on the part of the company or, to the Company's knowledge, any of the Company's officers or directors, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "**Sarbanes-Oxley Act**"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(fff) No Unlawful Payments. Neither the Company nor any of its subsidiaries nor, to the Company's knowledge, any director, officer, employee or agent of the Company or any subsidiary, has (i) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made or offered any unlawful payment, directly or indirectly, to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns, (iii) violated any applicable provision of the U.S. Foreign Corrupt Practices Act of 1977, as

amended, or any applicable anti-corruption laws, rules, or regulations of England and Wales, including, without limitation, the UK Bribery Act 2010, as amended or any other applicable anti-corruption or anti-bribery laws, rules, or regulations (collectively, the “**Anti-Corruption Laws**”) or (iv) made any other unlawful payment. The Company and its subsidiaries have conducted their businesses in compliance with the Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(ggg) Loans. There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members, except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus. All transactions by the Company with office holders or control persons of the Company have been duly approved by the Board, or duly appointed committees or officers thereof, if and to the extent required under U.S. law.

(hhh) Statistical and Market Data. The statistical and market related data included in the Registration Statement, the General Disclosure Package and the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate, and such data agree with the sources from which they are derived.

(iii) Compliance with Money Laundering Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements, including those of the U.S. Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “**Anti-Money Laundering Laws**”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(jjj) Compliance with OFAC.

(i) None of the Company, any of its subsidiaries, or, to the Company’s knowledge, any director, officer, agent, employee, affiliate or representative of the Company or any of its subsidiaries, is an individual or entity (“**Person**”) that is, or is owned or controlled by a Person that is: (i) the subject of any sanctions administered or enforced by the U.S. Department of Treasury’s Office of Foreign Assets Control (“**OFAC**”), the United Nations Security Council (“**UNSC**”), the European Union (“**EU**”), Her Majesty’s Treasury of the United Kingdom, or other relevant sanctions authority (collectively, “**Sanctions**”), nor (ii) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Cuba, Iran, North Korea, Syria and the Crimea region of Ukraine).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person: (i) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or (ii) in

any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past five (5) years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any direct or indirect dealings or transactions with any Person that, at the time of the dealing or transaction, is or was the subject of Sanctions.

(kkk) Directed ADS Program. The Registration Statement, the General Disclosure Package, the Prospectus and the Preliminary Prospectus comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which they are distributed in connection with the Directed ADS Program. No authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality, or court, other than such as have been obtained, is necessary under the securities laws or regulations of any foreign jurisdiction in which the Directed ADSs are offered outside the United States.

(lll) No Associated Persons; FINRA Matters. Neither the Company nor, to the Company's knowledge, any of its affiliates (within the meaning of FINRA Rule 5121(f)(1)) directly or indirectly controls, is controlled by, or is under common control with, or is an associated person (within the meaning of Article I, Section 1(rr) of the By-laws of FINRA) of, any member firm of FINRA.

(mmm) Choice of Law. The choice of the laws of the State of New York as the governing law of this Agreement is a valid choice of law under the laws of England and Wales and will be honored by courts in England and Wales except as may be limited by general principles of equity. The Company has the corporate power to submit, and pursuant to Section 16 of this Agreement, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of each New York State and United States federal court sitting in The City of New York, New York (each, a "***New York Court***") and has validly and irrevocably waived any objection to the laying of venue of any suit, action or proceeding brought in any such court; and the Company has the power to designate, appoint and empower an authorized agent for service of process in any action arising out of or relating to this Agreement, the Registration Statement, the General Disclosure Package, the Prospectus or the offering of the Offered ADSs in any New York Court and service of process effected on such authorized agent will be effective to notify the Company of any action under this Agreement.

(nnn) Enforceability. This Agreement and the Deposit Agreement are each in proper form to be enforceable in England and Wales in accordance with its terms; to ensure the legality, validity, enforceability or admissibility into evidence in England and Wales of this Agreement or the Deposit Agreement it is not necessary that this Agreement or the Deposit Agreement, respectively, be filed or recorded with any court or other authority in England and Wales (other than court filings in the ordinary course of proceedings).

(ooo) Final Judgment. Any final judgment for a fixed or readily calculable sum of money rendered by a New York Court having jurisdiction under its own domestic laws and recognized by the English courts as having jurisdiction to give such final judgment in respect of any suit, action or proceeding against the Company based upon this Agreement or the Deposit Agreement and any instruments or agreements entered into for the consummation of the transactions contemplated herein and therein would be declared enforceable against the Company, without re-examination or review of the merits of the cause of action in respect of which the original judgment was given or re-litigation of the matters adjudicated upon, by the courts of England and Wales; *provided, however*, that the Company may

have defenses open to it and enforcement may not be permitted if, among other things; (a) the judgment was obtained by fraud, or in proceedings contrary to natural or substantial justice, or contravenes public policy in England or the Human Rights Act 1998 (or any subordinate legislation made thereunder, to the extent applicable); (b) the judgment is for a sum payable in respect of taxes, or other charges of a like nature or is in respect of a fine or other penalty or otherwise based on a foreign law that an English court considers to relate to a penal, revenue or other public law; (c) the judgment amounts to judgment on a matter previously determined by an English court or conflicts with a judgment on the same matter given by a court other than a New York Court or was obtained in breach of a jurisdiction or arbitration clause except with the agreement of the defendant or the defendant's subsequent submission to the jurisdiction of the court; (d) the judgment is given in proceedings brought in breach of an agreement for the settlement of disputes; (e) the judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained, or is a judgment that is otherwise specified in section 5 of the Protection of Trading Interests Act 1980, or is a judgment based on measures designated by the Secretary of State under section 1 of that Act; and (f) enforcement proceedings are not commenced within six years of the date of such judgment. The Company is not aware of any reason why the enforcement in England and Wales of such a New York Court judgment would be, as of the date hereof, contrary to public policy of England and Wales or the Human Rights Act 1998 (or any subordinate legislation made thereunder, to the extent applicable).

(ppp) Immunity. Except as provided by laws or statutes generally applicable to transactions of the type described in this Agreement, neither the Company nor any of its respective properties, assets or revenues has any right of immunity under the laws of England and Wales, New York or the United States, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any court in England and Wales, or, New York or United States federal court, from service of process, attachment upon or prior judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or the Deposit Agreement. To the extent that the Company or any of its respective properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company waives or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in Section 16 of this Agreement.

Any certificate signed by or on behalf of the Company and delivered to the Representatives or to counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

3. **SUBSCRIPTION, SALE AND DELIVERY OF OFFERED ADSS.** On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to subscribe to receive from the Company the respective numbers of Firm ADSs set forth opposite the names of the Underwriters in Schedule A hereto.

The subscription price to be paid by the Underwriters to the Company for the ADSs will be \$[●] per ADS (the “**Subscription Price**”).

The Company will deliver the Firm ADSs to the Representatives for the respective accounts of the several Underwriters, through the facilities of The Depository Trust Company, issued in such names

and in such denominations as the Representatives may direct by notice in writing to the Company given at or prior to 12:00 Noon, New York time, on the second (2nd) full business day preceding the Closing Date against payment of the aggregate Subscription Price therefor by wire transfer in federal (same day) funds to an account at a bank specified by the Company payable to the order of the Company for the Firm ADSs sold by them all at the offices of Cooley LLP, 55 Hudson Yards, New York, New York 10001. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of each Underwriter hereunder. The time and date of the delivery and closing shall be at 10:00 A.M., New York time, on [●], 2020, in accordance with Rule 15c6-1 of the Exchange Act. The time and date of such payment and delivery are herein referred to as the “**Closing Date**”. The Closing Date and the location of delivery of, and the form of payment for, the Firm ADSs may be varied by agreement among the Company and the Representatives.

The Underwriters may subscribe for all or less than all of the Optional ADSs. The price per ADS to be paid for the Optional ADSs shall be the ADS Subscription Price *provided, however*, that the amount paid by the Underwriters for any Optional ADSs shall be reduced by an amount per ADS equal to any dividends declared by the Company and payable on the Firm ADSs but not payable on such Optional ADSs. The Company agrees to sell to the Underwriters the number of Optional ADSs specified in the written notice delivered by the Representatives to the Company described below and the Underwriters agree, severally and not jointly, to subscribe for such Optional ADSs. Such Optional ADSs shall be subscribed to receive from the Company for the account of each Underwriter in the same proportion as the number of Firm ADSs set forth opposite such Underwriter’s name on Schedule A bears to the total number of Firm ADSs (subject to adjustment by the Representatives to eliminate fractions). The option granted hereby may be exercised as to all or any part of the Optional ADSs at any time, and from time to time, *provided however*, that notice of such exercise must be delivered not more than thirty (30) days subsequent to the date of this Agreement. No Optional ADSs shall be sold and delivered unless the Firm ADSs previously has been, or simultaneously is sold and delivered. The right to subscribe for the Optional ADSs or any portion thereof may be surrendered and terminated at any time upon notice by the Representatives to the Company.

The option granted hereby shall be exercised by written notice being given to the Company by Representatives setting forth the number of Optional ADSs to be subscribed for by the Underwriters and the date and time for delivery of and payment for the Optional ADSs. Each date and time for delivery of and payment for the Optional ADSs (which may be the Closing Date, but not earlier) is herein called the “**Option Closing Date**” and shall in no event be earlier than two (2) business days nor later than five (5) business days after written notice is given. The Option Closing Date and the Closing Date are herein called the “**Closing Dates**.”

The Company will deliver the Optional ADSs to the Representatives for the respective accounts of the several Underwriters through the facilities of The Depository Trust Company issued in such names and in such denominations as the Representatives may direct by notice in writing to the Company given at or prior to 12:00 Noon, New York time, on the second (2nd) full business day preceding the Option Closing Date against payment of the aggregate Subscription Price therefor by wire transfer in federal (same day) funds to an account at a bank acceptable to the Representatives payable to the order of the Company, at the offices of Cooley LLP, 1114 Avenue of the Americas, New York, New York, 10036-7798. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of each Underwriter hereunder. The Option Closing Date and the location of delivery of, and the form of payment for, the Optional ADSs may be varied by agreement between the Company and the Representatives.

The several Underwriters propose to offer the Offered ADSs for sale upon the terms and conditions set forth in the Prospectus.

4. *FURTHER AGREEMENTS OF THE COMPANY.* The Company agrees with the several Underwriters:

(a) Required Filings; Amendments or Supplements; Notice to the Representative. To prepare the Rule 462(b) Registration Statement, if necessary, in a form approved by the Representatives and file such Rule 462(b) Registration Statement with the Commission by 10:00 P.M., New York time, on the date hereof, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Rules and Regulations; to prepare the Prospectus in a form approved by the Representatives containing information previously omitted at the time of effectiveness of the Registration Statement in reliance on Rule 430A of the Rules and Regulations and to file such Prospectus pursuant to Rule 424(b) of the Rules and Regulations not later than the second business (2nd) day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by the Securities Act; to notify the Representatives immediately of the Company's intention to file or prepare any supplement or amendment to the Registration Statement, the ADS Registration Statement or to the Prospectus and to make no amendment or supplement to the Registration Statement, the ADS Registration Statement, the General Disclosure Package or to the Prospectus to which the Representatives shall reasonably object by notice to the Company after a reasonable period to review; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement or the ADS Registration Statement has been filed or becomes effective or any supplement to the General Disclosure Package or the Prospectus or any amended Prospectus or any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication has been filed and to furnish the Underwriters with copies thereof; to file promptly all material required to be filed by the Company with the Commission pursuant to Rules 433(d) or 163(b)(2) of the Rules and Regulations, as the case may be; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or any Written Testing-the-Waters Communication, of the suspension of the qualification of the Offered ADSs for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement, the General Disclosure Package or the Prospectus or for additional information including, but not limited to, any request for information concerning any Testing-the-Waters Communication; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus or suspending any such qualification, and promptly to use its best efforts to obtain the withdrawal of such order.

(b) Emerging Growth Company. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (a) the completion of the distribution of the Firm ADSs within the meaning of the Securities Act and (b) completion of the Lock-Up Period (as defined below).

If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the

Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(c) Permitted Free Writing Prospectus. The Company represents and agrees that, unless it obtains the prior consent of the Representatives, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Offered ADSs that would constitute a “free writing prospectus” as defined in Rule 405 of the Rules and Regulations unless the prior written consent of the Representatives has been received (each, a “**Permitted Free Writing Prospectus**”); *provided* that the prior written consent of the Representatives hereto shall be deemed to have been given in respect of the Issuer Free Writing Prospectuses included in Schedule B hereto. The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, comply with the requirements of Rules 164 and 433 of the Rules and Regulations applicable to any Issuer Free Writing Prospectus, including the requirements relating to timely filing with the Commission, legending and record keeping and will not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) of the Rules and Regulations a free writing prospectus prepared by or on behalf of such Underwriter that such Underwriter otherwise would not have been required to file thereunder. The Company will satisfy the condition in Rule 433 of the Rules and Regulations to avoid a requirement to file with the Commission any electronic road show.

(d) ADS. The Company agrees, prior to each Closing Date, to deposit Ordinary Shares underlying the ADSs with the Custodian on behalf of the Depositary in accordance with the provisions of the Deposit Agreement and otherwise to comply with the Deposit Agreement so that ADRs evidencing the applicable Offered ADSs will be issued by the Depositary against receipt of such Ordinary Shares and delivered to the Underwriters at such Closing Date.

(e) Ongoing Compliance. If at any time prior to the date when a prospectus relating to the Offered ADSs is required to be delivered (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) any event occurs or condition exists as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made when the Prospectus is delivered (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations), not misleading, or if it is necessary at any time to amend or supplement the Registration Statement, the ADS Registration Statement or the Prospectus to comply with the Securities Act, that the Company will promptly notify the Representatives thereof and upon their request will prepare an appropriate amendment or supplement in form and substance satisfactory to the Representatives which will correct such statement or omission or effect such compliance and will use its reasonable best efforts to have any amendment to the Registration Statement or the ADS Registration Statement declared effective as soon as possible. The Company will furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of such amendment or supplement. In case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations) relating to the Offered ADSs, the Company upon the request of the Representatives will prepare promptly an amended or supplemented Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Securities Act and deliver to such Underwriter as many copies as such Underwriter may request of such amended or supplemented Prospectus complying with Section 10(a)(3) of the Securities Act.

(f) Amendment to General Disclosure Package. If the General Disclosure Package is being used to solicit offers to buy the Offered ADSs at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur as a result of which, in the judgment of the Company or in the reasonable opinion of the Underwriters, it becomes necessary to amend or supplement the General Disclosure Package in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, or to make the statements therein not conflict with the information contained in the Registration Statement then on file and not superseded or modified, or if it is necessary at any time to amend or supplement the General Disclosure Package to comply with any law, the Company promptly will either (i) prepare, file with the Commission (if required) and furnish to the Underwriters and any dealers an appropriate amendment or supplement to the General Disclosure Package or (ii) prepare and file with the Commission an appropriate filing under the Exchange Act which shall be incorporated by reference in the General Disclosure Package so that the General Disclosure Package as so amended or supplemented will not, in the light of the circumstances then prevailing, be misleading or conflict with the Registration Statement then on file, or so that the General Disclosure Package will comply with law.

(g) Amendment to Issuer Free Writing Prospectus. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or will conflict with the information contained in the Registration Statement, Pricing Prospectus or Prospectus and not superseded or modified or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances prevailing at the subsequent time, not misleading, the Company has promptly notified or will promptly notify the Representatives so that any use of the Issuer Free Writing Prospectus may cease until it is amended or supplemented and has promptly amended or will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriters' Information.

(h) Delivery of Registration Statement. To the extent not available on the Commission's Electronic Data Gathering, Analysis and Retrieval system or any successor system ("**EDGAR**"), upon the request of the Representatives, to furnish promptly to the Representatives and to counsel for the Underwriters a signed copy of each of the Registration Statement or the ADS Registration Statement as originally filed with the Commission, and of each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(i) Delivery of Copies. Upon written request of the Representatives, to the extent not available on EDGAR, to deliver promptly to the Representatives in New York City such number of the following documents as the Representatives shall reasonably request: (i) conformed copies of the Registration Statement and the ADS Registration Statement as originally filed with the Commission (in each case excluding exhibits), (ii) each Preliminary Prospectus, (iii) any Issuer Free Writing Prospectus, (iv) the Prospectus (the delivery of the documents referred to in clauses (i), (ii), (iii) and (iv) of this paragraph (i) to be made not later than 10:00 A.M., New York City time, on the business day following the execution and delivery of this Agreement), (v) conformed copies of any amendment to the Registration Statement or the ADS Registration Statement (in each case excluding exhibits), and (vi) any amendment or supplement to the General Disclosure Package or the Prospectus (the delivery of the documents referred to in clauses (v) and (vi) of this paragraph (i) to be made not later than 10:00 A.M., New York City time, on the business day following the date of such amendment or supplement).

(j) Earnings Statement. To make generally available to its shareholders as soon as practicable, but in any event not later than sixteen (16) months after the effective date of the Registration Statement (as defined in Rule 158(c) of the Rules and Regulations), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158).

(k) Blue Sky Compliance. To take promptly from time to time such actions as the Representatives may reasonably request to qualify the Offered ADSs for offering and sale under the securities or Blue Sky laws of such jurisdictions (domestic or foreign) as the Representatives may reasonably designate and to continue such qualifications in effect, and to comply with such laws, for so long as required to permit the offer and sale of Offered ADSs in such jurisdictions; *provided* that the Company and its subsidiaries shall not be obligated to (i) qualify as foreign corporations in any jurisdiction in which they are not so qualified, (ii) file a general consent to service of process in any jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(l) Reports. Upon request, during the period of five (5) years from the date hereof, to deliver to each of the Underwriters, (i) as soon as they are available, copies of all reports or other communications (financial or other) furnished to shareholders of the Company, and (ii) as soon as they are available, copies of any reports and financial statements furnished or filed with the Commission or any national securities exchange on which the Offered ADSs are listed. However, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and is timely filing reports EDGAR, it is not required to furnish such reports or statements to the Underwriters.

(m) Lock-Up. During the period commencing on and including the date hereof and ending on and including the 180th day following the date of this Agreement, (the “**Lock-Up Period**”) the Company will not, without the prior written consent of the Representatives (which consent may be withheld at the sole discretion of the Representatives), directly or indirectly offer, sell (including, without limitation, any short sale), assign, transfer, pledge, contract to sell, establish an open “put equivalent position” within the meaning of Rule 16a-1(h) under the Exchange Act, or otherwise dispose of, or announce the offering of, or submit or file any registration statement under the Securities Act in respect of, any ADSs, Ordinary Shares, options, rights or warrants to acquire ADSs, Ordinary Shares or securities exchangeable or exercisable for or convertible into ADSs or Ordinary Shares (other than is contemplated by this Agreement with respect to the Offered ADSs) or publicly announce any intention to do any of the foregoing; *provided, however*, that the Company may (i) issue Ordinary Shares and options to subscribe for Ordinary Shares pursuant to any director or employee incentive plan, share ownership plan or dividend reinvestment plan of the Company in effect on the date hereof and described in the General Disclosure Package; (ii) issue Ordinary Shares pursuant to the conversion of securities or the exercise of warrants, which securities or warrants are outstanding on the date hereof and described in the General Disclosure Package; (iii) adopt a new equity incentive plan, and file a registration statement on Form S-8 under the Securities Act to register the offer and sale of securities to be issued pursuant to such new equity incentive plan, and issue securities pursuant to such new equity incentive plan (including, without limitation, the issuance of Ordinary Shares upon the exercise of options or other securities issued pursuant to such new equity incentive plan), *provided* that (1) such new equity incentive plan satisfies the transaction requirements of General Instruction A.1 of Form S-8 under the Securities Act and (2) this clause (iii) shall not be available unless each recipient of Ordinary Shares, or securities exchangeable or exercisable for or convertible into Ordinary Shares, pursuant to such new equity incentive plan shall be contractually prohibited from selling, offering, disposing of or otherwise transferring any such shares or securities during the remainder of the Lock-Up Period. The Company will cause each officer, director

and all securityholders of the Company to furnish to the Representatives, prior to the Closing Date, a “lock-up” agreement, substantially in the form of Exhibit I hereto.

(n) Release of Lock-Up. If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 6(t) hereof for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit II hereto through a major news service at least two business days before the effective date of the release or waiver.

(o) Delivery of SEC Correspondence. To supply the Representatives with copies of all correspondence to and from, and all documents issued to and by, the Commission in connection with the registration of the Offered ADSs under the Securities Act or any of the Registration Statement, the ADS Registration Statement, any Preliminary Prospectus or the Prospectus, or any amendment or supplement thereto or document incorporated by reference therein.

(p) Press Releases. Prior to the Closing Date, not to issue any press release or other communication directly or indirectly or hold any press conference with respect to the Company, its condition, financial or otherwise, or earnings, business affairs or business prospects (except for routine oral marketing communications in the ordinary course of business and consistent with the past practices of the Company and of which the Representatives are notified), without the prior consent of the Representatives, unless in the judgment of the Company and its counsel, and after notification to the Representatives, such press release or communication is required by law.

(q) Compliance with Regulation M. Until the Representatives shall have notified the Company of the completion of the resale of the Offered ADSs, that the Company will not, and will use its reasonable best efforts to cause its affiliated purchasers (as defined in Regulation M under the Exchange Act) not to, either alone or with one or more other persons, bid for or purchase, for any account in which it or any of its affiliated purchasers has a beneficial interest, any Offered ADSs, or attempt to induce any person to purchase any Offered ADSs; and not to, and to use its reasonable best efforts to cause its affiliated purchasers not to, make bids or purchase for the purpose of creating actual, or apparent, active trading in or of raising the price of the Offered ADSs.

(r) Registrar, Transfer Agent and Depositary. To maintain, at its expense, a registrar, transfer agent and a depositary for the Offered ADSs.

(s) Use of Proceeds. To apply the net proceeds from the sale of the Offered ADSs as set forth in the Registration Statement, the General Disclosure Package and the Prospectus under the heading “Use of Proceeds,” and except as disclosed in the General Disclosure Package, the Company does not intend to use any of the proceeds from the sale of the Offered ADSs hereunder to repay any outstanding debt owed to any affiliate of any Underwriter.

(t) Directed ADS Lock-up. To ensure that the Directed ADSs will be restricted to the extent required by FINRA or the FINRA Rules from sale, transfer, assignment, pledge or hypothecation for a period of three (3) months following the effective date of the offering, the Company will direct the transfer agent to place stop transfer restrictions upon such securities for such period of time.

(u) Exchange Listing. To use its reasonable best efforts to list, subject to notice of issuance, the Offered ADSs on the Exchange.

(v) Performance of Covenants and Satisfaction of Conditions. To use its reasonable best efforts to do and perform all things required to be done or performed under this Agreement by the Company prior to each Closing Date and to satisfy all conditions precedent to the delivery of the Firm ADSs and the Optional ADSs.

5. *PAYMENT OF EXPENSES.* The Company agrees to pay, or reimburse if paid by any Underwriter, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated: (a) the costs incident to the authorization, issuance, sale, preparation and delivery of the Offered ADSs and any taxes payable in that connection; (b) the costs incident to the registration of the Offered ADSs under the Securities Act and the Exchange Act; (c) the costs incident to the preparation, printing and distribution of the Registration Statement, the ADS Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the General Disclosure Package, the Prospectus, any amendments, supplements and exhibits thereto and the costs of printing, reproducing and distributing the “Agreement Among Underwriters” between the Representatives and the Underwriters, the Master Selected Dealers’ Agreement, the Underwriters’ Questionnaire, this Agreement, the Deposit Agreement and any closing documents by mail, telex or other means of communications; (d) the fees and expenses (including related fees and expenses of counsel for the Underwriters) incurred in connection with securing any required review by FINRA of the terms of the sale of the Offered ADSs and any filings made with FINRA relating to the Offered ADSs; (e) any applicable listing or other fees; (f) the fees and expenses (including related fees and expenses of counsel to the Underwriters), up to a maximum of \$35,000 in the aggregate, of qualifying the Offered ADSs under the securities laws of the several jurisdictions as provided in Section 4(l) and of preparing, printing and distributing wrappers, Blue Sky Memoranda and Legal Investment Surveys; (g) the cost of preparing and printing share certificates; (h) all fees and expenses of the registrar and transfer agent, agent for service of process and/or depository of the Offered ADSs; (i) all fees and expenses of the Designated Underwriter incurred in connection with the Directed ADS Program, including all fees and disbursements of its counsel, stamp duties, similar taxes or duties or other taxes incurred in connection with the Directed ADS Program (j) the costs and expenses of the Company relating to investor presentations on any “road show” undertaken in connection with the marketing of the offering of the Offered ADSs, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the officers of the Company and such consultants, provided that the Company shall be responsible for 50% of the cost of any aircraft chartered in connection with the road show, and the Underwriters shall be responsible for the balance, and (k) all other costs and expenses of the Company incident to the offering of the Offered ADSs or the performance of the obligations of the Company under this Agreement and the Deposit Agreement (including, without limitation, the fees and expenses of the Company’s counsel and the Company’s independent accountants) *provided* that, except to the extent otherwise provided in this Section 5 and in Sections 9 and 10, the Underwriters shall pay their own costs and expenses, including the fees and expenses of their counsel not contemplated herein any transfer taxes on the resale of any Offered ADSs by them and the expenses of advertising any offering of the Offered ADSs made by the Underwriters.

(a) The Company will indemnify and hold harmless the Underwriters against any Transfer Taxes, including any interest and penalties, in respect of (i) the creation, issuance and delivery of the Shares by the Company in the manner contemplated by this Agreement, the Deposit Agreement and the Prospectus, (ii) the issuance, sale and delivery of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to or for the account of the Underwriters, in each case in the manner contemplated by this Agreement and the Deposit Agreement; (iii) the initial sale and delivery by the Underwriters of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to purchasers thereof in the manner

contemplated by this Agreement, the Deposit Agreement and the Prospectus; and (iv) the execution, delivery and performance by the Company or the Underwriters of this Agreement and the Deposit Agreement. All payments to be made by the Company under this Agreement shall be made without withholding or deduction for or on account of any present or future taxes, levies, imposts, duties, fees, assessments or other charges whatsoever, and all interest, penalties or similar liabilities with respect thereto (“**Taxes**”) unless the Company is compelled by law to deduct or withhold such Taxes. In that event, and except for any net income, capital gains or franchise taxes imposed on the Underwriters by the United Kingdom or the United States or by any political subdivision or taxing authority thereof or therein as a result of any present or former connection (other than any connection resulting from the transactions contemplated by this Agreement) between the Underwriters and such jurisdiction, the Company shall pay such additional amounts as may be necessary in order to ensure that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made.

(b) If the performance by the Underwriters of any of their obligations under this Agreement shall represent for VAT purposes under any applicable law the making by the Underwriters of any supply of goods or services to the Company (to the extent applicable), the Company shall pay to the Underwriters, in addition to the amounts otherwise payable by the Company pursuant to this Agreement, an amount equal to the VAT chargeable on any such supply of goods and services and the Underwriters shall issue the Company (to the extent applicable) with an appropriate VAT invoice in respect of the supply to which the payment relates. Where a sum (a “**Relevant Sum**”) is paid or reimbursed to the Underwriters pursuant to this Agreement in respect of any cost, expense or other amount and that cost, expense or other amount includes an amount in respect of VAT (the “**VAT Element**”), then the Company, to the extent applicable, shall, in addition, pay an amount equal to the VAT Element to the Underwriters but only to the extent that the Underwriters are, or any Underwriter (or its representative member) is not entitled to credit or repayment in respect of such VAT Element from the relevant tax authority. For the purposes of this Agreement, “**VAT**” means value added tax as provided for in the Value Added Tax Act 1994 (“**VATA**”) and subordinate legislation made under VATA as amended, modified or re-enacted (whether before or after the date of this Agreement) and any similar sales, consumption, use or turnover tax whether within the United Kingdom or elsewhere in the world, and “representative member” has the meaning provided in VATA.

6. **CONDITIONS OF UNDERWRITERS' OBLIGATIONS.** The respective obligations of the several Underwriters hereunder are subject to the accuracy, when made and as of the Applicable Time and on each Closing Date, of the representations and warranties of the Company contained herein, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) Registration Compliance; No Stop Orders. The Registration Statement has become effective under the Securities Act, and no stop order suspending the effectiveness of the Registration Statement or any part thereof, preventing or suspending the use of any Preliminary Prospectus, the Prospectus or any Permitted Free Writing Prospectus or any part thereof shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall have been initiated or threatened by the Commission, and all requests for additional information on the part of the Commission (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Representatives; the Rule 462(b) Registration Statement, if any, each Issuer Free Writing Prospectus and the Prospectus shall have been filed with, the Commission within the applicable time period prescribed for such filing by, and in compliance with, the

Rules and Regulations and in accordance with Section 4(b), and the Rule 462(b) Registration Statement, if any, shall have become effective immediately upon its filing with the Commission and FINRA shall have raised no unresolved objection to the fairness and reasonableness of the terms of this Agreement or the transactions contemplated hereby.

(b) No Material Misstatements. None of the Underwriters shall have discovered and disclosed to the Company on or prior to such Closing Date that the Registration Statement or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of counsel for the Underwriters, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading, or that the General Disclosure Package, any Issuer Free Writing Prospectus or the Prospectus or any amendment or supplement thereto contains an untrue statement of fact which, in the opinion of such counsel, is material or omits to state any fact which, in the opinion of such counsel, is material and is necessary in order to make the statements, in the light of the circumstances in which they were made, not misleading.

(c) Corporate Proceedings. All corporate proceedings incident to the authorization, form and validity of each of this Agreement, the Deposit Agreement, the Offered ADSs, the Registration Statement, the ADS Registration Statement, the General Disclosure Package, each Issuer Free Writing Prospectus and the Prospectus and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Opinion and Negative Assurance Letter of Counsel for the Company. Goodwin Procter LLP, U.S. counsel to the Company, shall have furnished to the Representatives such counsel's written opinion and negative assurance letter, as counsel to the Company, addressed to the Underwriters and dated such Closing Date, in form and substance reasonably satisfactory to the Representatives.

(e) Opinion of UK Counsel for the Company. Goodwin Procter (UK) LLP, UK counsel to the Company, shall have furnished to the Representatives such counsel's written opinion, addressed to the Underwriters and dated such Closing Date, in form and substance reasonably satisfactory to the Representatives.

(f) Opinion of Intellectual Property Counsel for the Company. Cooley LLP, intellectual property counsel to the Company, shall have furnished to the Representatives such counsel's written opinion, as intellectual property counsel to the Company, addressed to the Underwriters and dated such Closing Date, in form and substance reasonably satisfactory to the Representatives.

(g) Opinion of Depositary for the Company. Patterson Belknap Webb & Tyler LLP, counsel for the Depositary, shall have furnished to the Representatives such counsel's written opinion, addressed to the Underwriters and dated such Closing Date, in form and substance reasonably satisfactory to the Representatives.

(h) Opinion and 10b-5 Statement of Counsel for the Underwriters. The Representatives shall have received from Cooley LLP, as U.S. counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to such matters as the Underwriters may reasonably require, and the Company shall have furnished to such counsel such documents as they request for enabling them to pass upon such matters.

(i) Comfort Letter. At the time of the execution of this Agreement, the Representatives shall receive from PricewaterhouseCoopers LLP, a letter, addressed to the Underwriters, executed and dated such date, in form and substance satisfactory to the Representatives (i) confirming that they are an independent registered accounting firm with respect to the Company and its subsidiaries within the meaning of the Securities Act and the Rules and Regulations and PCAOB and (ii) stating the conclusions and findings of such firm, of the type ordinarily included in accountants' "comfort letters" to underwriters, with respect to the financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(j) Bring Down Comfort. On the effective date of any post-effective amendment to the Registration Statement and on such Closing Date, the Representatives shall have received a letter (the "**bring-down letter**") from PricewaterhouseCoopers LLP addressed to the Underwriters and dated such Closing Date confirming, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the General Disclosure Package and the Prospectus, as the case may be, as of a date not more than three (3) business days prior to the date of the bring-down letter), the conclusions and findings of such firm, of the type ordinarily included in accountants' "comfort letters" to underwriters, with respect to the financial information and other matters covered by its letter delivered to the Representatives concurrently with the execution of this Agreement pursuant to paragraph (g) of this Section 6.

(k) Officer's Certificate. The Company shall have furnished to the Representatives a certificate, dated as of such Closing Date, of its Chief Executive Officer or President and its Chief Financial Officer stating in their respective capacities as officers of the Company on behalf of the Company that (i) no stop order suspending the effectiveness of the Registration Statement (including, for avoidance of doubt, any Rule 462(b) Registration Statement), the ADS Registration Statement or any post-effective amendment thereto, shall be in effect and no proceedings for such purpose shall have been instituted or, to their knowledge, threatened by the Commission, (ii) for the period from and including the date of this Agreement through and including such Closing Date, there has not occurred any Material Adverse Effect, (iii) to their knowledge, after reasonable investigation, as of such Closing Date, the representations and warranties of the Company in this Agreement are true and correct and the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date, and (iv) there has not been, subsequent to the date of the most recent audited financial statements included in the General Disclosure Package, any Material Adverse Effect in the financial position or results of operations of the Company, or any change or development that, singularly or in the aggregate, would reasonably be expected to involve a Material Adverse Effect, except as set forth in the General Disclosure Package and the Prospectus.

(l) Chief Financial Officer Certificate. The Company shall have furnished to the Representatives a certificate, dated such Closing Date, of its Chief Financial Officer, in form and substance reasonably satisfactory to the Representatives.

(m) No Material Adverse Effect. Since the date of the latest audited financial statements included in the General Disclosure Package, (i) neither the Company nor any of its subsidiaries shall have sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the General Disclosure Package, and (ii) there shall not have been any change in the capital shares or long-term debt of the Company or any of its subsidiaries, or any change, or any development involving a prospective change, in or affecting the business, general affairs, management, financial position, shareholders' equity or results of operations of the Company and its

subsidiaries, otherwise than as set forth in the General Disclosure Package (including, but not limited to, as a result of (1) the exercise, if any, of options, restricted share units or other equity awards, or the award of any options, restricted share units or restricted shares in the ordinary course of business pursuant to the Company's equity plans that are described in the Pricing Prospectus and the Prospectus, (2) the repurchase of shares by the Company pursuant to any contractual arrangement that provides for the repurchase of the Company securities as described in the Pricing Prospectus and the Prospectus, (3) the issuance, if any, of shares upon conversion of Company securities as described in the Pricing Prospectus and the Prospectus or (4) any transactions effected in connection with the Corporate Reorganization) the effect of which, in any such case described in clause (i) or (ii) of this paragraph 6(l), is, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or delivery of the Offered ADSs on the terms and in the manner contemplated in the General Disclosure Package.

(n) No Legal Impediment to Issuance. No action shall have been taken and no law, statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental or regulatory agency or body which would prevent the issuance or sale of the Offered ADSs; and no injunction, restraining order or order of any other nature by any foreign, federal or state court of competent jurisdiction shall have been issued which would prevent the issuance or sale of the Offered ADSs or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company.

(o) No Downgrade. Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the Company's corporate credit rating or the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) of the Rules and Regulations and (ii) no such organization shall have publicly announced that it has under surveillance or review (other than an announcement with positive implications of a possible upgrading), the Company's corporate credit rating or the rating of any of the Company's debt securities.

(p) Market Conditions. Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in any of the Company's securities shall have been suspended or materially limited by the Commission or the Exchange, or trading in securities generally on the New York Stock Exchange, Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market or the NYSE MKT LLC or in the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited, or minimum or maximum prices or maximum range for prices shall have been established on any such exchange or such market by the Commission, by such exchange or market or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities in the United States or authorities in England and Wales or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or England and Wales, (iii) the United States or England and Wales shall have become engaged in hostilities, or the subject of an act of terrorism, or there shall have been an outbreak of or escalation in hostilities involving the United States or England and Wales, or there shall have been a declaration of a national emergency or war by the United States or England and Wales or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States or England and Wales shall be such) as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the sale or delivery of the Offered ADSs on the terms and in the manner contemplated in the General Disclosure Package and the Prospectus.

(q) Exchange Listing. The Exchange shall have approved the ADSs for listing therein, subject only to official notice of issuance and evidence of satisfactory distribution; the ADSs shall have been determined to be eligible for clearance and settlement through the facilities of the DTC.

(r) Good Standing. The Representatives shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Company and its subsidiaries in their respective jurisdictions of incorporation and their good standing as foreign entities in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate Governmental Authorities of such jurisdictions.

(s) Lock Up Agreements. The Representatives shall have received the written agreements, substantially in the form of Exhibit I hereto, from all officers, directors, shareholders, optionholders and warrant holders of the Company.

(t) Secretary's Certificate. The Company shall have furnished to the Representatives a Secretary's Certificate of the Company, in form and substance reasonably satisfactory to counsel for the Underwriters and customary for the type of offering contemplated by this Agreement.

(u) Chief Financial Officer Certificate. The Company shall have furnished to the Representatives a certificate, dated such Closing Date, of its Chief Financial Officer, in form and substance reasonably satisfactory to the Representatives.

(v) Depositary Certificate. The Depositary shall have furnished or caused to be furnished to the Representatives a certificate satisfactory to the Representatives of one of its authorized officers with respect to the issuance of the Offered ADSs, the execution, issuance, countersignature and delivery of the ADRs evidencing the Offered ADSs pursuant to the Deposit Agreement, and such other customary matters related thereto as the Representatives may reasonably request.

(w) Additional Document. On or prior to such Closing Date, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

7. INDEMNIFICATION OF CONTRIBUTION.

(a) Indemnification of Underwriters by the Company. The Company shall indemnify and hold harmless each Underwriter, its affiliates, directors, officers, managers, members, employees, representatives and agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the "***Underwriter Indemnified Parties***," and each, an "***Underwriter Indemnified Party***") against any loss, claim, damage, expense or liability whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which such Underwriter Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, expense, liability, action, investigation or proceeding arises out of or is based upon (A) any untrue statement or alleged untrue statement of a material fact contained in any Written Testing-the-Waters Communication, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration Statement, the ADS Registration Statement, the

Prospectus, or in any amendment or supplement thereto or in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Offered ADSs, including any roadshow or investor presentations made to investors by the Company (whether in person or electronically) (“**Marketing Materials**”) or (B) the omission or alleged omission to state in any Written Testing-the-Waters Communication, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration Statement, the ADS Registration Statement, the Prospectus, or in any amendment or supplement thereto or in any Marketing Materials, a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and shall reimburse each Underwriter Indemnified Party promptly upon demand for any legal fees or other expenses reasonably incurred by that Underwriter Indemnified Party in connection with investigating, or preparing to defend, or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding, as such fees and expenses are incurred; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, expense or liability arises out of or is based upon an untrue statement or alleged untrue statement in, or omission or alleged omission from any Preliminary Prospectus, the Registration Statement, the ADS Registration Statement, the Prospectus, or any such amendment or supplement thereto, any Issuer Free Writing Prospectus or any Marketing Materials made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for use therein, which information the parties hereto agree is limited to the Underwriters’ Information. The Designated Underwriter and its directors, officers, managers, members, employees, representatives and agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the “**Designated Underwriter Indemnified Parties**,” and each a “**Designated Underwriter Indemnified Party**”) against any loss, claim, damage, expense or liability whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which that Designated Underwriter Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, expense, liability, action, investigation or proceeding arises out of or is based upon (A) any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed ADS Program, (B) the omission or alleged omission to state in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed ADS Program of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (C) the failure of any Participant to pay for and accept delivery of Directed ADSs that the Participant agreed to purchase; or (D) any other loss, claim, damage, expense, liability, action, investigation or proceeding related to, in respect of, arising out of, or in connection with the Directed ADS Program, and shall reimburse each Designated Underwriter Indemnified Party promptly upon demand for any legal fees or other expenses reasonably incurred by that Designated Underwriter Indemnified Party in connection with investigating, or preparing to defend, or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding, as such fees and expenses are incurred. Each indemnity agreement in this Section 7(a) is not exclusive and is in addition to each other indemnity agreement in this Section 7(a) and each other liability which the Company might have under this Agreement or otherwise, and shall not limit any rights or remedies which may otherwise be available under this Agreement, at law or in equity to any Underwriter Indemnified Party.

(b) Indemnification of Company by the Underwriters. Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company and its directors, its officers who signed

the Registration Statement or the ADS Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the “**Company Indemnified Parties**” and each a “**Company Indemnified Party**”) against any loss, claim, damage, expense or liability whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which such Company Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, expense, liability, action, investigation or proceeding arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration Statement, the ADS Registration Statement, the Prospectus, or in any amendment or supplement thereto, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration Statement, the ADS Registration Statement, the Prospectus, or in any amendment or supplement thereto, a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for use therein, which information the parties hereto agree is limited to the Underwriters’ Information, and shall reimburse the Company Indemnified Parties for any legal or other expenses reasonably incurred by such party in connection with investigating or preparing to defend or defending against or appearing as third party witness in connection with any such loss, claim, damage, liability, action, investigation or proceeding, as such fees and expenses are incurred. This indemnity agreement is not exclusive and will be in addition to any liability which the Underwriters might otherwise have and shall not limit any rights or remedies which may otherwise be available under this Agreement, at law or in equity to the Company Indemnified Parties.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 7, notify such indemnifying party in writing of the commencement of that action; *provided, however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent it has been materially prejudiced by such failure; and, *provided, further*, that the failure to notify an indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 7. If any such action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense of such action with counsel reasonably satisfactory to the indemnified party (which counsel shall not, except with the written consent of the indemnified party, be counsel to the indemnifying party). After notice from the indemnifying party to the indemnified party of its election to assume the defense of such action, except as provided herein, the indemnifying party shall not be liable to the indemnified party under Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense of such action other than reasonable costs of investigation; *provided, however*, that any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense of such action but the fees and expenses of such counsel (other than reasonable costs of investigation) shall be at the expense of such indemnified party unless (i) the employment thereof has been specifically authorized in writing by the Company in the case of a claim for indemnification under Section 7(a) or the Representatives in the case of a claim for indemnification under Section 7(b), (ii) such indemnified party shall have been advised by its counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party, or (iii)

the indemnifying party has failed to assume the defense of such action and employ counsel reasonably satisfactory to the indemnified party within a reasonable period of time after notice of the commencement of the action or the indemnifying party does not diligently defend the action after assumption of the defense, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of (or, in the case of a failure to diligently defend the action after assumption of the defense, to continue to defend) such action on behalf of such indemnified party and the indemnifying party shall be responsible for legal or other expenses subsequently incurred by such indemnified party in connection with the defense of such action; *provided, however*, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for all such indemnified parties (in addition to any local counsel), which firm shall be designated in writing by the Representatives if the indemnified parties under this Section 7 consist of any Underwriter Indemnified Party or by the Company if the indemnified parties under this Section 7 consist of any Company Indemnified Parties. Subject to this Section 7(c), the amount payable by an indemnifying party under Section 7 shall include, but not be limited to, (x) reasonable and documented legal fees and expenses of counsel to the indemnified party and any other expenses in investigating, or preparing to defend or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any action, investigation, proceeding or claim, and (y) all amounts paid in settlement of any of the foregoing. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of judgment with respect to any pending or threatened action or any claim whatsoever, in respect of which indemnification or contribution could be sought under this Section 7 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party in form and substance reasonably satisfactory to such indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. Subject to the provisions of the following sentence, no indemnifying party shall be liable for settlement of any pending or threatened action or any claim whatsoever that is effected without its written consent (which consent shall not be unreasonably withheld or delayed), but if settled with its written consent, if its consent has been unreasonably withheld or delayed or if there be a judgment for the plaintiff in any such matter, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. In addition, if at any time an indemnified party shall have requested that an indemnifying party reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 7(a) effected without its written consent if (i) such settlement is entered into more than forty-five (45) days after receipt by such indemnifying party of the request for reimbursement, (ii) such indemnifying party shall have received notice of the terms of such settlement at least thirty (30) days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement. Notwithstanding anything contained herein to the contrary, if indemnity may be sought pursuant to Section 7 hereof in respect of such action or proceeding, then, in addition to the foregoing, the indemnifying party shall be liable for the reasonable fees and expenses of not more than one separate firm (in addition to any local counsel) for the Designated Underwriter (and the directors, officers, managers, member, employees, representatives and agents of, and all persons, if any, who control the Designated Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act) for the defense of any losses, claims, damages and liabilities arising out of the Directed ADS Program.

(d) If the indemnification provided for in this Section 7 is unavailable or insufficient to hold harmless an indemnified party under Section 7(a) or 7(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid, payable or otherwise incurred by such indemnified party as a result of such loss, claim, damage, expense or liability (or any action, investigation or proceeding in respect thereof), as incurred, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Offered ADSs, or (ii) if the allocation provided by clause (i) of this Section 7(d) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) of this Section 7(d), but also the relative fault of the Company on the one hand and the Underwriters on the other with respect to the statements, omissions, acts or failures to act which resulted in such loss, claim, damage, expense or liability (or any action, investigation or proceeding in respect thereof) as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Offered ADSs subscribed for under this Agreement (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters with respect to the Offered ADSs subscribed for under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault of the Company on the one hand and the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement, omission, act or failure to act; *provided* that the parties hereto agree that the written information furnished to the Company through the Representatives by or on behalf of the Underwriters for use in the Preliminary Prospectus, the Registration Statement, the ADS Registration Statement, the Prospectus, or in any amendment or supplement thereto, consists solely of the Underwriters' Information.

(e) The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to Section 7(d) above were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in Section 7(d) above. The amount paid or payable by an indemnified party as a result of the loss, claim, damage, expense, liability, action, investigation or proceeding referred to in Section 7(d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending against or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding. Notwithstanding the provisions of this Section 7, no Underwriters shall be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Offered ADSs exceeds the amount of any damages which the Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement, omission or alleged omission, act or alleged act or failure to act or alleged failure to act. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 7 are several in proportion to their respective underwriting obligations and not joint.

8. **TERMINATION.** The obligations of the Underwriters hereunder may be terminated by the Representatives, in their absolute discretion by notice given to the Company prior to delivery of and payment for the Firm ADSs if, prior to that time, any of the events described in Sections 6(i), 6(k) or 6(l)

have occurred or if the Underwriters shall decline to subscribe for the Offered ADSs for any reason permitted under this Agreement.

9. *REIMBURSEMENT OF UNDERWRITERS' EXPENSES.* Notwithstanding anything to the contrary in this Agreement, if (a) this Agreement shall have been terminated pursuant to Section 8 or 10, (b) the Company shall fail to tender the Offered ADSs for delivery to the Underwriters for any reason not permitted under this Agreement, (c) the Underwriters shall decline to subscribe for the Offered ADSs for any reason permitted under this Agreement or (d) the sale of the Offered ADSs is not consummated because any condition to the obligations of the Underwriters set forth herein is not satisfied or because of the refusal, inability or failure on the part of the Company to perform any agreement herein or to satisfy any condition or to comply with the provisions hereof, then, in addition to the payment of amounts in accordance with Section 5, the Company shall reimburse the Underwriters for the reasonable fees and expenses of Underwriters' counsel and for such other out-of-pocket expenses as shall have been reasonably incurred by them in connection with this Agreement and the proposed subscription for the Offered ADSs, including, without limitation, travel and lodging expenses of the Underwriters, and upon demand the Company shall pay the full amount thereof to the Representatives; *provided* that if this Agreement is terminated pursuant to Section 10 by reason of the default of one or more Underwriters, the Company shall not be obligated to reimburse any defaulting Underwriter on account of expenses to the extent incurred by such defaulting Underwriter, *provided further* that the foregoing shall not limit any reimbursement obligation of the Company to any non-defaulting Underwriter under this Section 9.

10. *SUBSTITUTION OF UNDERWRITERS.* If any Underwriter or Underwriters shall default in its or their obligations to subscribe for shares of Offered ADSs hereunder on any Closing Date, and the aggregate number of shares for which such defaulting Underwriter or Underwriters agreed but failed to subscribe does not exceed ten percent (10%) of the total number of shares to be subscribed for by all Underwriters on such Closing Date, the other Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to subscribe for the shares for which such defaulting Underwriter or Underwriters agreed but failed to subscribe on such Closing Date. If any Underwriter or Underwriters shall so default and the aggregate number of shares with respect to which such default or defaults occur is more than ten percent (10%) of the total number of shares to be subscribed for by all Underwriters on such Closing Date, and arrangements satisfactory to the Representatives and the Company for the subscription for such shares by other persons are not made within forty-eight (48) hours after such default, this Agreement shall terminate.

If the remaining Underwriters or substituted Underwriters are required hereby or agree to take up all or part of the shares of Offered ADSs of a defaulting Underwriter or Underwriters on such Closing Date as provided in this Section 10, (i) the Company shall have the right to postpone such Closing Dates for a period of not more than five (5) full business days in order that the Company may effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees promptly to file any amendments to the Registration Statement or supplements to the Prospectus which may thereby be made necessary, and (ii) the respective numbers of shares to be subscribed for by the remaining Underwriters or substituted Underwriters shall be taken as the basis of their underwriting obligation for all purposes of this Agreement. Nothing herein contained shall relieve any defaulting Underwriter of its liability to the Company or the other Underwriters for damages occasioned by its default hereunder. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of any non-defaulting Underwriter or the Company, except that the representations, warranties, covenants, indemnities, agreements and other statements set forth in Section 2, the obligations with respect to expenses to be paid

or reimbursed pursuant to Sections 5 and 9 and the provisions of Section 7 and Sections 11 through 21, inclusive, shall not terminate and shall remain in full force and effect.

11. *ABSENCE OF FIDUCIARY RELATIONSHIP.* The Company acknowledges and agrees that:

(a) each Underwriter's responsibility to the Company is solely contractual in nature, the Representatives have been retained solely to act as underwriters in connection with the sale of the Offered ADSs and no fiduciary, advisory or agency relationship between the Company and the Representatives have been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether any of the Representatives has advised or is advising the Company on other matters;

(b) the price of the Offered ADSs set forth in this Agreement was established by the Company following discussions and arms-length negotiations with the Representatives, and the Company is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) it has been advised that the Representatives and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Representatives have no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) it waives, to the fullest extent permitted by law, any claims it may have against the Representatives for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Representatives shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including shareholders, employees or creditors of the Company.

12. *SUCCESSORS; PERSONS ENTITLED TO BENEFIT OF AGREEMENT.* This Agreement shall inure to the benefit of and be binding upon the several Underwriters, the Company and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, other than the persons mentioned in the preceding sentence, any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person; except that the representations, warranties, covenants, agreements and indemnities of the Company contained in this Agreement shall also be for the benefit of the Underwriter Indemnified Parties, and the indemnities of the several Underwriters shall be for the benefit of the Company Indemnified Parties. It is understood that each Underwriter's responsibility to the Company is solely contractual in nature and the Underwriters do not owe the Company, or any other party, any fiduciary duty as a result of this Agreement. No purchaser of any of the Offered ADSs from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

13. *SURVIVAL OF INDEMNITIES, REPRESENTATIONS, WARRANTIES, ETC..* The respective indemnities, covenants, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by them respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company or any person controlling any of them and shall survive

delivery of and payment for the Offered ADSs. Notwithstanding any termination of this Agreement, including without limitation any termination pursuant to Section 8 or Section 10, the indemnities, covenants, agreements, representations, warranties and other statements forth in Sections 2, 5, 7 and 9 and Sections 11 through 21, inclusive, of this Agreement shall not terminate and shall remain in full force and effect at all times.

14. *RECOGNITION OF THE U.S. SPECIAL RESOLUTION REGIMES.*

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

15. *NOTICES.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail, telex, facsimile transmission or email to Cowen and Company, LLC, Attention: Head of Equity Capital Markets, Fax: 646-562-1249 with a copy to the General Counsel, Fax: 646-562-1124; Evercore Group L.L.C., 55 East 52nd Street, New York, New York 10055, Attention: Kenneth A. Masotti, Esq. (fax: 212-857-3101); Berenberg Capital Markets LLC 1251 Avenue of the Americas-53rd floor, New York, New York 10020, Attention: Equity Syndicate Desk, with a copy to the Legal Department and (iv) Richard C. Segal, Cooley LLP, 500 Boylston St, Boston, MA 02116 and Joshua A. Kaufman, Cooley LLP, 55 Hudson Yards, New York, NY 10001.

(b) if to the Company shall be delivered or sent by mail, telex, facsimile transmission or email to COMPASS Pathways plc, 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT, United Kingdom, Attention: General Counsel; with a copy to Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, NY 10018, United States, Attention: Benjamin K. Marsh, Esq., Fax: (646) 558-4153; *provided, however*, that any notice to an Underwriter pursuant to Section 7 shall be delivered or sent by mail, or facsimile transmission to such Underwriter at its address set forth in its acceptance telex to the Representatives, which address will be supplied to any other party hereto by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

16. *DEFINITION OF CERTAIN TERMS.* For purposes of this Agreement, (a) “*affiliate*” has the meaning set forth in Rule 405 under the Securities Act, (b) “*business day*” means any day on which the New York Stock Exchange, Inc. is open for trading (c) “*subsidiary*” has the meaning set forth in Rule 405 of the Rules and Regulations; (d) “BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); (e) “Covered Entity”

means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); (f) “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (g) “U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

17. *GOVERNING LAW JURISDICTION, WAIVER OF JURY TRIAL AGENT FOR SERVICE.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York, including without limitation Section 5-1401 of the New York General Obligations. The Company irrevocably (a) submits to the non-exclusive jurisdiction of the federal and state courts in the Borough of Manhattan in The City of New York for the purpose of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated by this Agreement, the Registration Statement, the ADS Registration Statement and any Preliminary Prospectus or the Prospectus, (b) agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court, (c) waives to the fullest extent permitted by applicable law, any immunity from the jurisdiction of any such court or from any legal process, (d) agrees not to commence any such suit, action or proceeding other than in such courts, and (e) waives, to the fullest extent permitted by applicable law, any claim that any such suit, action or proceeding is brought in an inconvenient forum. Each of the parties to this Agreement hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement. The Company and its subsidiaries irrevocably appoints Nate Poulsen, Esq., c/o COMPASS Pathways plc, with offices at 180 Varick Street, New York, New York 10014 (and his successors) as its authorized agent in the Borough of Manhattan in The City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company or its subsidiaries by the person serving the same to the address provided in Section 7(b), shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding.

18. *UNDERWRITERS' INFORMATION.* The parties hereto acknowledge and agree that, for all purposes of this Agreement, the Underwriters' Information consists solely of the following information in the Prospectus: (i) the last paragraph on the front cover page concerning the terms of the offering by the Underwriters; and (ii) the statements concerning the Underwriters contained in the Prospectus under the heading “Underwriting.”

19. *AUTHORITY OF THE REPRESENTATIVES.* In connection with this Agreement, the Representatives will act for and on behalf of the several Underwriters, and any action taken under this Agreement by the Representatives, will be binding on all of the Underwriters.

20. *PARTIAL UNENFORCEABILITY.* The invalidity or unenforceability of any section, paragraph, clause or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph, clause or provision hereof. If any section, paragraph, clause or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

21. *GENERAL.* This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section

headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company and the Representatives.

22. *COUNTERPARTS.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

23. *JUDGEMENT CURRENCY.* The obligations of the Company pursuant to this Agreement in respect of any sum due to any Underwriter shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first (1st) business day, following receipt by such Underwriter of any sum adjudged to be so due in such other currency, on which (and only to the extent that) such Underwriter may in accordance with normal banking procedures purchase United States dollars with such other currency; if the United States dollars so purchased are less than the sum originally due to such Underwriter hereunder, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Underwriter against such loss.

(Signature page follows)

If the foregoing is in accordance with your understanding please indicate your acceptance of this Agreement by signing in the space provided for that purpose below.

Very truly yours,

COMPASS PATHWAYS PLC

By: _____

Name: George Goldsmith

Title: Chief Executive Officer

Accepted as of

the date first above written:

COWEN AND COMPANY, LLC

EVERCORE GROUP L.L.C.

BERENBERG CAPITAL MARKETS LLC

Acting on their own behalf
and as Representatives of several Underwriters listed on
Schedule A to this Agreement.

By: COWEN AND COMPANY, LLC

By: _____

Name:

Title:

By: EVERCORE GROUP L.L.C.

By: _____

Name:

Title:

By: BERENBERG CAPITAL MARKETS LLC

By: _____

Name:

Title:

(Signature Page to COMPASS Pathways plc Underwriting Agreement)

SCHEDULE A

	Number of Firm ADSs	Number of Optional ADSs
Name		
Cowen and Company, LLC		
Evercore Group L.L.C		
Berenberg Capital Markets LLC		
Canaccord Genuity Group Inc.		
H.C. Wainwright & Co., LLC		
Total		

SCHEDULE B

General Use Free Writing Prospectuses

Ex. I

SCHEDULE C

Pricing Information

Firm ADSs: [●] ADSs, representing [●] Ordinary Shares

Offering Price: \$ [●] per ADS

Underwriting Discounts and Commissions: [●]%

Estimated Net Proceeds to the Company (after underwriting discounts and commissions, but before transaction expenses): \$ [●]

Exhibit I

Form of Lock-Up Agreement

Exhibit II

COMPASS Pathways plc

[Date]

COMPASS Pathways plc announced today that Cowen and Company, LLC, Evercore Group L.L.C., and Berenberg Capital Markets LLC, the lead book-running managers in the Company's recent public sale of [●] American Depositary Shares, each representing one (1) ordinary share, is [waiving][releasing] a lock-up restriction with respect to [●] of the Company's American Depositary Shares held by [certain officers or directors][an officer or director] of the Company. The [waiver][release] will take effect on _____, 20____, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or exemption from registration under the United States Securities Act of 1933, as amended.

Ex. II

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

COMPASS PATHWAYS PLC

(REGISTERED NUMBER: 12696098)

(Adopted by a special resolution passed on _____ 2020)

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THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
of
COMPASS PATHWAYS PLC
(the "Company")

(Adopted by a special resolution passed on _____ 2020)

1. Defined terms

- 1.1 No regulations or articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies (including the regulations in the Companies (Model Articles) Regulations 2008 (SI 2008/3229)) shall apply as the articles of the Company. The following shall be the articles of association of the Company.

2. Interpretation

- 2.1 In these Articles, the following words and expressions shall have the meanings set out below:

"Act" means the Companies Act 2006

"address" includes any number or address used for the purposes of sending or receiving documents or information by electronic means

"Articles" means these articles of association as altered from time to time and Article shall be construed accordingly

"Board" means the board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened quorate meeting of the Directors

"certificated shares" a share which is not an uncertificated share and references in these Articles to a share being held in certificated form shall be construed accordingly

"clear days" in relation to a period of notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect

"Companies Acts" means the Act, the Companies Act 1985 and, where the context requires, every other statute from time to time in force concerning companies and affecting the Company

"Deferred Shares" has the meaning given to it in Article 4

"**Director**" means a director for the time being of the Company

"**FSMA**" means the Financial Services and Markets Act 2000

"**electronic form**" has the meaning given to it in section 1168 of the Act

"**electronic means**" has the meaning given to it in section 1168 of the Act

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934

"**Listing**" means the listing of the Company's Ordinary Shares (in the form of American depositary shares) on NASDAQ

"**member**" means a member of the Company, or where the context requires, a member of the Board or of any committee

"**NASDAQ**" means The NASDAQ Stock Market LLC

"**NASDAQ Rules**" means the rules of NASDAQ

"**Office**" means the registered office from time to time of the Company

"**Operator**" means Euroclear UK and Ireland Limited or such other person as may for the time being be approved by HM Treasury as Operator under the uncertificated securities rules

"**Ordinary Shares**" has the meaning given to it in Article 4

"**paid up**" means paid up or credited as paid up

"**participating class**" means a class of shares title to which is permitted by the Operator to be transferred by means of a relevant system

"**present**" means, for the purpose of physical general meetings, present in person or, for the purposes of electronic general meetings, present by electronic means

"**Register**" means the register of members of the Company to be maintained under the Act or as the case may be any overseas branch register maintained under Article 119

"**relevant system**" means a computer-based system which allows units of securities without written instruments to be transferred and endorsed pursuant to the uncertificated securities rules

"**Seal**" means the common seal of the Company or, where the context allows, any official seal kept by the Company under section 50 of the Act

"**Secretary**" means the secretary of Company for the time being

"**Securities Act**" means the U.S. Securities Act of 1933

"**Share Warrant**" means a warrant to bearer issued by the Company in respect of its shares

"**uncertificated securities rules**" means any provision of the Companies Acts relating to the holding, evidencing of title to, or transfer of uncertificated shares and any legislation, rules or other arrangements made under or by virtue of such provision (including the Uncertificated Securities Regulations 2001 as amended or replaced from time to time and any subordinate legislation or rules made under them for the time being in force)

"**uncertificated share**" means a share of a class which is at the relevant time a participating class, title to which is recorded on the Register as being held in uncertificated form and references in these Articles to a share being held in uncertificated form shall be construed accordingly

- 2.2 Headings are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 2.3 A **person** includes a corporate and an unincorporated body (whether or not having separate legal personality).
- 2.4 Words in the singular shall include the plural and vice versa.
- 2.5 A reference to one gender shall include a reference to the other gender.
- 2.6 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 2.7 Any words or expressions defined in the Companies Acts in force when these Articles or any part of these Articles are adopted shall (if not inconsistent with the subject or context in which they appear) have the same meaning in these Articles or that part, save that the word **company** shall include any body corporate.
- 2.8 A reference to a document **being signed** or to **signature** includes references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, such references are to its being authenticated as specified by the Companies Acts.
- 2.9 A reference to **writing** or **written** includes references to any method of representing or reproducing words in a legible and non-transitory form whether sent or supplied in electronic form or otherwise.
- 2.10 A reference to documents or information **being sent or supplied by or to** a company (including the Company) shall be construed in accordance with section 1148(3) of the Act.
- 2.11 A reference to a **meeting** shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- 2.12 If any Article (or part thereof) is or becomes inconsistent with any laws or regulations of any country to which affairs of the Company are subject such laws or regulations shall prevail and the relevant Article (or part thereof) shall be construed accordingly.
- 2.13 A reference to an **electronic platform** or **electronic platforms** include, without limitation, website addresses and conference call systems, and references to persons attending meetings by **electronic means** means attendance at electronic general meetings via the electronic platform(s) stated in the notice of such meeting.

3. **Form of Resolution**

Subject to the Companies Acts, where anything can be done by passing an ordinary resolution, this can also be done by passing a special resolution.

4. **Capital**

- 4.1 The capital of the Company is divided into:

- (a) an unlimited number of ordinary shares of £0.008 each ("**Ordinary Shares**");

- (b) an unlimited number of deferred shares which shall be denominated in sterling with a nominal value to be determined by the Board or a duly appointed and convened committee of the Board ("**Deferred Shares**"),

in each case conferring on the holders the rights and being subject to the restrictions set out in Article 10.

5. **Limited Liability**

The liability of the members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.

6. **Change of Name**

The Company may change its name by resolution of the Board.

7. **Power to Attach Rights to Shares**

Subject to the Companies Acts and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.

8. **Allotment of Shares and Pre-Emption**

- 8.1 Subject to the Companies Acts, these Articles and to any relevant authority of the Company in general meeting required by the Act, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such persons, at such times and upon such terms as the Board may decide. No share may be issued at a discount.
- 8.2 The Board may, at any time after the allotment of any share but before any person has been entered in the Register, recognise a renunciation by the allottee in favour of some other person and accord to the allottee of a share a right to effect such renunciation and/or allow the rights to be represented to be one or more participating securities, in each case upon and subject to such terms and conditions as the Board may think fit to impose.
- 8.3 Under and in accordance with section 551 of the Act, the Directors shall be generally and unconditionally authorised to exercise for each prescribed period all the powers of the Company to allot shares or to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount equal to the Section 551 Amount (as defined below).
- 8.4 Under and within the terms of the said authority or otherwise in accordance with section 570 of the Act, the Directors shall be empowered during each prescribed period to allot equity securities (as defined by the Act) wholly for cash:
 - (a) in connection with a rights issue; and
 - (b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 561 Amount (as defined below).
- 8.5 During each prescribed period the Company and its Directors by such authority and power may make offers or agreements which would or might require equity securities or other securities to be allotted after the expiry of such period.

8.6 For the purposes of this Article 8:

- (a) **“rights issue”** means an offer of equity securities (as defined by the Act) open for acceptance for a period fixed by the Board to holders of equity securities on the Register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached to them but subject to such exclusions or other arrangements as the Board may deem necessary or expedient with regard to treasury shares, fractional entitlements or legal or practical problems under the laws of any territory or under the requirements of any recognised regulatory body or stock exchange in any territory;
- (b) **“prescribed period”** means any period (not exceeding five years on any occasion) for which the authority, in the case of Article 8.3, is conferred or renewed by ordinary or special resolution stating the Section 551 Amount and in the case of Article 8.4 is conferred or renewed by special resolution stating the Section 561 Amount;
- (c) **“Section 551 Amount”** means for any prescribed period, the amount stated in the relevant ordinary or special resolution;
- (d) **“Section 561 Amount”** means for any prescribed period, the amount stated in the relevant special resolution; and
- (e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

9. Redeemable Shares

Subject to the Companies Acts and to any rights attaching to existing shares, any share may be issued which can be redeemed or is liable to be redeemed at the option of the Company or the holder. The Board may determine the terms, conditions and manner of redemption of any redeemable shares which are issued. Such terms and conditions shall apply to the relevant shares as if the same were set out in these Articles.

10. Shareholder Rights

10.1 The Ordinary Shares shall rank *pari passu* as a single class. The Deferred Shares shall rank *pari passu* as a single class.

10.2 In the event of the liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to members shall be distributed amongst all holders of the Ordinary Shares in proportion to the number of shares held irrespective of the amount paid or credited as paid on any share.

10.3 Any:

- (a) consolidation or merger of the Company with or into another entity or entities (whether or not the Company is the surviving entity) as a result of which the holders of the Company's outstanding shares possessing the voting power (under ordinary circumstances) to elect a majority of the Board immediately prior to such sale or issue cease to own the Company's outstanding shares possessing the voting power (under ordinary circumstances) to elect a majority of the Board;
- (b) sale or transfer by the Company of all or substantially all of its assets (determined either for the Company alone or together with its subsidiaries on a consolidated basis); or

- (c) sale, transfer or issuance or series of sales, transfers and/or issues of shares by the Company or the holders thereof, as a result of which the holders of the Company's outstanding shares possessing the voting power (under ordinary circumstances) to elect a majority of the Board immediately prior to such sale or issue cease to own the Company's outstanding shares possessing the voting power (under ordinary circumstances) to elect a majority of the Board,

shall be deemed to be a liquidation, dissolution and winding up of the Company for purposes of Article 10.2 (unless the Board determine otherwise), and the holders of the Ordinary Shares shall be entitled to receive from the Company the amounts payable with respect to the Ordinary Shares on a liquidation, dissolution or winding up of the Company under Article 10.2 in cancellation of their Ordinary Shares upon the completion of any such transaction.

10.4 At a general meeting of the Company and at any separate class meeting of the holders of Ordinary Shares, where a holder of Ordinary Shares is entitled to vote, such holder is entitled to one vote for each Ordinary Share held.

10.5 A holder of Ordinary Shares is entitled to receive notice of any general meeting of the Company (and notice of any separate class meeting of the holders of Ordinary Shares) and a copy of every report, accounts, circular or other document sent out by the Company to members.

10.6 Notwithstanding any other provision of these Articles, the special rights, privileges, restrictions and limitations attaching to the Deferred Shares are as follows:

- (a) the Deferred Shares shall not be entitled to any dividends or to any other right of participation in the profits of the Company;
- (b) on return of assets on liquidation, the Deferred Shares shall confer on the holders thereof an entitlement to receive out of the assets of the Company available for distribution amongst the members (subject to the rights of any new class of shares with preferred rights) the amount credited as paid up on the Deferred Shares held by them respectively after (but only after) payment shall have been made to the holders of the Ordinary Shares of the amounts paid up or credited as paid up on such shares and the sum of £1,000,000 in respect of each Ordinary Share held by them respectively. The Deferred Shares shall confer on the holders thereof no further right to participate in the assets of the Company;
- (c) the Deferred Shares do not entitle the holder thereof to vote on any resolution or to receive notice of, attend any general meeting, or be part of the quorum thereof as the holders of the Deferred Shares;
- (d) any reduction of capital involving the cancellation of the Deferred Shares for no consideration shall not be deemed to be a variation of the rights attaching to them nor a modification or abrogation of the rights or privileges attaching to the Deferred Shares and the Company shall be authorised at any time to reduce its capital (in accordance with the Act) without obtaining the consent of the holders of the Deferred Shares;
- (e) any special rights conferred upon the holders of the Deferred Shares shall be deemed to not be modified, varied or abrogated by the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares;
- (f) the Deferred Shares shall not be entitled to be reissued with a share certificate;
- (g) no transfer of any Deferred Shares shall be permitted save as provided in Article 10.6(h);

- (h) the Company shall have irrevocable authority at any time to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, or to such person as the Company may determine as custodian thereof and/or to cancel the same without making any payment to the holders thereof and/or acquire the same (in accordance with the provisions of the Act) without making any payment to or obtaining the sanction of the holders thereof; and
- (i) subject to the Act, the Company shall be entitled to purchase any Deferred Shares in issue at any time for no consideration.

11. **Pari Passu Issues**

If new shares are created or issued which rank equally with any other existing shares, the rights of the existing shares will not be regarded as changed or abrogated unless the terms of the existing shares expressly say otherwise.

12. **Variation of Rights**

- 12.1 Subject to the Companies Acts, the rights attached to any class of shares can be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued share of that class (excluding any shares of that class held as treasury shares) or with the authority of a special resolution passed at a separate meeting of the holders of the relevant class of shares known as a **class meeting**.
- 12.2 The provisions of this Article will apply to any variation or abrogation of rights of shares forming part of a class. Each part of the class which is being treated differently is treated as a separate class in applying this Article.
- 12.3 All the provisions in these Articles as to general meetings shall apply, with any necessary modifications, to every class meeting except that the necessary quorum at every such meeting shall be one or more persons present and between them holding at least 33 ⅓ percent in number of the issued shares of the class (excluding any shares of that class held as treasury shares) provided that where a person is present by proxy or proxies, he is treated as holding only the shares in respect of those proxies which are authorised to exercise voting rights.
- 12.4 The Board may convene a class meeting whenever it thinks fit and whether or not the business to be transacted involves a variation or abrogation of class rights.

13. **Payment of Commission**

The Company may in connection with the issue of any shares or the sale for cash of treasury shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts. Any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or other securities or the grant of an option to call for an allotment of shares or any combination of such methods.

14. **Trusts Not Recognised**

Except as otherwise expressly provided by these Articles, required by law or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust, and the Company shall not be bound by or required in any way to recognise (even when having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share other than an absolute right of the holder of the whole of the share.

15. **Uncertificated Shares**

- 15.1 Under and subject to the uncertificated securities rules, the Board may permit title to shares of any class to be evidenced otherwise than by certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is at the relevant time a participating class. The Board may also, subject to compliance with the uncertificated securities rules, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system.
- 15.2 In relation to a class of shares which is a participating class and for so long as it remains a participating class, no provision of these Articles shall apply or have effect to the extent that it is inconsistent in any respect with:
- (a) the holding of shares of that class in uncertificated form;
 - (b) the transfer of title to shares of that class by means of a relevant system; or
 - (c) any provision of the uncertificated securities rules,
- and, without prejudice to the generality of this Article, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the Operator, so long as that is permitted or required by the uncertificated securities rules, of an Operator register of securities in respect of that class of shares in uncertificated form.
- 15.3 Ordinary Shares of a class which is at the relevant time a participating class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the uncertificated securities rules.
- 15.4 If, under these Articles or the Companies Acts, the Company is entitled to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over an uncertificated share, then, subject to these Articles and the Companies Acts, such entitlement shall include the right of the Board to:
- (a) require the holder of the uncertificated share by notice in writing to change that share from uncertificated to certificated form within such period as may be specified in the notice and keep it as a certificated share for as long as the Board requires;
 - (b) appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such share as may be required to effect the transfer of such share and such steps shall be as effective as if they had been taken by the registered holder of that share; and
 - (c) take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.
- 15.5 Unless the Board determines otherwise, shares which a member holds in uncertificated form shall be treated as separate holdings from any shares which that member holds in certificated form but a class of shares shall not be treated as two classes simply because some shares of that class are held in certificated form and others in uncertificated form.
- 15.6 Unless the Board determines otherwise or the uncertificated securities rules require otherwise, any shares issued or created out of or in respect of any uncertificated shares shall

be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares.

- 15.7 The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the uncertificated securities rules and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance on such assumption. Any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the Register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

16. Share Certificates

- 16.1 Every person (except a person to whom the Company is not by law required to issue a certificate) whose name is entered in the Register as a holder of any certificated shares shall be entitled, without charge, to receive within the time limits prescribed by the Companies Acts (unless the terms of issue prescribe otherwise) one certificate for all of the shares of that class registered in his name.
- 16.2 The Company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons. Delivery of a certificate to the person first named in the Register shall be sufficient delivery to all joint holders.
- 16.3 Where a member has transferred part only of the shares comprised in a certificate, he shall be entitled without charge to a certificate for the balance of such shares to the extent that the balance is to be held in certificated form. Where a member receives more shares of any class, he shall be entitled without charge to a certificate for the extra shares of that class to the extent that the balance is to be held in certificated form.
- 16.4 A share certificate may be issued under Seal (by affixing the Seal to or printing the Seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director and the Secretary. Such certificate shall specify the number and class of the shares in respect of which it is issued and the amount or respective amounts paid up on it. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be signed by any **person**.
- 16.5 Every share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.
- 16.6 No share certificates shall be issued in respect of the Deferred Shares.

17. Replacement Certificates

- 17.1 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge on surrender of the original certificates for cancellation.
- 17.2 Any certificate representing shares of any one class held by any member may at his request be cancelled and two or more certificates for such shares may be issued instead.
- 17.3 If a share certificate is defaced, worn out or said to be stolen, lost or destroyed, it may be replaced on such terms as to evidence and indemnity as the Board may decide and, where it is defaced or worn out, after delivery of the old certificate to the Company.

- 17.4 The Board may require the payment of any exceptional out-of-pocket expenses of the Company incurred in connection with the issue of any certificates under this Article. In the case of shares held jointly by several persons, any such request as is mentioned in this Article may be made by any one of the joint holders.

18. **Lien on Shares not Fully Paid**

The Company shall have a first and paramount lien on every share, not being a fully paid share, for all amounts payable to the Company (whether presently or not) in respect of that share. The Company's lien over a share takes priority over any third party's interest in that share, and extends to any dividend or other money payable by the Company in respect of that share (and, if the lien is enforced and the share is sold by the Company, the proceeds of sale of that share). The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Article.

19. **Enforcement of Lien by Sale**

The Company may sell, in such manner as the Board may decide, any share over which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after a notice has been served on the holder of the share or the person who is entitled by transmission to the share, demanding payment and stating that if the notice is not complied with the share may be sold. For giving effect to the sale, in the case of a certificated share, the Board may authorise some person to sign an instrument of transfer of the share sold to, or in accordance with the directions, of the buyer. In the case of an uncertificated share, the Board may require the Operator to convert the share into certificated form and after such conversion, authorise any person to sign the instrument of transfer of the share to affect the sale of the share. The buyer shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

20. **Application of Proceeds of Sale**

The net proceeds of any sale of shares subject to any lien, after payment of the costs, shall be applied:

- (a) first, in or towards satisfaction of so much of the amount due to the Company or of the liability or engagement (as the case may be) as is presently payable or is liable to be presently fulfilled or discharged; and
- (b) second, any residue shall be paid to the person who was entitled to the share at the time of the sale but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a like lien for debts or liabilities not presently payable as existed on the share prior to the sale.

21. **Calls**

- 21.1 Subject to these Articles and the terms on which the shares are allotted, the Board may from time to time make calls on the members in respect of any monies unpaid on their shares (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue.

- 21.2 Each member shall (subject to the Company serving upon him at least 14 clear days' notice specifying when and where payment is to be made and whether or not by instalments) pay to the Company as required by the notice the amount called on for his shares.

21.3 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

21.4 A call may be revoked or postponed, in whole or in part, as the Board may decide.

21.5 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which the call is required to be paid.

22. Liability of Joint Holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

23. Interest on Calls

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay all expenses that have been incurred by the Company by reason of such non-payment together with interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate (not exceeding the Bank of England base rate by more than five percentage points) as the Board may decide. The Board may waive payment of the interest or the expenses in whole or in part.

24. Power to Differentiate

On or before the issue of shares, the Board may decide that allottees or holders of shares can be called on to pay different amounts or that they can be called on at different times.

25. Payment of Calls in Advance

The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid on the shares held by him. Such payment in advance of calls shall, to the extent of the payment, extinguish the liability on the shares on which it is made. The Company may pay interest on the money paid in advance, or so much of it as exceeds the amount for the time being called upon the shares in respect of which such advance has been made, at such rate as the Board may decide. The Board may at any time repay the amount so advanced by giving at least three months' notice in writing to such member of its intention to do so, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

26. Notice if Call or Instalment Not Paid

If any member fails to pay the whole of any call (or any instalment of any call) by the date when payment is due, the Board may at any time give notice in writing to such member (or to any person entitled to the shares by transmission), requiring payment of the amount unpaid (and any accrued interest and any expenses incurred by the Company by reason of such non-payment) by a date not less than 14 clear days from the date of the notice. The notice shall name the place where the payment is to be made and state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited.

27. Forfeiture for Non-Compliance

If the notice referred to in Article 26 is not complied with, any share for which it was given may be forfeited, by resolution of the Board to that effect, at any time before the payment required by the notice has been made. Such forfeiture shall include all dividends declared or other monies payable in respect of the forfeited shares and not paid before the forfeiture.

28. Notice After Forfeiture

When any share has been forfeited, notice of the forfeiture shall be served on the holder of the share or the person entitled to such share by transmission (as the case may be) before forfeiture. An entry of such notice having been given and of the forfeiture and the date of forfeiture shall immediately be made in the Register in respect of such share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry in the Register.

29. Forfeiture May Be Annulled

The Board may annul the forfeiture of a share, at any time before any forfeited share has been cancelled or sold, re-allotted or otherwise disposed of, on the terms that payment shall be made of all calls and interest due on it and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

30. Surrender

The Board may accept the surrender of any share liable to be forfeited and, in any event, references in these Articles to forfeiture shall include surrender.

31. Sale of Forfeited Shares

31.1 A forfeited share shall become the property of the Company.

31.2 Subject to the Companies Acts, any such share may be sold, re-allotted or otherwise disposed of, on such terms and in such manner as the Board thinks fit.

31.3 The Board may, for the purposes of the disposal, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the Register even if no share certificate is lodged and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to, the share. The Company may receive the consideration (if any) given for the share on its disposal.

32. Effect of Forfeiture

A member whose shares have been forfeited shall cease to be a member in respect of such forfeited shares and shall surrender the certificate for such shares to the Company for cancellation. Such member shall remain liable to pay to the Company all sums which at the date of forfeiture were presently payable by him to the Company in respect of such shares with interest (not exceeding the Bank of England base rate by two percentage points) from the date of the forfeiture to the date of payment. The Directors may waive payment of interest wholly or in part and may enforce payment, without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

33. Evidence of Forfeiture

A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share. The person to whom the share is transferred or sold shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share.

34. Form of Transfer

34.1 Subject to these Articles:

- (a) each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. All instruments of transfer, when registered, may be retained by the Company.
- (b) each member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules. No provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred.

34.2 The transferor of a share shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register in respect of it.

35. Right to Refuse Registration of Transfer

35.1 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

- (a) it is for a share which is fully paid up;
- (b) it is for a share upon which the Company has no lien;
- (c) it is only for one class of share;
- (d) it is in favour of a single transferee or no more than four joint transferees;
- (e) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty (if this is required); and
- (f) is delivered for registration to the Office (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

35.2 The Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to, or for which certificated or uncertificated depositary instruments over such shares are admitted to, NASDAQ on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

35.3 Transfers of shares will not be registered in the circumstances referred to in Article 74.

35.4 The Board may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

36. Notice of Refusal to Register a Transfer

If the Board refuses to register a transfer of a share it shall notify the transferee of the refusal and the reasons for it within two months after the date on which the transfer was lodged with the Company or the instructions to the relevant system received. Any instrument of transfer which the Board refuses to register shall be returned to the person depositing it (except if there is suspected or actual fraud). All instruments of transfer which are registered may be retained by the Company.

37. No Fees on Registration

No fee shall be charged for registration of a transfer or other document or instruction relating to or affecting the title to any share or for making any other entry in the Register.

38. Other Powers in Relation to Transfers

Nothing in these Articles shall prevent the Board:

- (a) from recognising a renunciation of the allotment of any share by the allottee in favour of another person; or
- (b) (if empowered to do so by these Articles) from authorising any person to execute an instrument of transfer of a share and from authorising any person to transfer that share in accordance with any procedures implemented under Article 19.

39. Transmission of Shares on Death

If a member dies, the survivors or survivor (where he was a joint holder), and his executors or administrators (where he was a sole or the only survivor of joint holders), shall be the only persons recognised by the Company as having any title to his shares. Nothing in these Articles shall release the estate of a deceased member from any liability for any share which has been solely or jointly held by him.

40. Election of Person Entitled By Transmission

40.1 Any person becoming entitled to a share because of the death or bankruptcy of a member, or otherwise by operation of law, may (on such evidence as to his title being produced as the Board may require) elect either to become registered as a member or to have some person nominated by him registered as a member. If he elects to become registered himself, he shall notify the Company to that effect. If he elects to have some other person registered, he shall execute an instrument of transfer of such share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event had not occurred. Where the entitlement of a person to a share because of the death or bankruptcy of a member or otherwise by operation of law is proved to the satisfaction of the Board, the Board shall within 30 days after proof cause the entitlement of that person to be noted in the Register.

40.2 A person entitled by transmission to a share in uncertificated form who elects to have some other person registered shall either:

- (a) procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or
- (b) change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person.

41. **Rights on Transmission**

Where a person becomes entitled to a share because of the death or bankruptcy of any member, or otherwise by operation of law, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other monies payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share, except that he shall not be entitled to receive notice of, or to attend or vote at, any meeting of the Company or any separate meeting of the holders of any class of shares of the Company before he is registered as the holder of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 30 days, the Board may withhold payment of all dividends and the other monies payable in respect of such share until the requirements of the notice have been complied with.

42. **Destruction of Documents**

42.1 The Company may destroy any:

- (a) instrument of transfer, after six years from the date on which it is registered;
- (b) dividend mandate or any variation or cancellation of a dividend mandate or any notification of change of name or address, after two years from the date on which it is recorded;
- (c) share certificate, after one year from the date on which it is cancelled;
- (d) instrument of proxy which has been used for the purpose of a poll at any time after one year has elapsed from the date of use;
- (e) instrument of proxy which has not been used for the purpose of a poll at any time after a period of one month has elapsed from the end of the meeting to which the instrument of proxy relates;
- (f) Share Warrant (including coupons or tokens detailed from it) which has been cancelled at any time after seven years from the date on which it was cancelled; or
- (g) other document for which any entry in the Register is made, after six years from the date on which an entry was first made in the Register in respect of it,

provided that the Company may destroy any such type of document at a date earlier than that authorised by this Article if a copy of such document is made and retained (whether electronically, by microfilm, by digital imaging or by other similar means) until the expiration of the period applicable to the destruction of the original of such document.

42.2 It shall be conclusively presumed in favour of the Company that every:

- (a) entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made;
- (b) instrument of transfer so destroyed was duly registered;
- (c) share certificate so destroyed was duly cancelled; and
- (d) other document so destroyed had been properly dealt with under its terms and was valid and effective according to the particulars in the records of the Company.

42.3 This Article shall only apply to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant. Nothing in this Article shall be construed as imposing any liability on the Company in respect of the destruction of any such document other than as provided for in this Article which would not attach to the Company in the absence of this Article. References in this Article to the destruction of any document include references to the disposal of it in any manner.

42.4 References in this Article to instruments of transfer shall include, in relation to uncertificated shares, instructions and/or notifications made in accordance with the relevant system relating to the transfer of such shares.

43. **Sub-Division**

Any resolution authorising the Company to sub-divide its shares or any of them may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

44. **Fractions**

If any shares are consolidated or consolidated and then divided, the Board has power to deal with any fractions of shares which result. If the Board decides to sell any shares representing fractions, it can do so for the best price reasonably obtainable and distribute the net proceeds of sale among members in proportion to their fractional entitlements. The Board can arrange for any shares representing fractions to be entered in the Register as certificated shares if they consider that this makes it easier to sell them. The Board can sell those shares to anyone, including the Company if the legislation allows, and may authorise any person to transfer or deliver the shares to the buyer or in accordance with the buyer's instructions. The buyer shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

45. **Annual General Meetings**

An annual general meeting shall be held once a year, at such time and places (including electronic platforms) as may be determined by the Board in accordance with the requirements of the Companies Acts.

46. **Convening of General Meetings**

All meetings other than annual general meetings shall be called general meetings. The Board may, whenever it thinks fit, and shall on requisition in accordance with the Companies Acts, proceed to convene a general meeting which may be held as a physical general meeting or an electronic general meeting.

47. **Notice of General Meetings**

A general meeting shall be called by at least such minimum notice as is required or permitted by the Companies Acts. The period of notice shall in either case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given to all members other than those who are not entitled to receive such notices from the Company. The Company may give such notice by any means or combination of means permitted by the Companies Acts.

48. **Contents of Notice of Meetings**

48.1 Subject to the provisions of the Companies Acts, every notice calling a meeting shall specify:

- (a) whether the meeting shall be a physical and/or electronic general meeting;

- (b) for physical general meetings, the time, date and place of the meeting (including without limitation any satellite meeting place arranged for the purposes of Article 60, which shall be identified as such in the notice);
- (c) for electronic general meetings, the time, date and electronic platform for the meeting, which electronic platforms may vary from time to time and from meeting to meeting as the Board, in its sole discretion, sees fit; and
- (d) with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to a proxy or (if he has more than one share) proxies to exercise all or any of his rights to attend, speak and vote and that a proxy need not be a member of the Company. Such notice shall also include the address of the website on which the information required by the Act is published, state the procedures with which members must comply in order to be able to attend and vote at the meeting (including the date by which they must comply), provide details of any forms to be used for the appointment of a proxy and state that a member has the right to ask questions at the meeting in accordance with the Act.

48.2 The notice shall specify the general nature of the business to be transacted at the meeting and shall set out the text of all resolutions to be considered by the meeting and shall state in each case whether it is proposed as an ordinary resolution or as a special resolution.

48.3 In the case of an annual general meeting, the notice shall also specify the meeting as such.

48.4 For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes a person may cast, the Company may specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting (not taking into account non-working days) by which a person must be entered in the Register in order to have the right to attend or vote at the meeting or appoint a proxy to do so.

49. **Omission to Give Notice and Non-Receipt of Notice**

The accidental omission to give notice of any meeting or to send an instrument of proxy (where this is intended to be sent out with the notice) to or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings of that meeting.

50. **Postponement of General Meeting**

If the Board considers that it is impracticable or unreasonable to hold the physical general meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 60 applies) and/or the electronic general meeting on the electronic platform specified in the notice on the date or at the time stated in the notice calling the meeting, it may change the place (or any of the places, in the case of a meeting to which Article 60 applies) or electronic platform and/or postpone the time and/or date at which the meeting is to be held (or do both). The Board shall take reasonable steps to ensure that notice of the date, time and place of, or electronic platform for, the rearranged meeting is given to any member trying to attend the meeting at the original time and place. Notice of the date, time and place of, or electronic platform for, the rearranged meeting shall, if practicable, also be placed in at least two national newspapers published in the United Kingdom. Notice of the business to be transacted at such rearranged meeting shall not be required. If a meeting is rearranged in this way, appointments of proxy are valid if they are received as required by these Articles not less than 48 hours before the time appointed for holding the rearranged meeting and for the purpose of calculating this period, the Board can decide in their absolute discretion, not to take account of any part of a day that is not a working day. The Board may also postpone or move the rearranged meeting (or do both) under this Article.

51. **Quorum at General Meeting**

No business shall be transacted at any general meeting unless a quorum is present. If a quorum is not present a chairman of the meeting can still be chosen and this will not be treated as part of the business of the meeting. One or more qualifying persons present at a meeting and between them holding (or being the proxy or corporate representative of the holders of) at least 33 ⅓ percent in number of the issued shares (excluding any shares held as treasury shares) entitled to attend and vote on the business to be transacted shall constitute a quorum.

For the purposes of this Article 51:

- (a) a “**qualifying person**” is an individual who is a member, a person authorised to act as the representative of a member (being a corporation) in relation to the meeting or a person appointed as proxy of a member in relation to the meeting; and
- (b) where a qualifying person is present as proxy of a member in relation to the meeting, he is treated as holding only the shares in respect of which he is authorised to exercise voting rights.

52. **Procedure if Quorum Not Present**

If a quorum is not present within 15 minutes (or such longer interval as the chairman in his absolute discretion thinks fit) from the time appointed for holding a general meeting, or if a quorum ceases to be present during a meeting, the meeting shall be dissolved if convened on the requisition of members. In any other case, the meeting shall stand adjourned to another day, (not being less than ten clear days after the date of the original meeting), and at such time and place or electronic platform as the chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

53. **Chairman of General Meeting**

- 53.1 The chairman of the Board shall preside at every general meeting of the Company. If there is no such chairman or if at any meeting he shall not be present within five minutes after the time appointed for holding the meeting, or shall be unwilling to act as chairman, the deputy chairman (if any) of the Board shall, if present and willing to act, preside at such meeting. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a director the longest shall take the chair.
- 53.2 If no chairman or deputy chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be chairman if willing to act. If there be no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be chairman of the meeting. Nothing in these Articles shall restrict or exclude any of the powers or rights of a chairman of a meeting which are given by law.

54. **Entitlement to Attend and Speak**

A Director (and any other person invited by the chairman to do so) may attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company, whether or not he is a member.

55. **Adjournments**

The chairman may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from

place to place (which place may include electronic platforms) as the meeting shall determine. However, without prejudice to any other power which he may have under these Articles or at common law, the chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place (which place may include electronic platforms) for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

56. Notice of Adjournment

If the meeting is adjourned indefinitely or for more than three months, notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting. Except as provided in these Articles, there is no need to give notice of the adjourned meeting or of the business to be considered there.

57. Business of Adjourned Meeting

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

58. Security Arrangement and Orderly Conduct

58.1 The Board at any physical general meeting may direct that any person wishing to attend any meeting should provide such evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions.

58.2 The chairman at any physical general meeting shall take such action or give directions as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and to ensure the security of the meeting and the safety of the people attending the meeting. The chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

58.3 The Board and, at any electronic general meeting, the chairman may make any arrangement and impose any requirement or restriction as is:

- (a) necessary to ensure the identification of those taking part and the security of the electronic communication; and
- (b) proportionate to those objectives.

In this respect, the Company is able to authorise any voting application, system or facility for electronic general meetings as it sees fit.

59. Other Arrangements for Viewing and Hearing Proceedings at Physical General Meetings

59.1 The Board may, in accordance with this Article, make arrangements for members and proxies who are entitled to attend and participate in a general meeting, but who cannot be seated in the main meeting room where the chairman will be, to attend and take part in a general meeting in an overflow room or rooms. Any overflow room will have appropriate links to the main room and will enable audio-visual communication between the meeting rooms throughout the meeting. The Board will decide how to divide members and proxies between the main room and the overflow room. If an overflow room is used, the meeting will be treated

as being held and taking place in the main meeting room and the meeting will consist of all the members and proxies who are attending both in the main meeting room and the overflow room.

59.2 Details of any arrangements for overflow rooms will be set out in the notice of the meeting but failure to do so will not invalidate the meeting.

59.3 The Board may make arrangements for members and proxies who are entitled to attend and participate in a general meeting or an adjourned general meeting, to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world not being a satellite meeting place. If the general meeting is only held as a physical meeting and not also as an electronic meeting, those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote as the meeting at or from that venue. The inability for any reason of any member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the physical general meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

60. **Satellite Meeting Places**

60.1 To facilitate the organisation and administration of any general meeting, the Board may decide that the meeting shall be held at two or more locations.

60.2 For the purposes of these Articles, any general meeting of the Company taking place at two or more locations shall be treated as taking place where the chairman of the meeting presides (the **principal meeting place**) and any other location where that meeting takes place is referred in these Articles as a **satellite meeting**.

60.3 A member present in person or by proxy at a satellite meeting may be counted in the quorum and may exercise all rights that they would have been able to exercise if they were present at the principal meeting place.

60.4 The Board may make and change from time to time such arrangements as they shall in their absolute discretion consider appropriate to:

- (a) ensure that all members and proxies for members wishing to attend the meeting can do so;
- (b) ensure that all persons attending the meeting are able to participate in the business of the meeting and to hear anyone else addressing the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place, and be heard by all other persons so present in the same way;
- (c) ensure the safety of persons attending the meeting and the orderly conduct of the meeting; and
- (d) restrict the numbers of members and proxies at any one location to such number as can safely and conveniently be accommodated there (including without limitation the issue of tickets or the imposition of some other means of selection).

60.5 The entitlement of any member or proxy to attend a satellite meeting shall be subject to any such arrangements then in force and stated by the notice of the meeting or adjourned meeting to apply to the meeting.

60.6 If there is a failure of communication equipment or any other failure in the arrangements for participation in the meeting at more than one place, the chairman may adjourn the meeting in accordance with Article 55. Such adjournment will not affect the validity of such meeting, or any business conducted at such meeting up to the point of adjournment, or any action taken pursuant to such meeting.

60.7 A person (**satellite chairman**) appointed by the Board shall preside at each satellite meeting. Every satellite chairman shall carry out all requests made of him by the chairman of the meeting, may take such action as he thinks necessary to maintain the proper and orderly conduct of the satellite meeting and shall have all powers necessary or desirable for such purposes.

61. **Electronic General Meetings**

61.1 Without prejudice to Article 60, the Board may resolve to enable persons entitled to attend a general meeting hosted on an electronic platform (such meeting being an **electronic general meeting**) to do so by simultaneous attendance by electronic means with no member necessarily in physical attendance at the electronic general meeting. The members or their proxies present shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the meeting is satisfied that adequate facilities are available throughout the electronic general meeting to ensure that members attending the electronic general meeting who are not present together at the same place may, by electronic means, attend, speak and vote at it.

61.2 If there is a failure of communication equipment, electronic platform, facilities, security or any other failure in the arrangements for participation in the electronic general meeting, the chairman may, without the consent of the meeting, interrupt or adjourn the meeting in accordance with Article 55. Such adjournment will not affect the validity of such meeting, or any business conducted at such meeting up to the point of adjournment, or any action taken pursuant to such meeting.

61.3 Nothing in these Articles prevents a general meeting being held both physically and electronically.

62. **Meaning of Participate**

62.1 For the purposes of Articles 50, 59 and 60 in relation to physical general meetings, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy and have access to all documents which are required by the Companies Acts or these Articles to be made available at the meeting.

62.2 For the purposes of Articles 50, 59, 61 in relation to electronic general meetings, the right of a member to participate in the business of any general meetings shall include without limitation the right to speak, vote on a poll, be represented by a proxy and have access (including electronic access) to all documents which are required by the Companies Acts or these Articles to be made available at the meeting.

63. **Amendment to Resolutions**

63.1 If an amendment to any resolution under consideration is proposed but is ruled out of order by the chairman of the meeting in good faith, any error in such ruling shall not invalidate the proceedings on the original resolution.

63.2 In the case of a resolution duly proposed as a special resolution, no amendment to it (other than an amendment to correct a patent error) may in any event be considered or voted on. In the case of a resolution duly proposed as an ordinary resolution no amendment to it (other

than an amendment to correct a patent error) may be considered or voted on unless either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office or received in electronic form at the electronic address at which the Company has or is deemed to have agreed to receive it or the chairman of the meeting in his absolute discretion decides that it may be considered or voted on.

64. Members' Resolutions

64.1 Members of the Company shall have the rights provided by the Companies Acts to have the Company circulate and give notice of a resolution which may be properly moved, and is intended to be moved, at the Company's next annual general meeting.

64.2 Expenses of complying with these rights shall be borne in accordance with the Companies Acts.

65. Method of Voting

65.1 At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded. Subject to the Companies Acts, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least two members present in person (or by proxy) and entitled to vote at the meeting; or
- (c) a member or members present in person (or by proxy) representing at least one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person (or by proxy) holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all the shares conferring that right.

65.2 If so determined by the chairman of the meeting, resolutions put to the members at electronic general meetings may be voted on by a poll, which poll votes may be cast by such electronic means as the board in its sole discretion deems appropriate for the purposes of the meeting.

65.3 The chairman of the meeting may also demand a poll before a resolution is put to the vote on a show of hands.

65.4 At general meetings, resolutions shall be put to the vote by the chairman of the meeting and there shall be no requirement for the resolution to be proposed or seconded by any person.

65.5 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

66. Objection to Error in Voting

No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the

chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the chairman of the meeting on such matters shall be final and conclusive.

67. Procedure on a Poll

- 67.1 Any poll duly demanded on the election of a chairman or on any question of adjournment shall be taken immediately. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place or electronic platform, not more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman shall direct. The chairman may appoint scrutineers who need not be members. It is not necessary to give notice of a poll not taken immediately if the time and place at, or electronic platform on, which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time, date and place at, or electronic platform on, which the poll shall be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 67.2 The demand for a poll (other than on the election of a chairman or any question of adjournment) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.
- 67.3 The demand for a poll may, before the poll is taken, be withdrawn, but only with the consent of the chairman of the meeting. A demand so withdrawn validates the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 67.4 On a poll votes may be given in person or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

68. Votes of Members

- 68.1 Subject to Article 68.2, the Companies Acts, to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights under these Articles, at any general meeting every member who is present in person (or by proxy) shall on a show of hands have one vote and every member present in person (or by proxy) shall on a poll have one vote for each share of which he is the holder.
- 68.2 On a show of hands, a duly appointed proxy has one vote for and one vote against a resolution if the proxy has been appointed by more than one member entitled to vote on the resolution and the proxy has been instructed:
- (a) by one or more of those members to vote for the resolution and by one or more other of those members to vote against it; or
 - (b) by one or more of those members to vote either for or against the resolution and by one or more other of those members to use his/her discretion as to how to vote.
- 68.3 If two or more persons are joint holders of a share, then in voting on any question the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.
- 68.4 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with

respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion, upon or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person on behalf of such member to vote in person, on a show of hands or on a poll, by proxy on behalf of such member at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and, in default, the right to vote shall not be exercisable.

- 68.5 In the case of equality of votes whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a casting vote.

69. No Right to Vote Where Sums Overdue on Shares

No member may vote at a general meeting (or any separate meeting of the holders of any class of shares), either in person or by proxy, or to exercise any other right or privilege as a member in respect of a share held by him unless:

- (a) all calls or other sums presently due and payable by him in respect of that share whether alone or jointly with any other person together with interest and expenses (if any) have been paid to the Company; or
- (b) the Board determines otherwise.

70. Voting by Proxy

- 70.1 Subject to Article 70.2, an instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the Board) executed under the hand of the appointer or his duly constituted attorney or, if the appointer is a corporation, under its seal or signed by a duly authorised officer or attorney or other person authorised to sign.

- 70.2 Subject to the Companies Acts, the Board may accept the appointment of a proxy received by electronic means on such terms and subject to such conditions as it considers fit. The appointment of a proxy received by electronic means shall not be subject to the requirements of Article 70.1.

- 70.3 For the purposes of Articles 70.1 and 70.2, the Board may require such reasonable evidence it considers necessary to determine:

- (a) the identity of the member and the proxy; and
- (b) where the proxy is appointed by a person acting on behalf of the member, the authority of that person to make the appointment.

- 70.4 A member may appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the Company. Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to exercise all such rights, as the proxy thinks fit.

- 70.5 A proxy need not be a member.

- 70.6 A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by the member.

When two or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

- 70.7 Delivery or receipt of an appointment of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- 70.8 The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy shall be valid for 12 months from the date of execution or, in the case of an appointment of proxy delivered by electronic means, for 12 months from the date of delivery unless otherwise specified by the Board.
- 70.9 Subject to the Companies Acts, the Company may send a form of appointment of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent, the form shall provide for three-way voting on all resolutions (other than procedural resolutions) set out in the notice of meeting.

71. **Receipt of Proxy**

71.1 An instrument appointing a proxy and any reasonable evidence required by the Board in accordance with Article 70.3 shall:

- (a) subject to Articles 71.1(c) and (d), in the case of an instrument of proxy in hard copy form, delivered to the office, or another place in the United Kingdom specified in the notice convening the meeting or in the form of appointment of proxy or other accompanying document sent by the Company in relation to the meeting (a **proxy notification address**) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;
- (b) subject to Articles 71.1(c) and (d), in the case of an appointment of a proxy sent by electronic means, where the Company has given an electronic address (a proxy notification electronic address):
 - (i) in the notice calling the meeting;
 - (ii) in an instrument of proxy sent out by the Company in relation to the meeting;
 - (iii) in an invitation to appoint a proxy issued by the Company in relation to the meeting; or
 - (iv) on a website maintained by or on behalf of the Company on which any information relating to the meeting is required by the Act to be kept,

it shall be received at such proxy notification electronic address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;
- (c) in the case of a poll taken more than 48 hours after it is demanded, delivered or received at a proxy notification address or a proxy notification electronic address and not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or

- (d) in the case of a poll which is not taken at the meeting at which it is demanded but is taken 48 hours or less after it is demanded, or in the case of an adjourned meeting to be held 48 hours or less after the time fixed for holding the original meeting, received:
 - (i) at a proxy notification address or a proxy notification electronic address in accordance with Articles 71.1(a) or (b);
 - (ii) by the chairman of the meeting or the secretary or any director at the meeting at which the poll is demanded or, as the case may be, at the original meeting; or
 - (iii) at a proxy notification address or a proxy notification electronic address by such time as the chairman of the meeting may direct at the meeting at which the poll is demanded.

In calculating the periods in this Article, no account shall be taken of any part of a day that is not a working day.

- 71.2 The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under Article 70.3 has not been received in accordance with the requirements of this Article.
- 71.3 Subject to Article 71.2, if the proxy appointment and any of the information required under Article 70.3 is not received in the manner set out in Article 71.1, the appointee shall not be entitled to vote in respect of the shares in question.
- 71.4 Without limiting the foregoing, in relation to any uncertificated shares, the Board may from time to time:
 - (a) permit appointments of a proxy by means of a communication sent in electronic form in the form of an uncertificated proxy instruction; and
 - (b) permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction by the same means.

The Board may in addition prescribe the method of determining the time at which any such uncertificated proxy instruction is to be treated as received by the Company or a participant acting on its behalf. The Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

72. Revocation of Proxy

A vote given or poll demanded by a proxy shall be valid in the event of the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share for which the instrument of proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as has been appointed for the deposit of instruments of proxy, no later than the last time at which an appointment of a proxy should have been received in order for it to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

73. Corporate Representatives

- 73.1 A corporation (whether or not a company within the meaning of the Act) which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks

fit to act as its representative (or, as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares.

- 73.2 Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's holdings to which the authority relates) as the corporation could exercise if it were an individual member.
- 73.3 The corporation shall for the purposes of these Articles be deemed to be present in person and at any such meeting if a person so authorised is present at it, and all references to attendance and voting in person shall be construed accordingly.
- 73.4 A Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his powers.
- 73.5 A vote given or a poll demanded by a corporate representative shall be valid notwithstanding that he is no longer authorised to represent the member unless notice of the revocation of appointment was delivered in writing to the Company at such place or address and by such time as is specified in Article 72 for the revocation of the appointment of a proxy.

74. Failure to Disclose Interests in Shares

74.1 If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice under section 793 of the Act (**section 793 notice**) and has failed in relation to any shares (**default shares**, which expression includes any shares issued after the date of such notice in right of those shares) to give the Company the information required by the section 793 notice within the prescribed period from the service of the notice, the following sanctions shall apply unless the Board determines otherwise:

- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (b) where the default shares represent at least 0.25% in nominal value of the issued shares of their class (calculated exclusive of any shares held as treasury shares):
 - (i) any dividend or other money payable for such shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to Article 132, to receive shares instead of that dividend; and
 - (ii) no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless the member himself is not in default of supplying the required information and the member proves to the satisfaction of the Board that no person in default of supplying such information is interested in any of the shares that are the subject of the transfer.

For the purposes of ensuring Article 74.1(b)(ii) can apply to all shares held by the member, the Company may in accordance with the uncertificated securities rules, issue a written notification to the Operator requiring conversion into certificated form of any share held by the member in uncertificated form.

- 74.2 Where the sanctions under Article 74.1 apply in relation to any shares, they shall cease to have effect (and any dividends withheld under Article 74.1(b) shall become payable):
- (a) if the shares are transferred by means of an excepted transfer but only in respect of the shares transferred; or
 - (b) at the end of the period of seven days (or such shorter period as the Board may determine) following receipt by the Company of the information required by the section 793 notice and the Board being fully satisfied that such information is full and complete.
- 74.3 Where, on the basis of information obtained from a member in respect of any share held by him, the Company issues a section 793 notice to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article 74.1.
- 74.4 For the purposes of this Article:
- (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
 - (b) **interested** shall be construed as it is for the purpose of section 793 of the Act;
 - (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes reference:
 - (i) to his having failed or refused to give all of any part of it; and
 - (ii) to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
 - (d) **prescribed period** means 14 days;
 - (e) **excepted transfer** means, in relation to any shares held by a member:
 - (i) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Act); or
 - (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in section 285 of the FSMA) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
 - (iii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- 74.5 Nothing contained in this Article shall be taken to limit the powers of the Company under section 794 of the Act.

75. Power of Sale of Shares of Untraced Members

- 75.1 The Company shall be entitled to sell at the best price reasonably obtainable any share of a member, or any share to which a person is entitled by transmission, if and provided that:
- (a) during the period of 12 years before the date of sending of the notice referred to in Article 75.1(b) no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share, at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person entitled, provided that during such period of 12 years the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it;
 - (b) on or after expiry of the said period of 12 years, the Company has given notice of its intention to sell such share by sending a notice to the member or person entitled by transmission to the share at his address on the Register or other last known address given by the member or person entitled by transmission to the share and before sending such a notice to the member or other person entitled by transmission, the Company must have used reasonable efforts to trace the member or other person entitled, engaging, if considered appropriate, a professional asset reunification company or other tracing agent and/or giving notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address of the member or person entitled by transmission to the share shown in the Register;
 - (c) during the further period of three months following the date of such notice and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
 - (d) the Company has given notice to NASDAQ of its intention to make such sale, if shares of the class concerned, or certificated or uncertificated depositary instruments over such shares, are listed on NASDAQ or dealt in on any other recognised stock exchange on which the shares are listed.
- 75.2 To give effect to any sale of shares under this Article, the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register even if no share certificate has been lodged for such shares and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to, the shares. The buyer shall not be bound to see to the application of the purchase monies, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. If the shares are in uncertificated form, in accordance with the uncertificated securities rules, the Board may issue a written notification to the Operator requiring the conversion of the share to certificated form.
- 75.3 If during the period of 12 years referred to in Article 75.1, or during any period ending on the date when all the requirements of Articles 75.1(a) to 75.1(d) have been satisfied, any additional shares have been issued in respect of those held at the beginning of, or previously so issued during, any such period and all the requirements of Articles 75.1(b) to 75.1(d) have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

76. Application of Proceeds of Sale of Shares of Untraced Members

The Company shall account to the member or other person entitled to the share for the net proceeds of a sale under Article 75 by carrying all monies relating to such sale to a separate account. The Company shall be deemed to be a debtor to, and not a trustee for, such member or other person in respect of such monies. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments as the Board may think fit. No interest shall be payable to such member or other person in respect of such monies and the Company does not have to account for any money earned on them.

77. Number of Directors

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be at least two but shall not be subject to any maximum number.

78. Power of Company to Appoint Directors

Subject to these Articles and the Companies Acts, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

79. Power of Board to Appoint Directors

79.1 Subject to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

79.2 A Director so appointed shall hold office only until:

- (a) the next annual general meeting following his appointment, when he shall retire, but shall then be eligible for re-election and a Director so retiring shall not be taken into account in determining the number of Directors to retire by rotation at such meeting in accordance with Article 81; or
- (b) his earlier resignation or removal in accordance with these Articles.

80. Eligibility of New Directors

80.1 No person, other than a retiring Director (by rotation or otherwise), shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) at least seven but not more than 42 clear days before the date appointed for the meeting the Company has received notice from a member (other than the person proposed) entitled to vote at the meeting of his intention to propose a resolution for the appointment or re-appointment of that person, stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors and a notice executed by that person of his willingness to be appointed or re-appointed, is lodged at the Office.

80.2 A Director need not be a member of the Company.

81. Classes and Retirement of Directors

- 81.1 Following the Listing, the Directors shall be divided into three classes designated as “**Class I**”, “**Class II**” and “**Class III**”, respectively. The Board is authorised to assign (i) members of the Board already in office such classes at the time the classification becomes effective and (ii) members of the Board who are appointed following the Listing, such classes at the time of such appointment.
- 81.2 At the first annual general meeting of the Company following the Listing, each Director in Class I shall retire from office but shall be eligible for re-appointment by ordinary resolution at such annual general meeting and, in each case, where such Director is so re-appointed, they shall be entitled to serve until the third anniversary of such annual general meeting of the Company, at which stage such Director shall retire from office but shall be eligible for further re-appointment.
- 81.3 At the second annual general meeting of the Company following the Listing, each Director in Class II shall retire from office but shall be eligible for re-appointment by ordinary resolution at such annual general meeting and, in each case, where such Director is so re-appointed, they shall be entitled to serve until the third anniversary of such annual general meeting of the Company, at which stage such Director shall retire from office but shall be eligible for further re-appointment.
- 81.4 At the third annual general meeting of the Company following the Listing, each Director in Class III shall retire from office but shall be eligible for re-appointment by ordinary resolution at such annual general meeting and, in each case, where such Director is so re-appointed, they shall be entitled to serve until the third anniversary of such annual general meeting of the Company, at which stage such Director shall retire from office but shall be eligible for further re-appointment.
- 81.5 At each succeeding annual general meeting of the Company following the third annual general meeting of the Company after the Listing, Directors shall be elected to serve for a term of three years to succeed the Directors of the class whose terms expire at such annual general meeting.
- 81.6 Notwithstanding the foregoing provisions, each Director shall serve until their successor is duly elected and qualified or until their earlier death, resignation or removal.

82. Deemed Re-Appointment

- 82.1 A Director who retires at an annual general meeting shall (unless he is removed from office or his office is vacated in accordance with these Articles) retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to elect another person in his place or the resolution to re-appoint him is put to the meeting and lost.
- 82.2 If the Company, at any meeting at which a Director retires in accordance with these Articles does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed unless at that meeting a resolution is passed not to fill the vacancy or elect another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

83. Procedure if Insufficient Directors Appointed

- 83.1 If:
- (a) at the annual general meeting in any year any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re appointment as Directors are put to the meeting and lost; and

- (b) at the end of that meeting the number of Directors is fewer than any minimum number of Directors required under Article 77, all retiring Directors who stood for re-appointment at that meeting (**Retiring Directors**) shall be deemed to have been re-appointed as Directors and shall remain in office but the Retiring Directors may only act for the purpose of filling vacancies, convening general meetings of the Company and performing such duties as are essential to maintain the Company as a going concern, and not for any other purpose.

83.2 The Retiring Directors shall convene a general meeting as soon as reasonably practicable following the meeting referred to in Article 83.1 and they shall retire from office at that meeting. If at the end of any meeting convened under this Article the number of Directors is fewer than any minimum number of Directors required under Article 77, the provisions of this Article shall also apply to that meeting.

84. **Removal of Directors**

In addition to any power of removal conferred by the Companies Acts, the Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with section 312 of the Act, remove a director before the expiry of his period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a director in his place.

85. **Vacation of Office by Director**

85.1 Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these Articles, the office of a Director shall be vacated if:

- (a) he resigns by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting;
- (b) he offers to resign by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting and the Board resolves to accept such offer;
- (c) he is requested to resign by all of the other Directors by notice in writing addressed to him at his address as shown in the register of Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company);
- (d) he ceases to be a Director by virtue of any provision of the Companies Acts, is removed from office pursuant to these Articles or the Act or becomes prohibited by law or by the rules of any applicable stock exchange from being a Director;
- (e) he becomes bankrupt or makes an arrangement or composition with his creditors generally;
- (f) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that person has become physically or mentally incapable of acting as a director and may remain so for more than three months, or he is or has been suffering from mental or physical ill health and the Board resolves that his office be vacated; or
- (g) he is absent (whether or not his alternate Director appointed by him attends), without the permission of the Board, from Board meetings for six consecutive months and a

notice is served on him personally, or at his residential address provided to the Company under section 165 of the Act signed by all the other Directors stating that he shall cease to be a Director with immediate effect (and such notice may consist of several copies each signed by one or more Directors).

85.2 If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

86. Resolution as to Vacancy Conclusive

A resolution of the Board declaring a Director to have vacated office under the terms of Article 85 shall be conclusive as to the fact and ground of vacation stated in the resolution.

87. Appointment of Alternate Directors

87.1 Each Director may appoint any person (including another Director) to be his alternate and may at his discretion remove an alternate Director so appointed. Any appointment or removal of an alternate Director must be by written notice delivered to the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting or in any other manner approved by the Board. The appointment requires the approval of the Board unless it has been previously approved or the appointee is another Director.

87.2 An alternate Director must provide the particulars, and sign any form for public filing required by the Companies Acts relating to his appointment.

88. Alternate Directors' Participation in Board Meetings

88.1 Every alternate Director is (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him (and, if applicable, an address in relation to which electronic communications may be received by him)) entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in his appointor's absence, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor. Each person acting as an alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director in addition to his own vote if he is also a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

88.2 Signature by an alternate Director of any resolution in writing of the Board or a committee of the Board will, unless the notice of his appointment provides otherwise, be as effective as signature by his appointor.

89. Alternate Directors Responsible for Own Acts

Each person acting as an alternate Director will be an officer of the Company, will alone be responsible to the Company for his own acts and defaults and will not be deemed to be the agent of the Director appointing him.

90. Interests of Alternate Director

An alternate Director is entitled to contract and be interested in and benefit from contracts or arrangements with the Company, to be repaid expenses and to be indemnified to the same extent as if he were a Director. However, he is not entitled to receive from the Company any fees for his services as alternate, except such part (if any) of the fee payable to his appointor as such appointor may by written notice to the Company direct.

91. **Revocation of Alternate Director**

An alternate Director will cease to be an alternate Director:

- (a) if his appointor revokes his appointment; or
- (b) if he resigns his office by notice in writing to the Company; or
- (c) if his appointor ceases for any reason to be a Director, provided that if any Director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or
- (d) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate his office.

92. **Directors' Fees**

Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Directors (other than amounts payable under any other provision of these Articles) must not exceed £750,000 a year or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any fees payable under this Article shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of these Articles and shall accrue from day to day.

93. **Expenses**

Each Director may be paid his reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company. Subject to the Act, the Directors shall have the power to make arrangements to provide a Director with funds to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties as an officer of the Company or to enable him to avoid incurring any such expenditure.

94. **Additional Remuneration**

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine.

95. **Remuneration of Executive Directors**

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with these Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or instead of any fee payable to him for his services as Director under these Articles.

96. **Pensions and Other Benefits**

- 96.1 The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other

allowances or gratuities (whether by insurance or otherwise) for any person who is or has at any time been a Director or employee of:

- (a) the Company;
 - (b) any company which is or was a holding company or a subsidiary undertaking of the Company;
 - (c) any company which is or was allied to or associated with the Company or a subsidiary undertaking or holding company of the Company; or
 - (d) a predecessor in business of the Company or of any holding company or subsidiary undertaking of the Company,
- and, in each case, for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him.

96.2 The Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the Companies Acts, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the matters set out in Article 96.1 above. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not have to account for it to the Company. The receipt of any such benefit will not disqualify any person from being or becoming a Director of the Company.

97. Powers of the Board

97.1 Subject to the Companies Acts, these Articles and to any directions given by special resolution of the Company, the business of the Company will be managed by the Board, which may exercise all the powers of the Company, whether relating to the management of the business or not.

97.2 No alteration of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article.

98. Powers of Directors if Less Than Minimum Number

If the number of Directors is less than the minimum prescribed in Article 77 or decided by the Company by ordinary resolution, the remaining Director or Directors may act only for the purposes of appointing an additional Director or Directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no Director or Directors is or are able or willing to act, a general meeting may be convened in accordance with these Articles for the purpose of appointing Directors. An additional Director appointed in this way holds office (subject to these Articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the annual general meeting.

99. Powers of Executive Directors

The Board or any committee authorised by the Board may:

- (a) delegate or entrust to and confer on any Director holding executive office (including a chief executive or managing director, if appointed) such of its powers, authorities and

discretions (with power to sub-delegate) for such time, on such terms and subject to such conditions as it thinks fit; and

(b) revoke, withdraw, alter or vary all or any of such powers.

100. Delegation to Committees

100.1 The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided that:

(a) a majority of the members of a committee shall be Directors; and

(b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

100.2 The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may revoke, withdraw, alter or vary any such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated, any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee.

101. Local Management

101.1 The Board may establish any local or divisional boards or agencies for managing any of the affairs of the Company in any specified locality, either in the United Kingdom or elsewhere, and appoint any persons to be members of such local or divisional board, or any managers or agents, and may fix their remuneration.

101.2 The Board may delegate to any local or divisional board, manager or agent so appointed any of its powers, authorities and discretions (with power to sub-delegate) and may authorise the members of any such local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any such appointment or delegation under this Article may be made, on such terms conditions as the Board may think fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may revoke, withdraw, alter or vary all or any of such powers.

101.3 Subject to any terms and conditions expressly imposed by the Board, the proceedings of any local or divisional board or agency with two or more members shall be governed by such of these Articles as regulate the proceedings of the Board, so far as they are capable of applying.

102. Board Meetings

102.1 The Board can decide when and where to have meetings and how they will be conducted. They may also adjourn meetings.

102.2 A Board meeting can be called by any Director. The Secretary must call a Board meeting if asked to do so by a Director.

103. Notice of Board Meetings

- 103.1 Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or given in writing or by electronic means to him at his last known address or any other address given by him to the Company for that purpose.
- 103.2 A Director may waive the requirement that notice be given to him of any Board meeting, either prospectively or retrospectively and any retrospective waiver shall not affect the validity of the meeting or of any business conducted at the meeting.
- 103.3 It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has asked the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom notified to the Company for this purpose, but he shall not, in such event, be entitled to a longer period of notice than if he had been present in the United Kingdom at that address.

104. Quorum

- 104.1 The quorum necessary for the transaction of business may be determined by the Board (but shall be no less than two persons) and until otherwise determined shall be two persons, each being a Director or an alternate Director. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions for the time being vested in or exercisable by the Board.
- 104.2 If a Director ceases to be a director at a Board meeting, he can continue to be present and to act as a director and be counted in the quorum until the end of the meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

105. Chairman

- 105.1 The Board may appoint one or more of its body as chairman or joint chairman and one or more of its body as deputy chairman of its meetings and may determine the period for which he is or they are to hold office and may at any time remove him or them from office.
- 105.2 If no such chairman or deputy chairman is elected, or if at any meeting neither a chairman nor a deputy chairman is present within ten minutes of the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of such meeting. In the event two or more joint chairmen or, in the absence of a chairman, two or more deputy chairman being present, the joint chairman or deputy chairman to act as chairman of the meeting shall be decided by those Directors present.

106. Voting

Questions arising at any Board meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of that meeting shall have a second or casting vote (unless he is not entitled to vote on the resolution in question).

107. Participation by Telephone or Other Form of Communication

- 107.1 Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or any other form of communications equipment (whether in use when these Articles are adopted or developed subsequently), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting.
- 107.2 A person so participating by telephone or other communication shall be deemed to be present in person at the meeting and shall be counted in a quorum and entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is

assembled or, if there is no group which is larger than any other group, where the chairman of the meeting then is.

- 107.3 A resolution passed at any meeting held in the above manner, and signed by the chairman of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.

108. Resolution in Writing

- 108.1 A resolution in writing signed or confirmed electronically by all the Directors for the time being entitled to receive notice of a Board meeting and to vote on the resolution and not being less than a quorum (or by all the members of a committee of the Board for the time being entitled to receive notice of such committee meeting and to vote on the resolution and not being less than a quorum of that committee), shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee, as the case may be).
- 108.2 Such a resolution may consist of several documents or electronic communications in the same form each signed or authenticated by one or more of the Directors or members of the relevant committee.

109. Proceedings of Committees

All committees of the Board shall, in the exercise of the powers delegated to them and in the transaction of business, conform with any mode of proceedings and regulations which the Board may prescribe and subject to this shall be governed by such of these Articles as regulate the proceedings of the Board as are capable of applying.

110. Minutes of Proceedings

- 110.1 The Board shall keep minutes of all shareholder meetings, all Board meetings and meetings of committees of the Board. The minutes must include the names of the Directors present.
- 110.2 Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next meeting or the Secretary, shall be evidence of the matters stated in such minutes without any further proof.

111. Validity of Proceedings

All acts done by a meeting of the Board, or of a committee of the Board, or by any person acting as a Director, alternate Director or member of a committee shall be valid even if it is discovered afterwards that there was some defect in the appointment of any person or persons acting, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office.

112. Transactions or Other Arrangements With the Company

- 112.1 Subject to the Companies Acts and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company may:
- (a) be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - (b) act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

- (c) be or become a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (d) hold any office or place of profit with the Company (except as auditor) in conjunction with his office of Director for such period and upon such terms, including as to remuneration as the Board may decide.

112.2 A Director shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

113. **Authorisation of Directors' Conflicts of Interest**

113.1 The Board may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under the Act to avoid conflicts of interest.

113.2 A Director seeking authorisation in respect of a conflict of interest shall declare to the Board the nature and extent of his interest in a conflict of interest as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict of interest together with such additional information as may be requested by the Board.

113.3 Any authorisation under this Article will be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director and any other interested Director; and
- (c) the matter is agreed to without the Interested Director voting or would be agreed to if the Interested Director's and any other interested Director's vote is not counted.

113.4 Any authorisation of a conflict of interest under this Article must be recorded in writing (but the authority shall be effective whether or not the terms are so recorded) and may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the conflict of interest;
- (c) impose upon the Interested Director such other terms for the purposes of dealing with the conflict of interest as the Directors think fit;
- (d) provide that, where the Interested Director obtains, or has obtained (through his involvement in the conflict of interest and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to

disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

- (e) permit the Interested Director to absent himself from the discussion of matters relating to the conflict of interest at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

113.5 Where the Directors authorise a conflict of interest, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the conflict of interest.

113.6 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

113.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a conflict of interest which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

114. **Directors' Permitted Interests**

114.1 A Director cannot vote or be counted in the quorum on any resolution relating to any transaction or arrangement with the Company in which he has an interest and which may reasonably be regarded as likely to give rise to a conflict of interest but can vote (and be counted in the quorum) on the following:

- (a) giving him any security, guarantee or indemnity for any money or any liability which he, or any other person, has lent or obligations he or any other person has undertaken at the request, or for the benefit, of the Company or any of its subsidiary undertakings;
- (b) giving any security, guarantee or indemnity to any other person for a debt or obligation which is owed by the Company or any of its subsidiary undertakings, to that other person if the Director has taken responsibility for some or all of that debt or obligation. The Director can take this responsibility by giving a guarantee, indemnity or security;
- (c) a proposal or contract relating to an offer of any shares or debentures or other securities for subscription or purchase by the Company or any of its subsidiary undertakings, if the Director takes part because he is a holder of shares, debentures or other securities, or if he takes part in the underwriting or sub underwriting of the offer;
- (d) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which only gives him benefits which are also generally given to employees to whom the arrangement relates;
- (e) any arrangement involving any other company if the Director (together with any person connected with the Director) has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder of that company). This does not apply if he knows that he has a Relevant Interest;

- (f) a contract relating to insurance which the Company can buy or renew for the benefit of the Directors or a group of people which includes Directors; and
- (g) a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates.

114.2 A Director cannot vote or be counted in the quorum on a resolution relating to his own appointment or the settlement or variation of the terms of his appointment to an office or place of profit with the Company or any other company in which the Company has an interest.

114.3 Where the Directors are considering proposals about the appointment, or the settlement or variation of the terms or the termination of the appointment of two or more Directors to other offices or places of profit with the Company or any company in which the Company has an interest, a separate resolution may be put in relation to each Director and in that case each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to an office or place of profit with a company in which the Company has an interest and the Director seeking to vote or be counted in the quorum has a Relevant Interest in it.

114.4 A company shall be deemed to be one in which the Director has a **Relevant Interest** if and so long as (but only if and so long as) he is to his knowledge (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of that company. In relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise. Where a company in which a Director has Relevant Interest is interested in a contract, he also shall be deemed interested in that contract.

114.5 If a question arises at a Board meeting about whether a Director (other than the chairman of the meeting) has an interest which is likely to give rise to a conflict of interest, or whether he can vote or be counted in the quorum, and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman's ruling about the relevant Director is final and conclusive, unless the nature and extent of the Director's interests have not been fairly disclosed to the Directors. If the question arises about the chairman of the meeting, the question must be directed to the Directors. The chairman cannot vote on the question but can be counted in the quorum. The Directors' resolution about the chairman is final and conclusive, unless the nature and extent of the chairman's interests have not been fairly disclosed to the Directors.

115. **General**

115.1 For the purposes of Articles 112 to 114 inclusive (which shall apply equally to alternate Directors):

- (a) An interest of a person who is connected (which word shall have the meaning given to it by section 252 of the Act) with a Director shall be treated as an interest of the Director.
- (b) A contract includes references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not consulting a contract.
- (c) A conflict of interest includes a conflict of interest and duty and a conflict of duties.

- (d) Subject to the Companies Acts, the Company may by ordinary resolution suspend or relax the provisions of Articles 112 to 114 to any extent or ratify any contract not properly authorised by reason of a contravention of any of the provisions of Articles 112 to 114.

116. Power of Attorney

The Board may, by power of attorney or otherwise, appoint any person or persons to be the agent or attorney of the Company and may delegate to any such person or persons any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and conditions as it thinks fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may revoke, withdraw, alter or vary any of such powers.

117. Exercise of Voting Power

The Board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company, or any power of appointment to be exercised by the Company, in such manner as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of any Director as a director or other officer or employee of such company or in favour of the payment of remuneration to the directors, officers or employees of such company).

118. Provision for Employees on Cessation of Business

The Board may, by resolution, sanction the exercise of the power to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertakings, in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking, but any such resolution shall not be sufficient for payments to or for the benefit of directors, former directors or shadow directors.

119. Overseas Registers

Subject to the Companies Acts, the Company may keep an overseas, local or other register and the Board may make and vary such regulations as it thinks fit respecting the keeping of any such register.

120. Borrowing Powers

Subject to these Articles and the Companies Acts, the Board may exercise all the powers of the Company to:

- (a) borrow money;
- (b) indemnify and guarantee;
- (c) mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company;
- (d) create and issue debentures and other securities; and
- (e) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

121. Power to Authenticate Documents

- 121.1 Any Director, the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts. Where any books, records, documents or accounts are not at the Office, the local manager or other officer of the Company who has their custody shall be deemed to be a person appointed by the Board for this purpose. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

122. Use of Seals

- 122.1 The Board shall provide for the safe custody of the Seal. A Seal shall not be used without the authority of the Board or of a committee of the Board so authorised.
- 122.2 Subject as otherwise provided in these Articles, every document which is sealed using the Seal must be signed by at least one authorised person in the presence of a witness who attests the signature. An authorised person for this purpose is any Director, the Secretary or any other person authorised by the Directors for the purpose of signing documents to which the Seal is applied.
- 122.3 The Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Seal shall not require to be signed unless the Board decides otherwise or the law otherwise requires.
- 122.4 The Board may decide who will sign an instrument to which a Seal is affixed (or in the case of a share certificate, on which the Seal may be printed) either generally or in relation to a particular instrument or type of instrument and may also determine either generally or in a particular case that a signature may be dispensed with or affixed by mechanical means.

123. Declaration of Dividends

Subject to the Act and these Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

124. Interim Dividends

Subject to the Act, the Board may declare and pay such interim dividends (including any dividend at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If the Board acts in good faith, it shall not incur any liability to the holders of shares for any loss that they may suffer by the lawful payment of any interim dividend on any other class of shares ranking with or after those shares.

125. Calculation and Currency of Dividends

Except as provided otherwise by the rights attached to shares, all dividends:

- (a) shall be declared and paid accordingly to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid;

- (b) shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly; and
- (c) may be declared or paid in any currency. The Board may decide the rate of exchange for any currency conversions that may be required and how any costs involved are to be met.

126. Amounts Due on Shares can be Deducted from Dividends

The Board may deduct from any dividend or other money payable to any person on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company. Sums so deducted can be used to pay amounts owing to the Company in respect of the shares.

127. Dividends Not in Cash

The Board may, by ordinary resolution of the Company direct, or in the case of an interim dividend may without the authority of an ordinary resolution direct, that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises regarding such distribution, the Board may settle it as it thinks fit. In particular, the Board may:

- (a) issue fractional certificates (or ignore fractions);
- (b) fix the value for distribution of such assets or any part of them and determine that cash payments may be made to any members on the footing of the values so fixed, in order to adjust the rights of members; and
- (c) vest any such assets in trustees on trust for the person entitled to the dividend.

128. No Interest on Dividends

Unless otherwise provided by the rights attached to the share, no dividend or other monies payable by the Company or in respect of a share shall bear interest as against the Company.

129. Method of Payment

- 129.1 The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by direct debit, bank transfer, cheque, dividend warrant, or money order or by any other method, including by electronic means, as the Board may consider appropriate. For uncertificated shares, any payment may be made by means of the relevant system (subject always to the facilities and requirements of the relevant system) and such payment may be made by the Company or any person on its behalf by sending an instruction to the operator of the relevant system to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.
- 129.2 The Company may send such payment by post or other delivery service (or by such means offered by the Company as the member or person entitled to it may agree in writing) to the registered address of the member or person entitled to it (or, if two or more persons are holders of the share or are jointly entitled to it because of the death or bankruptcy of the member or otherwise by operation of law, to the registered address of such of those persons as is first named in the Register) or to such person and such address as such member or person may direct in writing.

129.3 Every cheque, warrant, order or other form of payment is sent at the risk of the person entitled to the money represented by it, shall be made payable to the person or persons entitled, or to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant, order or other form of payment (including transmission of funds through a bank transfer or other funds transfer system or by such other electronic means as permitted by these Articles or in accordance with the facilities and requirements of the relevant system concerned) shall be good discharge to the Company. If any such cheque, warrant, order or other form of payment has or shall be alleged to have been lost, stolen or destroyed the Company shall not be responsible.

129.4 Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other monies payable in respect of such share.

129.5 The Board may, at its discretion, make provisions to enable any member as the Board shall determine to receive duly declared dividends in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such rate or rates and the payment shall be on such terms and conditions as the Board may in its absolute discretion determine.

130. **Uncashed Dividends**

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled to them are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquires have failed to establish any new address to be used for the purpose, the Company does not have to send any dividends or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

131. **Unclaimed Dividends**

All dividends, interest or other sums payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The Company shall not be a trustee in respect of such unclaimed dividends and will not be liable to pay interest on it. All dividends that remain unclaimed for 12 years after they were first declared or became due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

132. **Scrip Dividends**

Subject to the Act, the Board may, by ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to any holders of Ordinary Shares (excluding any member holding shares as treasury shares) the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (a) the said resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period or periods but such period may not end later than the fifth anniversary of the date of the meeting at which the ordinary resolution is passed;
- (b) the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder would have received by way of dividend. For this purpose **relevant value** shall be calculated by reference to the average of the middle market quotations for the Ordinary Shares, certificated or uncertificated depository instruments in

respect of such shares, on NASDAQ (or any other publication of a recognised investment exchange showing quotations for the Ordinary Shares), for the day on which the Ordinary Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as the Board may determine on such basis as it considers to be fair and reasonable. A certificate or report by the Company's auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;

- (c) no fractions of a share shall be allotted. The Board may make such provisions as it thinks fit for any fractional entitlements including provisions where, in whole or in part, the benefit accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of any member of fully paid Ordinary Shares and/or provisions where cash payments may be made to members in respect of their fractional entitlements;
- (d) the Board shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective. No such notice need to be given to holders of Ordinary Shares who have previously given election mandates in accordance with this Article and whose mandates have not been revoked. The accidental omission to give notice of any right of election to, or the non-receipt (even if the Company becomes aware of such non-receipt) of any such notice by, any holder of Ordinary Shares entitled to the same shall neither invalidate any offer of an election nor give rise to any claim, suit or action;
- (e) the Board shall not proceed with any election unless the company has sufficient reserves or funds that may be capitalised, and the Board has authority to allot sufficient shares, to give effect to it after the basis of the allotment is determined;
- (f) the Board may exclude from any offer or make other arrangements in relation to any holders of Ordinary Shares where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them or in respect of such shares;
- (g) the Board may establish or vary a procedure for election mandates in respect of future rights of election and may determine that every duly effected election in respect of any Ordinary Shares shall be binding on every successor in title to the holder;
- (h) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been duly made (**Elected Ordinary Shares**) and instead additional Ordinary Shares shall be allotted to the holders of the Elected Ordinary Shares on the basis of allotment determined as stated above. For such purpose the Board may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on such basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the Elected Ordinary Shares on such basis. The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation;

- (i) the Board may decide how any costs relating to the new shares available in place of a cash dividend will be met, including to deduct an amount from the entitlement of a holder of Ordinary Shares under this Article;
- (j) the additional Ordinary Shares so allotted shall rank *pari passu* in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend in respect of which the right of election has been offered, except that they will not rank for any dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date; and
- (k) the Board may terminate, suspend, or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time and generally may implement any scrip dividend scheme on such terms and conditions as the Board may determine and take such other action as the Board may deem necessary or desirable in respect of any such scheme.

133. Capitalisation of Reserves

133.1 The Board may, with the authority of an ordinary resolution of the Company:

- (a) subject as provided in this Article, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of the share premium account of capital redemption reserve or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, provided that:
 - (i) the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up in full shares to be allotted to members credited as fully paid;
 - (ii) the Company will also be entitled to participate in the relevant distribution in relation to any shares of the relevant class held by it as treasury shares and the proportionate entitlement of the relevant class of members to the distribution will be calculated accordingly; and
 - (iii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of it;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;

- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit of it to the Company rather than to the members concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of such members concerned into an agreement with the Company providing for either:
 - (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation; or
 - (ii) the payment up by the Company on behalf of such members by the application of their respective proportions of the reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares,

(any agreement made under such authority being effective and binding on all such members); and
- (f) generally do all acts and things required to give effect to such resolution.

134. **Record Dates**

- 134.1 Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any shares and subject always to the Act, the Company or the Board may by resolution specify any date (**record date**) as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular. Such record date may be before, on or after the date on which the dividend, distribution, interest, allotment, issue, notice, information, document or circular is declared, made, paid, given, or served.
- 134.2 In the absence of a record date being fixed, entitlement to any dividend, distribution, interest, allotment, issue, notice, information, document or circular shall be determined by reference to the date on which the dividend is declared, the distribution allotment or issue is made or the notice, information, document or circular made, given or served.

135. **Inspection of Records**

No member (other than a Director) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by law, by order of a court of competent jurisdiction, by the Board or by ordinary resolution of the Company.

136. **Accounts to be Sent to Members**

- 136.1 In respect of each financial year, a copy of the Company's annual accounts, the strategic report, the Directors' report, the Directors' remuneration report, the auditor's report on those accounts and on the auditable part of the Directors' remuneration report shall be sent or supplied to:
- (a) every member (whether or not entitled to receive notices of general meetings);
 - (b) every holder of debentures (whether or not entitled to receive notice of general meetings); and
 - (c) every other person who is entitled to receive notice of general meetings;

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Act.

136.2 This Article does not require copies of the documents to which it applies to be sent or supplied to:

- (a) a member or holder of debentures of whose address the Company is unaware; or
- (b) more than one of the joint holders of shares or debentures.

136.3 The Board may determine that persons entitled to receive a copy of the Company's annual accounts, the strategic report, the Directors' report, the Directors' remuneration report, the auditor's report on those accounts and on the auditable part of the Directors' remuneration report are those persons entered on the Register at the close of business on a day determined by the Board, provided that the day determined by the Board may not be more than 21 days before the day that the relevant copies are being sent.

136.4 Where permitted by the Act, a strategic report with supplementary material in the form and containing the information prescribed by the Act may be sent or supplied to a person so electing in place of the documents required to be sent or supplied by Article 136.1.

137. **Service of Notices**

137.1 The Company can send, deliver or serve any notice or other document, including a share certificate, to or on a member:

- (a) personally;
- (b) by sending it through the postal system addressed to the member at his registered address or by leaving it at that address addressed to the member;
- (c) through a relevant system, where the notice or document relates to uncertificated shares;
- (d) where appropriate, by sending or supplying it in electronic form to an address notified by the member to the Company for that purpose;
- (e) where appropriate, by making it available on a website and notifying the member of its availability in accordance with this Article; or
- (f) by any other means authorised in writing by the member.

137.2 In the case of joint holders of a share:

- (a) service, sending or supply of any notice, document or other information on or to one of the joint holders shall for all purposes be deemed a sufficient service on, sending or supplying to all the joint holders; and
- (b) anything to be agreed or specified in relation to any notice, document or other information to be served on, sent or supplied to them may be agreed or specified by any one of the joint holders and the agreement or specification of the first named in the Register shall be accepted to the exclusion of that of the other joint holders.

137.3 Where a member (or, in the case of a joint holders, the person first named in the Register) has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which notices, documents or other information may be given to him or has given to the Company an address for the purposes of communications by electronic means at which notices, documents or other information may be served, sent or

supplied to him, he shall be entitled to have notices served, sent or supplied to him at such address or, where applicable, the Company may make them available on a website and notify the holder of that address. Otherwise no such member shall be entitled to receive any notice, document or other information from the Company.

137.4 If on three consecutive occasions any notice, document or other information has been sent to any member at his registered address or his address for the service of notices (by electronic means or otherwise) but has been returned undelivered, such member shall not be entitled to receive notices, documents or other information from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices or has informed the Company of an address for the service of notices and the sending or supply of documents and other information in electronic form. For these purposes, any notice, document or other information served, sent or supplied by post shall be treated as returned undelivered if the notice, document or other information is served, sent or supplied back to the Company (or its agents) and a notice, document or other information served, sent or supplied in electronic form shall be treated as returned undelivered if the Company (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was served, sent or supplied.

137.5 The Company may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all of the members.

138. **Notice on Person Entitled By Transmission**

The Company may give notice to the person entitled to a share because of the death or bankruptcy of a member or otherwise by operation of law, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the person claimed to be so entitled or to which notices may be sent in electronic form. Until such an address has been so supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.

139. **Record Date for Service**

Any notice, document or other information may be served, sent or supplied by the Company by reference to the register as it stands at any time not more than 15 days before the date of service, sending or supplying. No change in the register after that time shall invalidate that service, sending or supply. Where any notice, document or other information is served on, sent or supplied to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service, sending or supplying of that notice, document or other information.

140. **Evidence of Service**

140.1 Any notice, document or other information, addressed to a member at his registered address or address for service in the United Kingdom shall, if served, sent or supplied by first class post, be deemed to have been served or delivered on the day after the day when it was put in the post (or, where second class post is employed, on the second day after the day when it was put in the post). Proof that an envelope containing the notice, document or other information was properly addressed and put into the post as a prepaid letter shall be conclusive evidence that the notice was given.

140.2 Any notice, document or other information not served, sent or supplied by post but delivered or left at a registered address or address for service in the United Kingdom (other than an

address for the purposes of communications by electronic means) shall be deemed to have been served or delivered on the day on which it was so delivered or left.

- 140.3 Any notice, document or other information, if served, sent or supplied by electronic means shall be deemed to have been received on the day on which the electronic communication was sent by or on behalf of the Company notwithstanding that the Company subsequently sends a hard copy of such notice, document or other information by post. Any notice, document or other information made available on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to this Article. Proof that the notice, document or other information was properly addressed shall be conclusive evidence that the notice by electronic means was given.
- 140.4 Any notice, document or other information served, sent or supplied by the Company by means of a relevant system shall be deemed to have been received when the Company or any sponsoring system-participant acting on its behalf sends the issuer instruction relating to the notice, document or other information.
- 140.5 Any notice, document or other information served, sent or supplied by the Company by any other means authorised in writing by the member concerned shall be deemed to have been received when the Company has carried out the action it has been authorised to take for that purpose.

141. **Notice When Post not Available**

If at any time by reason of the suspension, interruption or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, the Company need only give notice of a general meeting to those members with whom the Company can communicate by electronic means and who have provided the Company with an address for this purpose. The Company shall also advertise the notice in at least one national newspaper published in the United Kingdom and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment of it. In any such case the Company shall send confirmatory copies of the notice by post to those members to whom notice cannot be given by electronic means if, at least seven days prior to the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

142. **Indemnity and Insurance**

142.1 In this Article:

- (a) companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (b) a **relevant officer** means any Director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor); and
- (c) **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company.

142.2 Subject to Article 142.4, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the Company's assets against all relevant loss and in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 142.2(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

142.3 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

142.4 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

143. **Exclusive Jurisdiction**

143.1 Save in respect of any cause of action arising under the Securities Act or the Exchange Act, unless the Company by ordinary resolution consents to the selection of an alternative forum, the courts of England and Wales shall be the exclusive forum for the resolution of:

- (a) any derivative action or proceeding brought on behalf of the Company;
- (b) any action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee to the Company;
- (c) any action or proceeding asserting a claim arising out of any provision of the Companies Acts or these Articles; or
- (d) any action or proceeding asserting a claim or otherwise related to the affairs of our company.

143.2 Unless the Company by ordinary resolution consents to the selection of an alternative forum in the United States, the United States District Court for the Southern District of New York shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

143.3 Any person or entity purchasing or otherwise acquiring any interest in the Company's shares shall be deemed to have notice of and consented to the provisions of this Article 143.



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14 September 2020

COMPASS Pathways plc
 3rd Floor, 1 Ashley Road
 Altrincham, Cheshire
 United Kingdom, WA14 2DT

Ladies and Gentlemen:

COMPASS Pathways plc – Registration Statement on Form F-1 – Exhibit 5.1

We have acted as English legal advisers to COMPASS Pathways plc, a public limited company incorporated in England and Wales (the “**Company**”), in connection with the proposed offering of American Depositary Shares (the “**ADSs**”) representing ordinary shares of nominal value £0.008 each in the capital of the Company (the “**Ordinary Shares**”) (the “**Offering**” and the Ordinary Shares allotted and issued in connection therewith to Citibank N.A. (London Branch) as the custodian and represented by ADSs, being the “**Shares**”). Each ADS represents one Ordinary Share.

1. INTRODUCTION

1.1 Purpose

In connection with the preparation and filing of a registration statement on Form F-1 (File No.333-248484) (such registration statement, as amended through the date hereof, the “**Registration Statement**”), to which this letter is attached as an exhibit, with the U.S. Securities and Exchange Commission (the “**SEC**”) pursuant to the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), we have been asked to provide opinions on certain matters, as set out below. We have taken instruction in this regard solely from the Company.

1.2 Defined terms and headings

In this letter:

- (a) capitalised terms used without definition in this letter or the schedules hereto have the meanings assigned to them in the Registration Statement unless a contrary indication appears;
- (b) headings are for ease of reference only and shall not affect interpretation; and
- (c) the term “**Shares**” shall include any Ordinary Shares represented by additional ADSs registered by the Company pursuant to Rule 462(b) under the Securities Act in connection with the Offering contemplated by the Registration Statement.

Goodwin Procter (UK) LLP is a limited liability partnership registered in England and Wales with registered number OC362294. Its registered office is at 100 Cheapside, London, EC2V 6DY. A list of the names of the members of Goodwin Procter (UK) LLP is available for inspection at the registered office. Goodwin Procter (UK) LLP is authorised and regulated by the Solicitors Regulation Authority. Goodwin Procter (UK) LLP is affiliated with Goodwin Procter LLP, which operates in the United States of America.

1.3 Legal review

For the purpose of issuing this letter, we have examined such questions of law as we have considered appropriate to give the opinions set forth in this letter. We have reviewed such documents and conducted such enquiries and

searches as we have considered appropriate to give the opinions set forth in this letter, including the following documents and the following enquiries and searches:

- (a) an online search at Companies House in respect of information available for inspection on the Company's file conducted on 14 September 2020 at 10:30 a.m. (London time);
- (b) an enquiry of the Central Index of Winding Up Petitions, London on 14 September 2020 at 10:30 a.m. (London time) ((a) and (b) together, the "**Searches**");
- (c) a copy of the resolutions passed by the shareholders of the Company at the general meeting held on 11 September 2020 in connection with the Offering (the "**Resolutions**");
- (d) a copy of the minutes of a meeting of the board of directors of COMPASS Pathways plc held on 26 August 2020 at which it was resolved, inter alia, to establish a pricing committee of the board of directors of the Company (the "**Pricing Committee**") (the "**Minutes**");
- (e) a copy of the consent of an Investor Majority (as defined in the Current Articles (as defined below)) dated 11 September 2020 pursuant to which it was resolved, inter alia, to establish the Pricing Committee and adopt the IPO Articles (as defined below) (the "**Investor Majority Consent**");
- (f) a copy of the written resolutions of the board of directors of the Company pursuant to which it was resolved, inter alia, to approve the nominee and depositary transfers in connection with the Offering (the "**Transfer Resolutions**");
- (g) a copy of the written resolutions of the board of directors of the Company pursuant to which it was resolved, inter alia, to delegate authority to the Pricing Committee to allot the Shares (the "**Allotment Resolutions**" and together with the Resolutions, the Minutes and the Transfer Resolutions, the "**Corporate Approvals**");
- (h) a copy of the class consents from the holders of the preference shares of the Company dated 11 September 2020 approving, amongst other things, the conversion of all classes of shares in the Company into a single class of ordinary shares (the "**Class Consents**");
- (i) a copy of the current articles of association of the Company dated 17 August 2020 (the "**Current Articles**") and a certificate of incorporation of the Company dated 24 June 2020;
- (j) a draft copy of the articles of association of the Company to be adopted conditional on the completion of the Offering pursuant to a special resolution passed as part of the Resolutions and the Investor Majority Consent (the "**IPO Articles**"); and
- (k) a copy of the Registration Statement, as amended.

1.4 Applicable law

This letter, the opinions given in it, and any non-contractual obligations arising out of or in connection with this letter and/or the opinions given in it, are governed by, and to be construed in accordance with, English law and relate only to English law as applied by the English courts, including the laws of the European Union to the extent having the force of law in England, as at today's date. In particular:

- (a) we have not investigated the laws of any country other than England and we express no opinion in this letter on the laws of any jurisdiction other than England and we assume that no foreign law affects any of the opinions given below. It is assumed that no foreign law which may apply to the matters contemplated by the Registration Statement, the Offering, the Company, any document or any other matter contemplated by any document would or might affect this letter and/or the opinions given in it; and
- (b) we do not undertake or accept any obligation to update this letter and/or the opinions given in it to reflect subsequent changes in English law or factual matters.

1.5 Assumptions and reservations

The opinions given in this letter are given on the basis of each of the assumptions set out in schedule 1 (*Assumptions*) and are subject to each of the reservations set out in schedule 2 (*Reservations*) to this letter. The

opinions given in this letter are strictly limited to the matters stated in paragraph 2 (*Opinion*) below and do not extend, and should not be read as extending, by implication or otherwise, to any other matters.

2. OPINION

Subject to paragraph 1 (*Introduction*) and the other matters set out in this letter and its schedules, and subject further to the following:

- (a) the Registration Statement becoming effective under the Securities Act;
- (b) the number of Shares to be allotted and issued in connection with the Offering not being greater than 7,705,000 and such Shares being allotted and issued by 31 December 2020;
- (c) that the Corporate Approvals were or will be (as appropriate) each passed at a meeting which was or will be duly convened and held in accordance with all applicable laws and regulations; that in particular, but without limitation, a duly qualified quorum of directors or, as the case may be, shareholders was or will be present in each case throughout the meeting and voted in favour of the resolutions; and that in relation to each meeting of the board of directors of the Company and of the Committee, each provision contained in the Companies Act 2006, as amended (the “**Act**”) or the Current Articles relating to the declaration of the directors’ interests or the power of the interested directors to vote and to count in the quorum was or will be duly observed;
- (d) the receipt in full of payment for the Shares in an amount of “cash consideration” (as defined in section 583(3) of the Act) of not less than the aggregate nominal value for such Shares; and
- (e) valid entries having been made in relation to the allotment and issue of the Shares in the books and registers of the Company,

it is our opinion that, as at today’s date, the Shares, if and when allotted and issued, registered in the name of the recipient in the register of members of the Company and delivered as described in the Registration Statement, will be duly and validly authorised and issued, fully paid or credited as fully paid (subject to the receipt of valid consideration by the Company for the issue thereof in connection with the Offering) and will not be subject to any call for payment of further capital.

3. EXTENT OF OPINIONS

We express no opinion as to any agreement, instrument or other document other than as specified in this letter or as to any liability to tax or duty which may arise or be suffered as a result of or in connection with the Offering or the transactions contemplated thereby.

This letter only applies to those facts and circumstances which exist as at today’s date and we assume no obligation or responsibility to update or supplement this letter to reflect any facts or circumstances which may subsequently come to our attention, any changes in laws which may occur after today, or to inform the addressee of any change in circumstances happening after the date of this letter which would alter our opinion.

4. DISCLOSURE AND RELIANCE

This letter is addressed to you in connection with the Registration Statement. We consent to the filing of this letter as an exhibit to the Registration Statement. We further consent to the incorporation by reference of this letter and consent into any registration statement filed pursuant to Rule 462(b) under the Securities Act with respect to the Shares. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations thereunder.

Other than for the purpose set out in the prior paragraph, this letter may not be relied upon, or assigned, for any purpose, without our prior written consent, which may be granted or withheld in our discretion.

Yours faithfully,

/s/ **Goodwin Procter (UK) LLP**

Goodwin Procter (UK) LLP

SCHEDULE 1

ASSUMPTIONS

The opinions in this letter have been given on the basis of the following assumptions:

- (a) the genuineness of all signatures, stamps and seals on all documents, the authenticity and completeness of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as copies;
- (b) that, where a document has been examined by us in draft or specimen form, it will be or has been duly executed in the form of that draft or specimen, and that each of the signed documents examined by us has been duly executed and, where applicable, delivered on behalf of the Company;
- (c) that the Current Articles referred to in paragraph 1.3(i) of this letter remain in full force and effect, and, save for the adoption of the IPO Articles upon the Offering, no alteration has been made or will be made to such articles of association, in each case prior to the date of allotment and issue of the Shares (the “**Allotment Date**”);
- (d) on the Allotment Date the Company will comply with all applicable laws to allot and issue the Shares and the Company will receive such amounts as are necessary to fully pay the nominal value of the Shares and any applicable share premium;
- (e) that all documents, forms and notices which should have been delivered to the Registrar of Companies in respect of the Company have been so delivered, that information revealed by the Searches was complete and accurate in all respects and has not, since the time of the Searches, been altered and that the results of the Searches will remain complete and accurate as at the Allotment Date;
- (f) that the minutes of the meetings of the board of directors of the Company and the written resolutions of the board of directors of the Company provided to us in connection with the giving of the opinions in this letter reflect a true record of the proceedings described in them in duly convened, constituted and quorate meetings in which all constitutional, statutory and other formalities were duly observed, and the resolutions set out in the minutes were validly passed and have not been and will not be revoked or varied and remain in full force and effect and will remain so as at the Allotment Date;
- (g) that the resolutions set out in the Resolutions were validly passed and have not been and will not be revoked or varied and remain in full force and effect and will remain so as at the Allotment Date;
- (h) that in relation to the allotment and issue of the Shares, the directors of the Company have acted and will act in the manner required by section 172 of the Act (Duty to promote the success of the Company), and there has not been and will not be any bad faith, breach of trust, fraud, coercion, duress or undue influence on the part of any of the directors of the Company;
- (i) following the date of this letter and prior to the issue of the Ordinary Shares, the Company will validly enter into an underwriting agreement on substantially the terms and conditions described in Exhibit 1.1 of the Registration Statement; and
- (j) that no Shares or rights to subscribe for Shares have been or shall be offered to the public in the United Kingdom in breach of the Financial Services and Markets Act 2000, as amended (“**FSMA**”) or of any other United Kingdom laws or regulations concerning offers of securities to the public, and no communication has been or shall be made in relation to the Shares in breach of section 21 of FSMA or any other United Kingdom laws or regulations relating to offers or invitations to subscribe for, or to acquire rights to subscribe for or otherwise acquire, shares or other securities.

SCHEDULE 2

RESERVATIONS

The opinions in this letter are subject to the following reservations:

- (a) the Searches are not capable of revealing conclusively whether or not a winding-up or administration petition or order has been presented or made, a receiver appointed, a company voluntary arrangement proposed or approved or any other insolvency proceeding commenced, and the available records may not be complete or up-to-date. In particular, the Central Registry of Winding-Up Petitions in England may not contain details of administration applications filed, or appointments recorded in or orders made by, district registries and county courts outside London. Searches at Companies House and at the Central Registry of Winding Up Petitions in England are not capable of revealing whether or not a winding up petition or a petition for the making of an administration order has been presented and, further, notice of a winding up order or resolution, notice of an administration order and notice of the appointment of a receiver may not be filed at Companies House immediately and there may be a delay in the relevant notice appearing on the file of the company concerned. Further, not all security interests are registrable, such security interests have not in fact been registered or such security interests have been created by an individual or an entity which is not registered in England. We have not made enquiries of any District Registry or County Court in England;
- (b) the opinions set out in this letter are subject to: (i) any limitations arising from applicable laws relating to insolvency, bankruptcy, administration, reorganisation, liquidation, moratoria, schemes or analogous circumstances; and (ii) an English court exercising its discretion under section 426 of the Insolvency Act 1986 (*co-operation between courts exercising jurisdiction in relation to insolvency*) to assist the courts having the corresponding jurisdiction in any part of the United Kingdom or any relevant country or territory;
- (c) we express no opinion as to matters of fact;
- (d) we have made no enquiries of any individual connected with the Company;
- (e) a certificate, documentation, notification, opinion or the like might be held by the English courts not to be conclusive if it can be shown to have an unreasonable or arbitrary basis or in the event of a manifest error; and
- (f) it should be understood that we have not been responsible for investigating or verifying (i) the accuracy of the facts, including statements of foreign law, or the reasonableness of any statements of opinion, contained in the Registration Statement; or (ii) that no material facts have been omitted from it.

COMPASS PATHWAYS PLC

2020 SHARE OPTION AND INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the COMPASS Pathways plc 2020 Share Option and Incentive Plan (the “**Plan**”). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of COMPASS Pathways plc (the “**Company**”) and its Affiliates upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its businesses to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company’s welfare will assure a closer identification of their interests with those of the Company and its shareholders, thereby stimulating their efforts on the Company’s behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

“*Administrator*” means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

“*ADSs*” means American Depositary Shares, representing Ordinary Shares on deposit with a U.S. banking institution selected by the Company.

“*Affiliate*” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405 of the U.S. Securities Act. The Board will have the authority to determine the time or times at which “parent” or “subsidiary” status is determined within the foregoing definition.

“*Award*” or “*Awards*,” except where referring to a particular category of grant under the Plan, shall include Incentive Share Options, Non-Qualified Share Options, Share Appreciation Rights, Restricted Share Units, Restricted Share Awards, Unrestricted Share Awards, Cash-Based Awards, and Dividend Equivalent Rights.

“*Award Certificate*” means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

“*Board*” means the Board of Directors of the Company.

“*Cash-Based Award*” means an Award entitling the recipient to receive a cash-denominated payment.

“*Consultant*” means a consultant or adviser who provides *bona fide* services to the Company or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the U.S. Securities Act.

“*Dividend Equivalent Right*” means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the Shares specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

“*Effective Date*” means the date on which the Plan becomes effective as set forth in Section 21.

“*Fair Market Value*” of the Shares on any given date means the fair market value of the Shares determined in good faith by the Administrator; provided, however, that if the ADSs are listed on the National Association of Securities Dealers Automated Quotation System (“**NASDAQ**”), NASDAQ Global Market, The New York Stock Exchange or another national securities exchange or traded on any established market, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the Registration Date, the Fair Market Value shall be the “Price to the Public” (or equivalent) set forth on the cover page for the final prospectus relating to the Company’s initial public offering.

“*Incentive Share Option*” means any Share Option designated and qualified as an “incentive stock option” as defined in Section 422 of the U.S. Code.

“*Non-Employee Director*” means a member of the Board who is not also an employee of the Company or any Subsidiary.

“*Non-Qualified Share Option*” means any Share Option that is not an Incentive Share Option.

“*Option*” or “*Share Option*” means any option to purchase Shares granted pursuant to Section 5.

“*Ordinary Shares*” mean ordinary shares in the Company, with a nominal value of £0.008 per share, subject to adjustments pursuant to Section 3.

“*Registration Date*” means the date upon which the registration statement on Form S-1 that is filed by the Company with respect to its initial public offering is declared effective by the Securities and Exchange Commission.

“*Restricted Shares*” means the Shares underlying a Restricted Share Award that remain subject to a risk of forfeiture or the Company’s right of repurchase.

“Restricted Share Award” means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“Restricted Share Units” means an Award of Share units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“Sale Event” shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding Share immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding Share or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Share of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

“Sale Price” means the value as determined by the Administrator of the consideration payable, or otherwise to be received by shareholders, per Share pursuant to a Sale Event.

“Section 409A” means Section 409A of the U.S. Code and the regulations and other guidance promulgated thereunder.

“Service Relationship” means any relation as an employee, director or Consultant of the Company or any Affiliate (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

“Share” means an Ordinary Share and/or the number of ADSs equal to an Ordinary Share, as the context may require.

“Share Appreciation Right” means an Award entitling the recipient to receive Shares (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of the Share on the date of exercise over the exercise price of the Share Appreciation Right multiplied by the number of Shares with respect to which the Share Appreciation Right shall have been exercised.

“Subsidiary” means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

“Ten Percent Owner” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the U.S. Code) more than 10 percent of the combined voting power of all classes of Share of the Company or any parent or subsidiary corporation.

“Unrestricted Share Award” means an Award of Shares free of any restrictions.

“*U.S. Code*” means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

“*U.S. Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*U.S. Securities Act*” means the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO
SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

- (i) to select the individuals to whom Awards may from time to time be granted;
- (ii) to determine the time or times of grant, and the extent, if any, of Incentive Share Options, Non-Qualified Share Options, Share Appreciation Rights, Restricted Share Awards, Restricted Share Units, Unrestricted Share Awards, Cash-Based Awards, and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;
- (iii) to determine the number of Shares to be covered by any Award;
- (iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;
- (v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;
- (vi) subject to the provisions of Section 5(c), to extend at any time the period in which Share Options may be exercised; and
- (vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to a committee consisting of one or more officers of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the U.S. Exchange Act, as applicable, and (ii) not members of the delegated committee. Any such delegation by the Administrator shall include a limitation as to the amount of Share underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the

foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the U.S. Exchange Act or any other applicable United States securities law, the U.S. Code, or any other applicable United States governing statute or law. The Company Share Option Plan (the “CSOP”), as a subplan to this Plan, is hereby attached as Appendix A to this Plan.

SECTION 3. SHARES ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Shares Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 2,074,325 Shares (the “**Initial Limit**”), subject to adjustment as provided in Section 3(b), plus on January 1, 2021 and each January 1 thereafter, the number of Shares reserved and available for issuance under the Plan shall be cumulatively increased by up to four (4%) of the number of Shares issued and outstanding on the immediately preceding December 31, or such lesser number as the Administrator may determine (the “**Annual Increase**”). Subject to such overall limitation, the maximum aggregate number of Shares that may be issued in the form of Incentive Share Options shall not exceed the Initial Limit cumulatively increased on January 1, 2022 and on each January 1 thereafter through January 1, 2030, by the lesser of the Annual Increase for such year or 2,074,325 Shares, subject in all cases to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any awards under the Plan that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Shares or otherwise terminated (other than by exercise) shall be added back to the Shares available for issuance under the Plan and, to the extent permitted under Section 422 of the U.S. Code and the regulations promulgated thereunder, the Shares that may be issued as Incentive Share Options. In the event the Company repurchases Shares on the open market, such Shares shall not be added to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award. The shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.

(b) Changes in Shares. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, share dividend, share split, reverse share split or other similar change in the Company’s capital shares, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Share Options, (ii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per share subject to each outstanding Restricted Share Award, and

(iv) the exercise price for each share subject to any then outstanding Share Options and Share Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Share Options and Share Appreciation Rights) as to which such Share Options and Share Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in the relevant Award Certificate, all Options and Share Appreciation Rights with time-based vesting conditions or restrictions that are not vested and/or exercisable immediately prior to the effective time of the Sale Event shall become fully vested and/or exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event, and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion or to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding Options and Share Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of Shares subject to outstanding Options and Share Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Share Appreciation Rights (provided that, in the case of an Option or Share Appreciation Right with an exercise price equal to or less than the Sale Price, such Option or Share Appreciation Right shall be cancelled for no consideration); or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Share Appreciation Rights (to the extent then exercisable) held by such grantee. The Company shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other Awards in an amount equal to the Sale Price multiplied by the number of vested Shares under such Awards.

(d) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director in any calendar year for services as a Non-Employee Director shall not exceed £750,000. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision but excluding the impact of estimated forfeitures related to service-based vesting provisions.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such employees, Non-Employee Directors and Consultants of the Company and its Affiliates as are selected from time to time by the Administrator in its sole discretion; provided that Awards may not be granted to employees, Directors and Consultants who are providing services only to any “parent” of the Company, as such term is defined in Rule 405 of the U.S. Securities Act, unless (i) the Shares underlying the Awards is treated as “service recipient stock” under Section 409A or (ii) the Company, in consultation with its legal counsel, has determined that such Awards are exempt from or otherwise comply with Section 409A.

SECTION 5. SHARE OPTIONS

(a) Award of Share Options. The Administrator may grant Share Options under the Plan. Any Share Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Share Options granted under the Plan may be either Incentive Share Options or Non-Qualified Share Options. Incentive Share Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the U.S. Code. To the extent that any Option does not qualify as an Incentive Share Option, it shall be deemed a Non-Qualified Share Option.

Share Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Share Options may be granted in lieu of cash compensation at the optionee’s election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per Share covered by a Share Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Share Option that is granted to a Ten Percent Owner, the option price of such Incentive Share Option shall be not less than 110 percent of the Fair Market Value on the grant date. Notwithstanding the foregoing, Share Options may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the

U.S. Code, (ii) to individuals who are not subject to U.S. income tax or (iii) the Share Option is otherwise compliant with or exempt from Section 409A.

(c) Option Term. The term of each Share Option shall be fixed by the Administrator, but no Share Option shall be exercisable more than ten years after the date the Share Option is granted. In the case of an Incentive Share Option that is granted to a Ten Percent Owner, the term of such Share Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Shareholder. Share Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Share Option. An optionee shall have the rights of a shareholder only as to shares acquired upon the exercise of a Share Option and not as to unexercised Share Options.

(e) Method of Exercise. Share Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Option Award Certificate:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of Shares that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Share Options that are not Incentive Share Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the Shares to be purchased pursuant to the exercise of a Share Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Share Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the

Option Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Share Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Share Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Share Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Share Options. To the extent required for “incentive stock option” treatment under Section 422 of the U.S. Code, the aggregate Fair Market Value (determined as of the time of grant) of the Shares with respect to which Incentive Share Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Share Option exceeds this limit, it shall constitute a Non-Qualified Share Option.

SECTION 6. SHARE APPRECIATION RIGHTS

(a) Award of Share Appreciation Rights. The Administrator may grant Share Appreciation Rights under the Plan. A Share Appreciation Right is an Award entitling the recipient to receive Shares (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of a Share on the date of exercise over the exercise price of the Share Appreciation Right multiplied by the number of Shares with respect to which the Share Appreciation Right shall have been exercised.

(b) Exercise Price of Share Appreciation Rights. The exercise price of a Share Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Share on the date of grant. Notwithstanding the foregoing, Share Appreciation Rights may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the U.S. Code, (ii) to individuals who are not subject to U.S. income tax or (iii) the Share Appreciation Rights are otherwise compliant with or exempt from Section 409A.

(c) Grant and Exercise of Share Appreciation Rights. Share Appreciation Rights may be granted by the Administrator independently of any Share Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Share Appreciation Rights. Share Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Share Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

SECTION 7. RESTRICTED SHARE AWARDS

(a) Nature of Restricted Share Awards. The Administrator may grant Restricted Share Awards under the Plan. A Restricted Share Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Shareholder. Upon the grant of the Restricted Share Award and payment of any applicable purchase price, a grantee shall have the rights of a shareholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Share Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Share Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Share Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 15 below, in writing after the Award is issued, if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other Service Relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a shareholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 8. RESTRICTED SHARE UNITS

(a) Nature of Restricted Share Units. The Administrator may grant Restricted Share Units under the Plan. A Restricted Share Unit is an Award of share units that may be settled in Shares (or cash, to the extent explicitly provided for in the Award Certificate) upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Share Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Share Units, to the extent vested, shall be settled in the form of Shares. Restricted Share Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Share Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Share Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Share Units based on the Fair Market Value of a Share on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Share Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Shareholder. A grantee shall have the rights as a shareholder only as to Shares acquired by the grantee upon settlement of Restricted Share Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the share units underlying his Restricted Share Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 15 below, in writing after the Award is issued, a grantee's right in all Restricted Share Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED SHARE AWARDS

Grant or Sale of Unrestricted Share. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Share Award under the Plan. An Unrestricted Share Award is an Award pursuant to which the grantee may receive Shares of free of any restrictions under the Plan. Unrestricted Share Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified performance goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

SECTION 11. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the Shares specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Share Units or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional Shares, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or Shares or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Share Units shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 15 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 12 (b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, by the grantee's legal representative or guardian in the event of the grantee's incapacity (evidenced to the satisfaction of the Administrator) or the grantee's personal representatives in the case of his death. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 12(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Share Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 12(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 13. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includible in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by

the applicable law in the relevant jurisdiction, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or share certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Shares. The Administrator may require the Company's tax withholding obligation to be satisfied, in whole or in part, by the Company withholding from Shares to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid liability accounting treatment. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Shares includible in income of the Participants. The Administrator may also require the Company's tax withholding obligation to be satisfied, in whole or in part, by an arrangement whereby a certain number of Shares issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the withholding amount due.

SECTION 14. SECTION 409A AWARDS

Awards are intended to be exempt from Section 409A to the greatest extent possible and to otherwise comply with Section 409A. The Plan and all Awards shall be interpreted in accordance with such intent. To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "**409A Award**"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any 409A Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 15. TERMINATION OF SERVICE RELATIONSHIP, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Service Relationship. If the grantee's Service Relationship is with an Affiliate and such Affiliate ceases to be an Affiliate, the grantee shall be deemed to have terminated his or her Service Relationship for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of Service Relationship:

(i) a transfer to the employment of the Company from an Affiliate or from the Company to an Affiliate, or from one Subsidiary to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

(c) In the case of grantees who are employed in the UK, the termination date of their employment shall be the date notice is given by or to them unless the Administrator decides that it can be a later date before the statutory or contractual expiry date of their notice period.

SECTION 16. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall materially and adversely affect rights under any outstanding Award without the holder's consent. The Administrator is specifically authorized to exercise its discretion to reduce the exercise price of outstanding Share Options or Share Appreciation Rights or effect the repricing of such Awards through cancellation and re-grants. To the extent required under the rules of any securities exchange or market system on which the Shares are listed, to the extent determined by the Administrator to be required by the U.S. Code to ensure that Incentive Share Options granted under the Plan are qualified under Section 422 of the U.S. Code, Plan amendments shall be subject to approval by the Company shareholders entitled to vote at a meeting of shareholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).

SECTION 17. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Shares or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's

obligations to deliver Shares or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 18. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Issuance of Shares. To the extent certificated, Share certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Shares shall be deemed delivered for all purposes when the Company or a transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any evidence of book entry or certificates evidencing Shares pursuant to the exercise or settlement of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed, quoted or traded. Any Shares issued pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Shares are listed, quoted or traded. The Administrator may place legends on any Share certificate or notations on any book entry to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Shareholder Rights. Until Shares are deemed delivered in accordance with Section 20(b), no right to vote or receive dividends or any other rights of a shareholder will exist with respect to Shares to be issued in connection with an Award, notwithstanding the exercise of a Share Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not

confer upon any employee any right to continued employment with the Company or any Subsidiary. If a grantee ceases to be employed by the Company or any Subsidiary for any reason whatsoever (including as a result of being wrongfully or unfairly dismissed) they shall not be entitled, and by accepting an Award they shall be deemed to have waived any possible entitlement, to any sum or other benefit accrued or in prospect in connection with that Award, and no such loss or curtailment shall form part of any claim for damages for breach of the grantee's contract of employment or compensation for dismissal or any other claim whatsoever.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

SECTION 19. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon the date immediately preceding the Registration Date following shareholder approval in accordance with applicable law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules. No grants of Share Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Share Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 20. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with the law of England and Wales, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS: 11 September 2020

DATE APPROVED BY SHAREHOLDERS: 11 September 2020

Appendix A to the COMPASS Pathways plc 2020 Share Option and Incentive Plan

COMPASS PATHWAYS plc

COMPANY SHARE OPTION PLAN

Adopted by resolution of the Directors on

And approved by shareholders on

DATE:

Postlethwaite Solicitors Limited
9 Staple Inn London WC1V 7QH.
Tel. 020 3818 9420

COMPASS PATHWAYS plc

COMPANY SHARE OPTION PLAN

SUBPLAN TO THE COMPASS PATHWAYS PLC 2020 SHARE OPTION AND INCENTIVE PLAN

(TAX ADVANTAGED under SCHEDULE 4 TO ITEPA)

RULES

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Scheme (unless the context requires otherwise), the following words and expressions shall have the following meanings:

ADS means American Depositary Shares, representing ordinary shares in the Company on deposit with a U.S. banking institution selected by the Company.

Associated Company means any company which, in relation to the Company, is an associated company as that term is defined in Section 449 of the Corporation Tax Act 2010;

Acting in Concert has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended and/or superseded from time to time);

Company means Compass Pathways Plc, a company registered in England and Wales with number 12696098;

Control has the meaning given in section 1124 of the Corporation Tax Act 2010;

Date of Grant means the date on which an Option is to be granted under Rule 4;

Dealing Code means any rules and regulations adopted by the Company to govern dealings in Shares, interests in Shares, or Options or rights over Shares;

Directors means the board of directors of the Company or a duly authorised committee of the directors;

Exercise Price	<p>means the price at which each Share subject to an Option may be acquired on the exercise of that Option being, subject to Rule 10, not less than the higher of:</p> <ul style="list-style-type: none"> (a) the nominal value of a Share; and (b) the Market Value of a Share on the Date of Grant of the Option;
ITEPA	means the Income Tax (Earnings and Pensions) Act 2003;
Market Value	<p>means the market value of any share on any date shall be determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and</p> <ul style="list-style-type: none"> a) in the case of any share which at the relevant time is traded on a recognised stock exchange (within the meaning of Schedule 4) shall be the most recent closing price for that share; or b) (if such shares are not for the time being so traded) the price determined by the Directors as being the market value of such shares on the relevant date and agreed in advance, for the purposes of the relevant grant, by the Directors and HM Revenue & Customs Shares and Assets Valuation Division
NICs	means National Insurance Contributions
Option	means a right to acquire Shares granted pursuant to and in accordance with the rules of the Scheme and which has not lapsed or ceased to be exercisable;
Optionholder	means the person who has been granted an Option or, if that person has died, and where the context requires, his Personal Representatives;

Optionholder's Employer

means such Member of the Group as is or, if the Optionholder has ceased to be employed within the Group, was the Optionholder's employer or such other Member of the Group or person as, under the PAYE Regulations or, as the case may be the NIC Regulations or any other statutory or regulatory enactment (whether in the United Kingdom or otherwise) is obliged to account for any Option Tax Liability;

Option Tax Liability

means, in relation to an Optionholder, any liability of an Optionholder's Employer to account to HMRC or other tax authority for any amount of, or representing, income tax or NICs (which shall include secondary employer's Class 1 contributions) or any other tax charge levy or other sum, whether under the laws of the United Kingdom or otherwise, which may arise on the grant, exercise or release of an Option or the acquisition of Shares pursuant to an Option granted under this Scheme;

Personal Data

means any personal information which could identify an Optionholder, including details of an Option and for as long as in effect, as set out in article 4 of the General Data Protection Regulation (Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data) (the "GDPR"), in respect of the Optionholder;

Personal Representatives

means, in relation to an Optionholder, the legal personal representatives of the Optionholder (being either the executors of the Optionholder's will to whom a valid grant of probate has been made or, if he dies intestate, the duly appointed administrator(s) of his estate) who have produced to the Company evidence of their appointment as such

Qualifying Employee	means (i) any director of a Member or Members of the Group who as such is required to devote substantially the whole of his working time (and in any event not less than 25 hours per working week (excluding meal breaks)) to the business of that Member or those Members of the Group and (ii) any employee of a Member or Members of the Group not being a director (regardless of the number of hours per week served) but excluding any director or employee who is ineligible by virtue of paragraph 9 of Schedule 4 to participate in the Scheme;
Rules	means these Rules as from time to time amended;
Schedule 4	means Schedule 4 to ITEPA;
Scheme	means this Scheme, which shall be known as the Compass Pathways Company Share Option Plan, as amended, from time to time pursuant to the provisions of Rule 11;
Share	means a fully paid ordinary share in the Company, complying with the conditions of paragraphs 16 to 18 (inclusive) and 20 of Schedule 4 and, if the context so requires, the number of ADSs equal to an ordinary share as the context so requires;
Trade Sale	means the sale of (or the grant of a right to acquire or to dispose of (regardless of whether such right or obligation is contingent and/or optional)) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will (or will result upon exercise of such right) result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring Control of the Company;
Vesting	shall have the meaning given by clause 3.3, and the terms Vest , Vested and Unvested shall be construed accordingly

2. For the purposes of this Scheme:

- 1.2.1 any reference to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted;
- 1.2.2 words denoting the masculine gender shall include the feminine;
- 1.2.3 words denoting the singular shall include the plural and vice versa;
- 1.2.4 references in these Rules to a rule, clause, sub-clause, paragraph or sub-paragraph are, unless otherwise stated, references to a rule, clause, sub-clause, paragraph or sub-paragraph of these Rules and no account should be taken of headings which have been inserted for ease of reference only;
- 1.2.5 references in these Rules to **month** shall be deemed to be references to a calendar month.

2. LIMITS TO SCHEME

- 2.1 Any Option granted to a Qualifying Employee shall be limited and take effect so that the aggregate Market Value of Shares subject to that Option at the Date of Grant, when aggregated with the Market Value of Shares (at the relevant date of grant) which may be acquired on the exercise of Options granted to him under the Scheme or under any other scheme benefitting from the tax advantages of Schedule 4 established by the Company or by any Associated Company (but excluding Options which have been exercised, surrendered or cancelled), shall not exceed £30,000 (or such other amount as shall from time to time be specified in paragraph 6(1) of Schedule 4). For the purposes of calculating this figure, there shall be used if necessary the average currency conversion rate quoted by the Financial Times in London as the price for pounds sterling purchased with US dollars.
- 2.2 The level of grant for each Qualifying Employee shall be determined by the Directors.
- 2.3 For the purposes of Rule 2.1, the Market Value of Shares shall be calculated as at the time the Options in relation to those Shares were granted or such earlier time as may have been agreed in writing with HM Revenue & Customs.

3. PROVISIONS RELATING TO THE GRANT OF OPTIONS

- 3.1 Subject to the limitations and conditions contained in the Scheme and unless prohibited by law, the Directors may from time to time in their absolute discretion select any number of persons who are, at the intended Date of Grant, Qualifying Employees and grant Options to them.
- 3.2 Options shall be granted on such terms and in such form as the Directors may from time to time determine.

3.3 The terms and conditions upon which Options may be granted may include a vesting schedule, in which case the Option shall be treated as **Vested** to the extent that the relevant vesting date has expired or, as the case may be the relevant condition has been fulfilled.

3.4 Each Option shall be granted either by way of deed or for monetary consideration not exceeding £1 per grant.

4. GRANT OF OPTIONS

4.1 The grant of an Option under the Scheme shall be evidenced by the issue to the Qualifying Employee of an Option certificate substantially in the form set out in the Appendix to these Rules. The Option certificate shall state the Date of Grant and the Exercise Price and shall give details of any applicable terms of Vesting.

4.2 Except as otherwise specifically provided in these Rules (including, for the avoidance of doubt, Rule 6.1), each Option shall be exercisable only by the Qualifying Employee to whom it is granted and may not be transferred, assigned or charged. Any purported transfer, assignment or charge shall entitle the Company to cancel the Option. Each Option certificate shall carry a statement to this effect.

5. EXERCISE OF OPTIONS

5.1 Exercise of Options

Subject to the provisions of this Rule 5, Options may only be exercised (a) up to the extent Vested; or (b) in accordance *with* Rules 6, 7, 8 and 9. Options may be exercised by lodging (electronically or otherwise) with the Company Secretary, or such other person as the Directors may specify:

5.1.1 the relevant Option certificate;

5.1.2 a duly completed notice of exercise as set out in Appendix 2 (or in such form as the Directors may from time to time prescribe) in respect of such number of Shares as the Optionholder shall specify on the notice of exercise;

5.1.3 payment (by BACs transfer or in such other form as is acceptable to the Directors and approved by HM Revenue & Customs) of the aggregate Exercise Price for the Shares acquired; and

5.1.4 (if applicable) payment (by BACs transfer or in such other form as is acceptable to the Directors) in respect of any Option Tax Liability in accordance with Rule 5.4.

5.2 General restrictions on exercise of Options

Options may not be exercised:

- 5.2.1 following the day prior to the tenth anniversary of the Date of Grant;
- 5.2.2 by an Optionholder at any time if at that time he is not eligible to participate in the Scheme by virtue of paragraph 9 of Schedule 4;
- 5.2.3 save as provided in Rule 6, by an Optionholder at any time after he has ceased employment within the Group (within the meaning of Rule 6.3); or
- 5.2.4 where such exercise would be in breach of any Dealing Code.

5.3 Lapse of Options

An Option or part thereof which shall not have been exercised by the tenth anniversary of the Date of Grant shall automatically lapse.

5.4 Deductions for tax

The Company and/or the relevant Member of the Group that is the employing company of the Optionholder shall deduct sufficient funds to cover the Option Tax Liability from payments made to the Optionholder, but if no such payment is made or if the Option Tax Liability exceeds the amount deducted, the Company shall:

- 5.4.1 require that a payment of such Option Tax Liability be made by the Optionholder as a condition of exercise;
- 5.4.2 retain and sell on the Optionholder's behalf legal title to sufficient Shares allotted on exercise of the Option to raise the necessary funds to meet the Option Tax Liability or in reimbursing the Company or the relevant Member of the Group; and/or
- 5.4.3 otherwise make such other arrangements with the Optionholder in question as the Directors deem appropriate for the reimbursement to the Company or relevant Member of the Group of the Option Tax Liability.

5.5 Result of exercise of Options

- 5.5.1 Subject to the obtaining of any relevant consents and to the terms of any such consent, and subject to receipt by the Company of the appropriate payment in full in cleared funds, within 30 days of receipt by the Company of the notice of exercise, the Directors on behalf of the Company shall allot to the Optionholder or procure the transfer to him of the number of Shares in respect of which the Option has been exercised, less any Shares that have been withheld pursuant to Rules 5.4.2 or 5.4.3.
- 5.5.2 All Shares allotted on exercise of Options shall on issue rank *pari passu* in all respects with the Company's existing Shares, save that the Shares issued will not

rank for any dividends or other distributions declared or recommended the record date for which falls prior to the date when the Option is exercised.

- 5.6 The Company shall at all times keep available sufficient unissued Shares or shall procure that there are available sufficient Shares, to satisfy the exercise of all Options granted under the Scheme, taking account of any other obligations of the Company to issue Shares.

6. CESSATION OF EMPLOYMENT

Subject to Rule 6.2.2:

- 6.1. If an Optionholder dies before exercising an Option or part thereof and at a time when he is either a Qualifying Employee or entitled to exercise that Option by virtue of Rule 6.2 below and the Option may (and must, if at all) be exercised to the extent Vested at the date of death by his Personal Representatives within the period ending on the earlier of

6.1.1 the expiry of 12 months after the date of death; and

6.1.2 the tenth anniversary of the Date of Grant.

- 6.2 If an Optionholder ceases employment within the Group

6.2.1 by reason of misconduct, any Option held by him shall lapse in full forthwith;

6.2.2 by reason of

(a) injury, disability, redundancy or retirement,

(b) the sale out of the Group of the Optionholder's employing company or business

(c) any other circumstances, where the Directors so permit,

the Option shall lapse as to the balance of the Option Unvested but may be exercised to the extent Vested within 6 months of such cessation (3 months in the case of (c)). Such portion of Option shall lapse if not exercised on the expiry of such period.

6.2.3 in any other circumstances, the Option shall lapse in full on cessation of employment.

- 6.3 An Optionholder shall not be treated for the purposes of these Rules as ceasing employment within the Group until such time as he is no longer a director or employee of any Member of the Group and an Optionholder who ceases to be such a director or employee by reason of pregnancy or confinement and who exercises her right to return

to work under the Employment Rights Act 1996 before exercising an Option under the Scheme shall be treated for the purposes of these Rules as not having ceased employment within the Group.

- 6.4 For the purposes of these Rules, where an Optionholder's contract of employment with the Group is terminated for misconduct, the Optionholder's employment shall be deemed to cease on the date on which the termination takes effect, and where the said contract is terminated by notice given by the Optionholder or a Member of the Group (other than in the case of gross misconduct), the Optionholder's employment shall be deemed to cease on the date on which that notice expires.
- 6.5 For the purposes of this Rule, an Optionholder shall be deemed to have ceased by reason of misconduct where the Company dismisses him without notice or payment in lieu or where he resigns in circumstances where the Company would have been entitled so to dismiss him under his employment contract.

7 CHANGE OF CONTROL IN COMPANY

- 7.1 For the purposes of this Rule 7, a **Relevant Event** means:

7.1.1 a person (**Acquiring Company**) obtaining Control of the Company as a result of:

(a) making a general offer to acquire the whole of the issued share capital of the Company (except for any capital already held by the Acquiring Company or any person connected with the Acquiring Company) that is made on a condition such that, if it is satisfied, the person making the offer will have Control of the Company; or

(b) making a general offer to acquire all the shares in the Company (except for any shares already held by the Acquiring Company or any person connected with the Acquiring Company) that are of the same class as the Shares; or

7.1.2 the court sanctioning a compromise or arrangement under section 899 of the Companies Act 2006 that is applicable to or affects:

(a) all the ordinary share capital of the Company or all the Shares of the same class as the Shares to which the Option relates; or

(b) all the Shares, or all the Shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a scheme benefitting from the tax advantages of Schedule 4; or

7.1.3 shareholders becoming bound by a non-UK reorganisation (as defined by paragraph 35ZA of Schedule 4) that is applicable to or affects:

(a) all the ordinary share capital of the Company or all the Shares of the same class as the Shares to which the Option relates; or

(b) all the Shares, or all the Shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a scheme benefitting from the tax advantages of Schedule 4; or

7.1.4 a person becomes bound or entitled to acquire Shares under sections 979 to 985 of the Companies Act 2006.

7.2 Subject to Rule 7.5 and Rule 7.11, an Option may be exercised to the extent Vested (or, if the Directors so determine, to a greater extent or in full):

7.2.1 within six months of a Relevant Event occurring under Rule 7.1.1, Rule 7.1.2, or Rule 7.1.3;

7.2.2 at any time after a Relevant Event occurring under Rule 7.1.4, continuing for as long as that person remains so bound or entitled.

The Directors may determine that the Option shall lapse when it ceases to be exercisable under this Rule 7.2.

7.3 If:

7.3.1 a Relevant Event specified in Rule 7.1.1 occurs; or

7.3.2 a change of Control occurs as a result of a Relevant Event specified in Rule 7.1.2, Rule 7.1.3 or Rule 7.1.4;

and, as a result of the change of Control, Shares will no longer satisfy the requirements of Part 4 of Schedule 4, the Directors may permit Optionholders to exercise Options during the period of 20 days following the change of Control. Options that are not exercised will lapse at the expiry of 20 days following the change of Control.

7.4 If the Directors reasonably expect a Relevant Event to occur, the Directors may make arrangements permitting Options to be exercised for a period of 20 days ending with the Relevant Event. If an Option is exercised under this Rule 7.4, it will be treated as having been exercised in accordance with Rule 7.2.

If the Directors make arrangements for the exercise of Options under this Rule 7.4:

7.4.1. if the Option is not exercised in accordance with those arrangements, it will lapse on the date of the Relevant Event; and

7.4.2. if the Relevant Event does not occur within 20 days of the date of purported exercise, the Option shall be treated as not having been exercised.

- 7.5 If, as a result of a Relevant Event (whether or not a Reorganisation), an Acquiring Company has obtained Control of the Company, each Optionholder may, by agreement with the Acquiring Company within the Rollover Period (which for these purposes shall mean a period having the same duration as the applicable appropriate period defined in paragraph 26(3) of Schedule 4) release each Option (**Old Option**) for a replacement option (**New Option**). A New Option shall:
- 7.5.1 be over shares that satisfy the requirements of paragraphs 16 to 20 of Schedule 4 in the Acquiring Company (or some other company falling within paragraph 27(2)(b) of Schedule 4); and
 - 7.5.2 be a right to acquire such number of those shares as have, immediately after grant of the New Option, a total Market Value substantially the same as the total Market Value of the shares subject to the Old Option immediately before its release; and
 - 7.5.3 have an exercise price per share such that the total price payable on complete exercise of the New Option is substantially the same as the total price that would have been payable on complete exercise of the Old Option; and
 - 7.5.4 so far as practicable, be on terms otherwise identical to the Old Option immediately before the Old Option's release.
- 7.6 Any New Option granted under Rule 7.5 shall be treated as having been acquired at the same time as the relevant Old Option for all other purposes of the Scheme.
- 7.7 The Scheme shall be interpreted in relation to any New Options as if references to:
- 7.7.1 the **Company** (except for those in the definitions of Constituent Company and Group Company) were references to the Acquiring Company (or to any other company whose shares are subject to the New Options, as the context may require); and
 - 7.7.2 the **Shares** were references to the shares subject to the New Options.
- 7.8 The Company will remain the scheme organiser of the Scheme (as defined in paragraph 2(2) of Schedule 4) following the release of Options and the grant of New Options under Rule 7.5, and no further Options shall be granted other than the New Options.
- 7.9 The Acquiring Company shall issue (or procure the issue of) an Option certificate for each New Option.
- 7.10 In this Rule 7 (other than Rule 7.5), a person shall be deemed to have obtained Control of a company if they, and others acting with them, have obtained Control of it together.
- 7.11 If a Relevant Event takes place in the course of any corporate reconstruction or reorganisation under which the ultimate beneficial ownership of the business of the

Company or any Associated Company will remain the same, and the company that obtains Control offers to grant New Options in accordance with Rule 7.5, then Rule 7.2 shall not apply and all Old Options shall lapse at the end of the Rollover Period to the extent that they are not released under Rule 7.5.

- 7.12 If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company, any Optionholder may exercise an Option at any time in the period before that resolution is passed, conditionally upon the passing of that resolution, and if the Optionholder does not exercise the Option, it shall lapse when the winding up begins.
- 7.13 The Directors shall notify Optionholders of any event that is relevant to Options under this Rule 7 within a reasonable period after the Directors become aware of it.

8. TRADE SALE

- 8.1 An Option may be exercised to the extent Vested (or, if the Directors so determine, to a greater extent or in full) in the event of a Trade Sale under the provisions set out below:
- 8.2 The service of a notice of exercise on a Trade Sale shall irrevocably constitute the Company an Optionholder's agent for the sale of all the Shares acquired by that Optionholder as a result of the exercise of his Option on or after completion of the Trade Sale on terms which (subject to this Rule 8) are no less favourable than the terms on which Shares are acquired by the purchaser from the other shareholders of the Company.
- 8.3 The Company shall have irrevocable and unconditional authority to sign, complete, execute and deliver in the name of and on behalf of Optionholders (and/or to appoint any person nominated by it to do so) any agreement, stock transfer form and any other documents necessary to transfer such Shares to the purchaser (and to give normal warranties, representations and covenants that such Shares are sold with full title guarantee, are free from any encumbrance of any nature and as to the authority of the Optionholders and their agent to sell such Shares) against payment of the purchase money and/or delivery of any other consideration to the Company.

9. WINDING-UP OF THE COMPANY

If, at any time while any Option remains unexercised, notice is duly given of a general meeting of the Company at which a resolution will be proposed for the liquidation of the Company, and every Option shall be exercisable to the extent Vested (or, at the discretion of the Directors, to a greater extent or in full) in whole or in part (provided that such Option has not by the time of such resolution lapsed) until the commencement of such winding-up within the meaning of the local equivalent of the Insolvency Act 1986. The Company shall give to each Optionholder notice of any meeting called for the purpose of considering a resolution for the voluntary liquidation of the Company and shall at the same time give him notice of his rights under this Rule.

Subject to the foregoing, all Options shall lapse on the commencement of the winding-up of the Company.

10. VARIATION OF CAPITAL

- 10.1 Subject to this Rule 10, in the event of any variation of the ordinary share capital of the Company (whenever effected) by way of bonus issue, rights issue, or sub-division, consolidation or reduction, the Directors may make such adjustments as it considers appropriate under Rule 10.2 below.
- 10.2 An adjustment made under this Rule shall be to one or more of the following:
 - 10.2.1 the number of Shares in respect of which any Option granted under the Scheme may be exercised; and
 - 10.2.2 the price at which Shares may be acquired by the exercise of any such Option.
- 10.3 An adjustment under Rule 10.2 shall not take effect if it would cause the Scheme to cease to satisfy the provisions of Schedule 4, unless the Directors resolve that the Scheme is intended to cease to comply with Schedule 4.
- 10.4 As soon as reasonably practicable after making any adjustment under Rule 10.2 above, the Directors shall give notice in writing thereof to each Optionholder.

11. ALTERATIONS TO SCHEME

- 11.1 Subject to Rules 11.2 and 11.3, no alteration shall be made to the Scheme to the material advantage of Optionholders unless the prior consent of the Company's shareholders in general meeting has been obtained.
- 11.2 The Directors may by resolution at any time and from time to time make such alteration to the Scheme as is necessary to comply with or to take account of any applicable legislation or statutory regulations or any change therein or any requirements of HM Revenue & Customs or to obtain or maintain favourable taxation treatment for the Company or the Optionholders.
- 11.3 No alteration to a key feature of the Scheme (within the meaning of paragraph 30 of Schedule 4) shall take effect if it would cause the Scheme to cease to satisfy the provisions of Schedule 4, unless the Directors resolve that the Scheme is intended to cease to comply with Schedule 4.

12. MISCELLANEOUS

- 12.1 This Scheme shall be a subplan of the Compass Pathways plc 2020 Share Option and Incentive Plan (**2020 Plan**), established pursuant to Section 2(f) of the 2020 Plan. For the avoidance of doubt, any Shares subject to Options granted hereunder shall reduce the number of Shares available for issuance under Section 3(a) of the 2020 Plan. In the

event of a conflict between the terms of the 2020 Plan and this Scheme, the Rules of this Scheme shall govern and, specifically, override the provisions of Section 5 of the 2020 Plan.

- 12.2 This Scheme shall not form part of the contract of employment of any individual who participates in it. The rights and obligations of any individual under the terms of his office or employment with any Company participating in the Scheme shall not be affected by his participation in the Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any Option under the Scheme as a result of such termination. No such participation, rights or benefits shall be taken into account for the purposes of calculating the amount of benefits payable to any pension fund. Options granted pursuant to the Scheme shall not constitute any representation or warranty that any benefit will accrue to the Qualifying Employee who is granted the Option, not that favourable tax treatment will be available under Schedule 4.
- 12.3 The Scheme shall in all respects be administered by the Directors who may from time to time make and vary such rules and regulations for its conduct not inconsistent with these Rules and may from time to time establish such procedures for administration and implementation of the Scheme as they think fit, and in the event of any dispute or disagreement as to the interpretation of the Scheme, or of any rule, regulation or procedure, or as to any question or right arising from or related to the Scheme, the decision of the Directors shall be final and binding upon all persons.
- 12.4 The costs of introducing and administering the Scheme shall be borne by the Company.
- 12.5 The Company shall maintain all necessary books of account and records relating to the Scheme.
- 12.6 Subject to the Articles of Association of the Company, an Optionholder who is a director of the Company may, notwithstanding his interest, vote on any board resolution concerning the Scheme (other than in respect of his own participation therein) and may retain any benefits under the Scheme.

13. SERVICE OF DOCUMENTS

- 13.1 Any notice or other communication under or in connection with the Scheme may be given
 - 13.1.1 by personal delivery or by sending the same by post, in the case of a company to its registered office and in the case of an individual to his last known address, or, where he is a director or employee of a company participating in the Scheme, either to his last known address or to the address of the place of business at

which he performs the whole or substantially the whole of the duties of his office or employment, and where a notice or other communication is given by first-class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped; or

13.1.2 by electronic communication in the customary manner for the Company's communications with options and warrant holders.

14. DATA HANDLING CONSENT

14.1 In order to grant and administer the Option, the Company will require Personal Data from the Optionholder. This Personal Data may be transferred to any of the following to give effect to and maintain and administer the Option for the duration of its term:

- (a) a trustee of an employee benefit trust;
- (b) the Company's registrars; and
- (c) administrators of, or advisers in respect of, the Company's share incentive arrangements.

14.2 In the event that a prospective buyer of the Company or any company in the Group or business unit which employs the Optionholder, or the prospective buyer's professional advisors, wishes to conduct due diligence into the Company's employees' share option schemes, the Company may make Personal Data available, provided that those persons irrevocably agree to use the Optionholder's Personal Data only in connection with the proposed transaction and in accordance with the data protection principles set out in the GDPR.

14.3 In the event that it becomes necessary for the grant or administration of the Option, that Personal Data is transferred outside the European Economic Area, to a country that has not been designated by the European Commission as providing an adequate level of protection for Personal Data, the Company shall adopt such lawful transfer mechanisms as are required to protect that Personal Data in accordance with the requirements of the GDPR.

14.4 In accordance with the GDPR, the Optionholder shall be entitled to require the amendment of any Personal Data that is incorrect and to the deletion of Personal Data on expiry of the Option subject to such legislation as may require its retention thereafter.

15. GOVERNING LAW

The Rules and the Scheme shall in all respects be governed by the laws of England and Wales.

APPENDIX 1

OPTION CERTIFICATE

COMPASS PATHWAYS plc COMPANY SHARE OPTION PLAN

(Scheme)

No.....

Dated.....

THIS DOCUMENT IS IMPORTANT. A form of notice for use by the Participant for the exercise of the option is enclosed with this Certificate.

Optionholder:

Address of Optionholder:

Date of Grant:

Number of Ordinary Shares:

Price per Ordinary share:

Vesting Schedule

<i>Date</i>	<i>Proportion of Option Vested (provided that the Optionholder remains an employee of the Group at the relevant date)*</i>
<i>The first anniversary of the Date of Grant</i>	<i>25%</i>
<i>On the expiry of each subsequent calendar month, until the Option is vested in full</i>	<i>2.08333%</i>

*rounded down to the nearest whole number of shares

THIS IS TO CERTIFY THAT the person named above has been granted an option under the Compass Pathways plc 2020 Share Option and Incentive Plan and the Scheme to acquire the above number of Ordinary Shares (**Shares**) in the Company at the above price per Share, upon the terms set out in the Scheme.

It is the intention of the Company that options granted under the Scheme shall benefit from the tax advantages set out in Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003. However, such treatment is not guaranteed, and neither the company nor any member of the Group shall be liable to the Optionholder or any other person if such tax advantages are not available.

The Option is exercisable in whole or in part as specified in the Rules of the Scheme, including Rule 5.4 in relation to tax liabilities which may arise and are for the account of the Optionholder.

This Option is not transferable and will lapse upon the occasion of an assignment, charge, disposal or other dealing with the rights conveyed by it.

It is hereby certified that the transaction hereby effected falls within category L in the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

A person who is not a party to this deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

Signed as a Deed (but not delivered until dated) by for and on behalf of

COMPASS PATHWAYS plc acting as

(a Director) in the presence of a witness who attests the Director’s signature:

W	Signature -----
I	
T	Name -----
N	
E	Address -----
S	
S	-----

APPENDIX 2

UNAPPROVED SCHEDULE

Options granted under this Unapproved Schedule (“**Unapproved Options**”) shall not benefit from the tax advantages of Schedule 4. The terms of Unapproved Options shall be identical to the terms of options granted under the Scheme, except where expressly otherwise provided below:

Definitions

Market Value shall mean the market value of a Share, as determined by the Directors

Qualifying Employee shall mean any employee or executive director of any Member of the Group

Share shall mean a fully-paid ordinary share in the Company

The following rules shall not apply to Unapproved Options:

2.1,

2.3,

5.2.3,

7.5.1,

7.8;

10.3; and

11.2

APPENDIX 2
NOTICE OF EXERCISE
Compass Pathway plc
COMPANY SHARE OPTION PLAN
("the Plan")

To: Compass Pathways plc ("**the Company**")

I/We being the grantee/the personal representative(s) of the grantee [Note (a)] hereby exercise the Option referred to in the enclosed Option Certificate in respect of [Note (b)] Ordinary shares ("the Ordinary shares").

I/We have arranged payment by BACs transfer of £..... [Note (c)]

I/We accept such Ordinary shares subject to the Articles of Association of the Company and authorise the Company to enter my/our name(s) upon the Register of Members of the Company in respect thereof and to despatch a certificate therefore (and a balance Option Certificate if due) to me/us by ordinary post at my/our own risk to the address set out below.

I/We declare that the said Ordinary shares are not being acquired by me/us as trustee(s) or nominee(s) for any other person.

Full Name(s):
.....
(Grantee/Personal Representatives of Grantee (a))

Address:
.....
.....

Signature(s):
.....

NOTES

- (a) Delete whichever is inapplicable. In the case of personal representatives all must sign and the Grant of Probate or Letters of Administration must be produced.
- (b) Insert the number of Ordinary shares in respect of which the Option is exercised.
- (c) Insert the consideration to be remitted in respect of this exercise; this can be found by multiplying the price per Ordinary share stated in the Option Certificate by the number of Ordinary shares stated in paragraph 1 above.
- (d) The tax consequences of exercising your option may vary according to the time of exercise. In particular, in certain circumstances (set out below) the difference between the Option exercise price and the market value of the Shares at the time of exercise will not be subject to income tax. Instead, you may be liable to pay capital gains tax (subject to any allowances) on the eventual sale of the Shares you acquire on exercise of the Option. The circumstances are:
1. where the option is exercised at least 3 years and not more than 10 years after the Option was granted; or
 2. the Option is exercised within three years of the date pursuant to the provisions of the Plan in circumstances that are such that the individual exercising the Option has ceased to be a full time director or qualifying employee of the group company because of injury, disability, redundancy or retirement, or the sale of the Optionholder's employing company or business out of the group, and the option is exercised within six months of such cessation.
 3. where the Option is exercised before the third anniversary in the case of certain takeovers of the company

In each case the Option must be exercised at a time when the Plan benefits from tax advantages under Schedule 4.

YOU ARE THEREFORE ADVISED TO CONSULT YOUR PROFESSIONAL ADVISERS BEFORE EXERCISING YOUR OPTION.

FOR COMPANY SECRETARY'S USE ONLY

Notice received 20

**WHERE THIS NOTICE OF EXERCISE DIFFERS FROM THE RULES OF THE PLAN AND/OR THE LEGISLATION
THE RULES AND LEGISLATION WILL TAKE PRECEDENCE.**

COMPASS PATHWAYS PLC
2020 EMPLOYEE SHARE PURCHASE PLAN

The purpose of the COMPASS Pathways plc 2020 Employee Share Purchase Plan (“the Plan”) is to provide eligible employees of COMPASS Pathways plc (the “Company”) and each other Designated Company (as defined in Section 11) with opportunities to purchase Shares. 340,053 Shares in the aggregate have been approved and reserved for issuance for this purpose under the Plan (including any sub-plan established hereunder), plus on January 1, 2022 and each January 1 thereafter until the Plan terminates pursuant to Section 20, the number of Shares reserved and available for issuance under the Plan shall be cumulatively increased by the least of (i) 510,080 Ordinary Shares, (ii) one percent of the number of Shares issued and outstanding on the immediately preceding December 31 or (iii) such lesser number of Shares determined by the Administrator.

The Plan includes two components: a Code Section 423 Component (the “423 Component”) and a non-Code Section 423 Component (the “Non-423 Component”). It is intended for the 423 Component to constitute an “employee stock purchase plan” within the meaning of Section 423(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and the 423 Component shall be interpreted in accordance with that intent (although the Company makes no undertaking or representation to maintain such qualification). In addition, this Plan authorizes the grant of options under the Non-423 Component that does not qualify as an “employee stock purchase plan” under Section 423 of the Code. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

1. Administration. The Plan will be administered by the person or persons (the “Administrator”) appointed by the Company’s Board of Directors (the “Board”) for such

purpose. The Administrator has authority at any time to: (i) adopt, alter and repeal such rules, sub-plans, guidelines and practices for the administration and operation of the Plan and for its own acts and proceedings as it shall deem advisable, including to accommodate the specific requirements of local laws, regulations and procedures for jurisdictions outside of the United States; (ii) interpret the terms and provisions of the Plan; (iii) make all determinations it deems advisable for the administration of the Plan; (iv) decide all disputes arising in connection with the Plan; and (v) otherwise supervise the administration of the Plan. All interpretations and decisions of the Administrator shall be binding on all persons, including the Company and the Participants. No member of the Board or individual exercising administrative authority with respect to the Plan shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2. Offerings. The Company may make one or more offerings to eligible employees to purchase Shares under the Plan (“Offerings”). The Administrator shall determine when the initial Offering under the Plan shall commence and the length of any Offering. The Administrator may, in its discretion, designate a different period for any Offering, provided that, with respect to the 423 Component, no Offering shall exceed 27 months in duration.

3. Eligibility. All individuals classified as employees on the payroll records of each Designated Company are eligible to participate in any one or more of the Offerings under the Plan, provided that, except as otherwise determined by the Administrator in advance of any Offering, as of the first day of the applicable Offering (the “Offering Date”) they are customarily employed by a Designated Company for more than 20 hours a week, unless the exclusion of employees who do not meet this requirement is not permissible under applicable law. Notwithstanding any other provision herein, individuals who are not contemporaneously

classified as employees a Designated Company for purposes of the applicable Designated Company's payroll system are not considered to be eligible employees of a Designated Company and shall not be eligible to participate in the Plan. In the event any such individuals are reclassified as employees of a Designated Company for any purpose, including, without limitation, common law or statutory employees, by any action of any third party, including, without limitation, any government agency, or as a result of any private lawsuit, action or administrative proceeding, such individuals shall, notwithstanding such reclassification, remain ineligible for participation. Notwithstanding the foregoing, the exclusive means for individuals who are not contemporaneously classified as employees of a Designated Company on the Designated Company's payroll system to become eligible to participate in a plan which is equivalent to this Plan is through the adoption of a sub-plan, which specifically renders such individuals eligible to participate therein.

4. Participation.

(a) General. An eligible employee who is not a Participant on any Offering Date may participate in such Offering by submitting an enrollment form to the Company or any third party designated by the Company (either in electronic or written form, according to procedures established by the Company) at least 15 business days before the Offering Date (or by such other deadline as shall be established by the Administrator for the Offering).

(b) Enrollment. The enrollment form will (a) state a whole percentage to be contributed from an eligible employee's Compensation (as defined in Section 11) per pay period, (b) authorize the purchase of Shares in each Offering in accordance with the terms of the Plan and (c) specify the exact name or names in which Shares purchased for such individual are to be issued or transferred pursuant to Section 10. An employee who does not enroll in accordance

with these procedures will be deemed to have waived the right to participate. Unless a Participant submits a new enrollment form or withdraws from the Plan, such Participant's contributions and purchases will continue at the same percentage of Compensation for future Offerings, provided he or she remains eligible.

(c) Notwithstanding the foregoing, participation in the Plan will neither be permitted nor be denied contrary to the requirements of the Code and any applicable law.

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum of 0 percent up to a maximum of 15 percent of such employee's Compensation for each pay period; provided, however, that if payroll deductions are not permitted or problematic under applicable law or for administrative reasons, the Company, in its discretion, may allow eligible employees to contribute to the Plan by other means. The Company will maintain book accounts showing the amount of payroll deductions or other contributions made by each Participant for each Offering. No interest will accrue or be paid on payroll deductions or other contributions, unless required under applicable law.

6. Contribution Changes. Except as may be determined by the Administrator in advance of an Offering, a Participant may not increase or decrease his or her contributions during any Offering, but may increase or decrease his or her contributions with respect to the next Offering (subject to the limitations of Section 5) by submitting a new enrollment form at least 15 business days before the next Offering Date (or by such other deadline as shall be established by the Administrator for the Offering). The Administrator may, in advance of any Offering, establish rules permitting a Participant to increase, decrease or terminate his or her contributions during an Offering.

7. Withdrawal. A Participant may withdraw from participation in the Plan by submitting a notice of withdrawal to the Company or any third party designated by the Company (either in electronic or written form, according to procedures established by the Company). The Participant's withdrawal will be effective as soon as reasonably practicable, but in no event later than two payroll cycles following such withdrawal. Following a Participant's withdrawal, the Company will promptly refund such individual's entire account balance under the Plan, if any, to him or her (after payment for any Shares purchased before the effective date of withdrawal). Partial withdrawals are not permitted. Such an employee may not begin participation again during the remainder of the Offering, but may enroll in a subsequent Offering in accordance with Section 4.

8. Grant of Options. Subject to Section 13 of the Plan, on each Offering Date, the Company will grant to each eligible employee who is then a Participant in the Plan an option ("Option") to purchase on the last day of such Offering (the "Exercise Date"), at the Option Price hereinafter provided for, the lowest of (a) a number of Shares determined by dividing such Participant's accumulated contributions on such Exercise Date by the lower of (i) 85 percent of the Fair Market Value of the Shares on the Offering Date, or (ii) 85 percent of the Fair Market Value of the Shares on the Exercise Date, (b) a number of Shares determined by dividing (i) the product of (A) US\$2,500 and (B) the number of months in the Offering by (ii) the Fair Market Value on the Offering Date of such Offering; or (c) such other lesser maximum number of Shares as shall have been established by the Administrator in advance of the Offering; provided, however, that such Option shall be subject to the limitations set forth below. Each Participant's Option shall be exercisable only to the extent of such Participant's accumulated payroll deductions and/or other contributions on the Exercise Date. The purchase price for each Share

purchased under each Option (the “Option Price”) will be 85 percent of the Fair Market Value of the Shares on the Offering Date or the Exercise Date, whichever is less.

Notwithstanding the foregoing, no Participant may be granted an Option hereunder if such Participant, immediately after the Option was granted, would be treated as owning shares possessing 5 percent or more of the total combined voting power or value of all classes of shares of the Company or any Parent or Subsidiary (as defined in Section 11). For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the share ownership of a Participant, and all shares which the Participant has a contractual right to purchase shall be treated as shares owned by the Participant. In addition, no Participant may be granted an Option which permits his or her rights to purchase Shares under the Plan, and any other employee share purchase plan of the Company and its Parents and Subsidiaries, to accrue at a rate which exceeds US\$25,000 of the fair market value of such Share (determined on the Option grant date or dates) for each calendar year in which the Option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with Section 423(b)(8) of the Code and shall be applied taking Options into account in the order in which they were granted.

9. Exercise of Option and Purchase of Shares. Each employee who continues to be a Participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option on such date and shall acquire from the Company such number of whole Shares reserved for the purpose of the Plan as his or her accumulated contributions on such date will purchase at the Option Price, subject to any other limitations contained in the Plan. Any amount remaining in a Participant’s account at the end of an Offering solely by reason of the inability to purchase a

fractional Share will be carried forward to the next Offering; any other balance remaining in a Participant's account at the end of an Offering will be refunded to the Participant promptly.

If a Participant has more than one Option outstanding under the Plan, unless he or she otherwise indicates in agreements or notices delivered hereunder: (i) each agreement or notice delivered by that Participant shall be deemed to apply to all of his or her Options under the Plan, and (ii) an Option with a lower Option Price (or an earlier granted Option, if different Options have identical Option Prices) shall be exercised to the fullest possible extent before an Option with a higher Option Price (or a later granted Option if different Options have identical Option Prices) shall be exercised.

10. Issuance of Certificates. Certificates, or book entries for uncertificated Shares, representing Shares purchased under the Plan may be issued only in the name of the employee or, if permitted by the Administrator, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or in the name of a broker authorized by the employee to be his, her or their, nominee for such purpose.

11. Definitions.

The term "ADSs" means American Depositary Shares, representing Ordinary Shares on deposit with a U.S. banking institution selected by the Company.

The term "Affiliate" means any entity that is directly or indirectly controlled by the Company which does not meet the definition of a Subsidiary below, as determined by the Administrator, whether new or hereafter existing.

The term "Compensation" means base pay, prior to reduction pursuant to Sections 125, 132(f) or 401(k) of the Code or comparable reductions under laws outside the United States, but excluding overtime, incentive or bonus awards, commissions, allowances and reimbursements

for expenses such as relocation allowances or travel expenses, income or gains on the exercise of Company share options or other equity incentive awards and similar items. The Administrator shall have the discretion to determine the application of this definition to Participants outside of the United States.

The term “Designated Company” means the Company and any present or future Affiliate or Subsidiary (as defined below) that has been designated by the Administrator to participate in the Plan. The Administrator may so designate any Affiliate or Subsidiary, or revoke any such designation, at any time and from time to time, either before or after the Plan is approved by the shareholders and may further designate such companies as participating in the 423 Component or the Non-423 Component. For purposes of the 423 Component, only Subsidiaries may be Designated Companies. The current list of Designated Companies is attached hereto as Appendix A.

The term “Fair Market Value of the Shares” on any given date means the fair market value of the Shares determined in good faith by the Administrator; provided, however, that if the ADSs are admitted to quotation on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to the closing price on such date. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price.

The term “Initial Public Offering” means the consummation of the first underwritten, firm commitment public offering pursuant to an effective registration statement under the U.S. Securities Act of 1933, as amended, covering the offer and sale by the Company of its Shares

The term “Ordinary Shares” mean ordinary shares in the Company, with a nominal value of £0.008 per share.

The term “Parent” means a “parent corporation” with respect to the Company, as defined in Section 424(e) of the Code.

The term “Participant” means an individual who is eligible as determined in Section 3 and who has complied with the provisions of Section 4.

The term “Registration Date” means the date upon which the registration statement on Form F-1 that is filed by the Company with respect to its initial public offering is declared effective by the Securities and Exchange Commission.

The term “Share” means an Ordinary Share and/or the number of ADSs equal to an Ordinary Share, as the context may require

The term “Subsidiary” means a “subsidiary corporation” with respect to the Company, as defined in Section 424(f) of the Code.

12. Rights on Termination of Employment. Unless otherwise required by applicable law, if a Participant’s employment terminates for any reason before the Exercise Date for any Offering, no contributions will be taken from any pay due and owing to the Participant and the balance in the Participant’s account will be paid to such Participant or, in the case of such Participant’s death, if permitted by the Administrator, to his or her designated beneficiary as if such Participant had withdrawn from the Plan under Section 7. An employee will be deemed to have terminated employment, for this purpose, if the corporation that employs him or her, having been a Designated Company, ceases to be an Affiliate or Subsidiary, as applicable, or if the employee is transferred to any corporation other than the Company or a Designated Company. An employee will not be deemed to have terminated employment for this purpose, if the

employee is on an approved leave of absence for military service or sickness or for any other purpose approved by the Company, if the employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise provides in writing.

13. Special Rules. Notwithstanding anything herein to the contrary, the Administrator may adopt special rules or establish one or more sub-plans applicable to the employees of a particular Designated Company, whenever the Administrator determines that such rules or sub-plans are necessary or appropriate for the implementation of the Plan in a jurisdiction where such Designated Company has employees; provided that, if such rules are inconsistent with the requirements of Section 423(b) of the Code, these employees will participate in the Non-423 Component. To the extent any sub-plans are established, the rules of such sub-plans may take precedence over other provisions of the Plan, with the exception of the number of Shares approved for the Plan, but unless otherwise superseded by the terms of such sub-plan, the provisions of the Plan shall govern the operation of such sub-plan.

14. Optionees Not Shareholders. Neither the granting of an Option to a Participant nor the deductions from his or her pay or other contributions shall deem such Participant to be a holder of the Shares covered by an Option under the Plan until such Shares have been purchased by and issued or transferred to him or her.

15. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or the laws of descent and distribution, and are exercisable during the Participant's lifetime only by the Participant.

16. Application of Funds. All funds received or held by the Company under the Plan may be combined with other corporate funds and may be used for any corporate purpose, unless otherwise required under applicable law.

17. Adjustment in Case of Changes Affecting Shares. In the event of a subdivision of outstanding Shares, the payment of a dividend in Shares or any other change affecting the Shares, the number of Shares approved for the Plan and the Share limitation set forth in Section 8 shall be equitably or proportionately adjusted to give proper effect to such event.

18. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in any respect, except that without the approval within 12 months of such Board action by the shareholders, no amendment shall be made increasing the number of Shares approved for the Plan or making any other change that would require shareholder approval in order for the 423 Component of the Plan, as amended, to qualify as an “employee share purchase plan” under Section 423(b) of the Code.

19. Insufficient Shares. If the total number of Shares that would otherwise be purchased on any Exercise Date plus the number of Shares purchased under previous Offerings under the Plan exceeds the maximum number of Shares issuable under the Plan, the Shares then available shall be apportioned among Participants in proportion to the amount of payroll deductions accumulated on behalf of each Participant that would otherwise be used to purchase Shares on such Exercise Date.

20. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon termination of the Plan, all amounts in the accounts of Participants shall be promptly refunded. The Plan shall automatically terminate on the ten year anniversary of the date of the Company’s Initial Public Offering.

21. Compliance with Law. The Company's obligation to sell and deliver Shares under the Plan is subject to completion of any registration or qualification of the Shares under any U.S. or non-U.S. local, state or federal securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, and to obtaining any approval or other clearance from any U.S. and non-U.S. local, state or federal governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Company is under no obligation to register or qualify the Shares with the SEC or any other U.S. or non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. .

22. Governing Law. This Plan and all Options and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of California, applied without regard to conflict of law principles.

23. Issuance or Transfer of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Shares or, in the alternative, the Company may arrange for the transfer of Shares (including from Shares held in the treasury of the Company, or from any other proper source).

24. Tax Withholding. Each Participant agrees, by participating in the Plan, that the Company and its Affiliates and Subsidiaries shall have the right to deduct any Tax Liability from any payment of any kind otherwise due to the Participant, including Shares issuable under the Plan. Where a Tax Liability arises in connection with the Plan, the Company and/or a Designated Company may require that, as a condition of exercise of an Option and purchase of Shares, a Participant must either:

(a) make a payment to the Company, or otherwise as the Company directs, of an amount equal to the Company's estimate of the amount of the Tax Liability; or

(b) enter into arrangements acceptable to the Company to secure that such payment is made (whether by surrender of Shares, net share issuance, the sale of Shares or otherwise).

For these purposes, "Tax Liability" shall mean any amount of U.S. or non-U.S. federal, state or local income tax, social security (or similar) contributions, payroll tax, fringe benefits tax, payment on account and/or other tax-related items related to the participation in the Plan and legally applicable to the Participant, which the Company and/or an Affiliate or Subsidiary become liable to pay on the Participant's behalf to the relevant authorities in any jurisdiction.

25. Notification Upon Sale of Shares. Each Participant who is subject to tax in the United States with respect to his or her participation in the Plan agrees, by entering the Plan, to give the Company prompt notice of any disposition of Shares purchased under the Plan where such disposition occurs within two years after the date of grant of the Option pursuant to which such Shares were purchased.

26. Effective Date and Approval of Shareholders. The Plan shall take effect on the date of the Company's Initial Public Offering, subject to approval by the holders of a majority of the votes cast at a meeting of shareholders at which a quorum is present or by written consent of the shareholders.

APPENDIX A

Designated Companies

COMPASS Pathfinder Holdings Limited
COMPASS Pathfinder Limited
Compass Pathways, Inc.

The Office Group – Licence Agreement

Agreement ID:		24674				Date:		31/10/2019	
Compass Pathways Limited									
Business Centre Address (Centre)					Business Centre Bank Details				
19 Eastbourne Terrace 19 Eastbourne Terrace London, London W2 6LG									
Company		Compass Pathways Limited			Name		George J. Goldsmith		
Address		20 Old Bailey,			Title		-		
City / County		London			Tel		-		
Post code		EC4M 7AN			Fax				
Country		United Kingdom			Email				
Company Reg. No:		10229259			Mobile				
Invoicing Address									
Company		Compass Pathways Limited			Name		George J. Goldsmith		
Address		20 Old Bailey,			Tel		-		
City / County		London			Fax				
Post code		EC4M 7AN			Email				
Licence Fee Details									
Office No		Actual Workstations		Details/Description				Net Total	
2.01		2						£1,592.00	
2.02		2						£1,592.00	
2.03/2.04		10						£8,471.00	
2.05		5						£4,235.00	
2.06		6						£4,596.00	
Direct Debit Mandate Form attached.				For invoicing:		Monthly licence fee - incl cont. sheet if appl.		£65,000.00	
Minimum Notice Period:						Total monthly contract service fee		£0.00	
3 (M), 0 (W), 0 (D)						Subtotal		£65,000.00	
Start date		01/01/2020				VAT @ 20.00 %		£13,000.00	
Initial Term Expiry Date		31/12/2021				Total Monthly Fee (£78,000.00 calendar month)		£78,000.00	
Minimum Term*		Months: 24 Days: 0				Licence Fee		£65,000.00	
*Minimum term is subject to written notice from either party. Minimum notice period as specified above. Minimum term is subject to any earlier break referred to below.						Contract Service Fee		£0.00	
						Contract Service Setup Fee		£0.00	
						Deposit		£130,000.00	
				Less Deposit Already Held		£0.00			
				Total Additional Deposit Due		£130,000.00			
Additional Provisions						Subtotal		£195,000.00	
						VAT		£13,000.00	
						Total First Payment		£208,000.00	
For and on behalf of us:						For and on behalf of you The Licensee:			
Name: Tilly Smith						Name: George J Goldsmith			
Title: New builds sales manager						Title: CEO and Co-Founder			
Date: 1st November 2019						Date: 1 November 2019			
Signature: /s/ Tilly Smith						Signature: /s/ George J Goldsmith			
This Agreement is made between the Licensor and the Licensee specified above and the Licensee confirms that they have read and understood the Terms and Conditions overleaf and agrees to be bound by them and the Licensor agrees to provide the services and facilities as mentioned overleaf. The Office Group is the trading name of The Station Office Network LLP. Registered in England No: OC370469. Registered Office: 179-185 Great Portland Street, London. W1W 5PL.									

The Office Group – Licence Agreement			
Agreement ID:	24674		Date: 31/10/2019
Agreement Details – Continuation Sheet			
Business Centre Address (Centre)		Business Centre Bank Details	
19 Eastbourne Terrace 19 Eastbourne Terrace London, London W2 6LG			
Company	Compass Pathways Limited	Name	George J. Goldsmith
Address	20 Old Bailey,	Title	-
City / County	London	Tel	-
Post code	EC4M 7AN	Fax	
Country	United Kingdom	Email	
Company Reg. No:	10229259	Mobile	
Office No	Actual Workstations	Details/Description	Net Total
2.07	65		£44,514.00
Making Space Work			

The Office Group – Licence Agreement				
Agreement ID:		24674	Date:	31/10/2019
Payment Summary Analysis				
Payment Summary Analysis		Contract Service Fee (exc VAT)		
Licence Fee (exc VAT)		Contract Service	Quantity	Monthly Fee
Jan-2020	£65,000.00	Inclusive Dedicated Mbps	90.00	£0.00
Feb-2020	£65,000.00	Inclusive Handset	1.00	£0.00
Mar-2020	£65,000.00			
Apr-2020	£65,000.00			
May-2020	£65,000.00			
Jun-2020	£65,000.00			
Jul-2020	£65,000.00			
Aug-2020	£65,000.00			
Sep-2020	£65,000.00			
Oct-2020	£65,000.00			
Nov-2020	£65,000.00			
Dec-2020	£65,000.00			
Jan-2021	£65,000.00			
Feb-2021	£65,000.00			
Mar-2021	£65,000.00			
Apr-2021	£65,000.00			
May-2021	£65,000.00			
Jun-2021	£65,000.00			
Jul-2021	£65,000.00			
Aug-2021	£65,000.00			
Sep-2021	£65,000.00			
Oct-2021	£65,000.00			
Nov-2021	£65,000.00			
Dec-2021	£65,000.00			

Terms and Conditions

These are the terms and conditions which shall apply to our supply of services to you.

1. Definitions

1.1 In these Terms and Conditions, the following words and phrases shall have the following meanings:-

“Additional Charges” means any amounts (together with any VAT thereon) payable by you to us in respect of (i) Meeting Room bookings (ii) your use of photocopying and car parking facilities (where the same is not provided by way of separate licence) where available (iii) postage charges (iv) catering services (v) IT & Telephony Services and (vi) any other services provided to you in any TOG Building in accordance with this Agreement and the TOG House Rules;

“Agreement” means the first page of this agreement together with these Terms and Conditions;

“Ancillary Services” means the making available by us to you of IT & Telephony Services, Lounge Areas and Meeting Rooms, subject to these Terms and Conditions and the TOG House Rules;

“Bookings” means bookings of meeting rooms in any TOG Building;

“Business Day” means a day (other than a Saturday, Sunday or a public holiday);

“Commencement Date” means the start date on which the Licence begins as stated on page 1 of this Agreement;

“Common Areas” means, in any TOG Building, the Co-working Areas, Lounge Areas, Meeting Rooms, reception areas, kitchens, cafes and restaurants, gyms, gardens or roof terraces, toilets, corridors, staircases, landings and any other communal areas or facilities;

“Communications Room” means the communal communications room in which we may have agreed to house certain of your Equipment;

“Co-working Areas” means space at any of our TOG Buildings designated by us as a co-working area from time to time;

“Deposit” means the deposit specified on page 1 of this Agreement and any additional deposit required under this Agreement which will be held by us in accordance with clause 4;

“Equipment” means any computer, desktops, relish box, mobile internet device or other equipment, including telephone equipment such as handsets or headsets, owned, used or provided by you;

“Earliest End Date” means the earliest end date stated on page 1 of this Agreement, being the final day of the Minimum Term;

“Force Majeure” means circumstances beyond our reasonable control, including, but not limited to, acts of God, fire, lightning, flood or extremely severe weather, terrorism, explosion, war, disorder, industrial disputes (whether or not involving our employees) network failures, any computer virus, hacking or malfunction, acts of local or central government or other authorities, breakdown of any equipment, or default of any suppliers, subcontractors, utility service or transport network;

“Home TOG Building” means the TOG Building identified on page 1 of this Agreement;

“Infrastructure Fee” means any increased Licence Fee payable in connection with those matters set out in clause 7 if you do not receive the IT Services and/or the Telephony Services from us (together with any VAT thereon);

“Inventory” means the inventory detailing our fixtures, fittings, equipment and effects in the Office Space at the Commencement Date, their general condition and the general condition of the Office Space as a whole, as agreed and signed by us and you on or before the Commencement Date;

“Insolvent” means the entry by you into any insolvency process, including, but not limited to, bankruptcy, winding up, Company Voluntary Arrangement, Administration or Liquidation.

“IT Services” means the IT services to be provided to you as described in the box entitled ‘IT Service Details’ on page 1 of this Agreement and in accordance with the provisions set out in Schedule 1 of this Agreement;

“IT & Telephony Services” means the IT Services and the Telephony Services;

“Licence” means the licence to occupy the Office Space granted to you pursuant to clause 2.1;

“Licence Fee” means the monthly licence fee (together with any VAT thereon) payable by you to us for the Services, as specified on page 1 of this Agreement;

“Licence Period” means the period from the Commencement Date until the Termination Date;

“Lounge Areas” means space at any of our TOG Buildings designated by us as a lounge from time to time;

“Meeting Rooms” means meeting rooms situated in our TOG Buildings;

“Minimum Term” means the minimum term of the Licence as specified on the first page of this Agreement;

“Office Space” means that part of your Home TOG Building identified on page 1 of this Agreement or any alternative office space referred to in clause 2.5.6;

“Renewal Agreement” means an agreement to renew this Agreement for a new Licence Period that may be required pursuant to this Agreement;

“Services” means the services to be supplied by us to you pursuant this Agreement;

“Telephony Services” means the telephony services to be provided to you as described in the box entitled ‘Telephony Service Details’ on page 1 of this Agreement and in accordance with the provisions set out in Schedule 1 of this Agreement;

“Termination Date” means the date on which the Licence is terminated in accordance with clause 8;

“Terms and Conditions” means these terms and conditions including those in the schedule together with, where applicable, the TOG House Rules;

“The Office Group Network” has the same meaning as defined in Schedule 1 of this Agreement;

“TOG Building” means any building or property which provides flexible working space owned or managed by us, by any other company in our group or by any associated company;

“TOG House Rules” means our detailed rules and regulations for the use of TOG Buildings and the Services as may be updated from time to time and notified to you in accordance with clause 15.1; and

“TOG Members” means members of TOG from time to time including users of Office Space, Co-working Areas, Lounge Areas and Meeting Rooms.

1.2 In this Agreement:

1.2.1. references to “the Licensor”, “we”, “our” and “us” shall be deemed to include references to us as agents for any owners or managers of the TOG Buildings providing the Services including any company in our group or any associated company;

1.2.2. references to “you” or “your” shall be deemed to include, where the context requires, your employees and any permitted guests;

1.2.3. the headings are for convenience only and shall not affect its interpretation;

1.2.4. references to the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa;

1.2.5. references to clause numbers, paragraphs and schedules shall be to those of this Agreement unless the contrary is stated;

1.2.6. references to ‘include’ or ‘including’ in this Agreement shall be treated as being by way of example and shall not limit the general applicability of any preceding words;

1.2.7. references to persons includes any individual, firm or company or group of persons or unincorporated body; and

1.2.8. references to “writing” shall include, without limitation, email.

2. Licence to Occupy

2.1. We grant you a licence to occupy the Office Space together with the right to access and use the Common Areas in accordance with these Terms and Conditions and the TOG House Rules.

2.2. We shall permit you to use:

2.2.1. the Office Space only as offices in accordance with these Terms and Conditions and the TOG House Rules;

2.2.2. the Lounge Areas and the Meeting Rooms in accordance with these Terms and Conditions and the TOG House Rules; and

2.2.3. all other Common Areas only to the extent required in order for you to use the Office Space, Lounge Areas and Meeting Rooms in accordance with these Terms and Conditions.

2.3. We shall use our reasonable endeavours to :-

2.3.1. keep the Common Areas clean, tidy, in reasonable order and well lit;

2.3.2. to supply proper supplies of hot and cold water and heating;

2.3.3. to keep the service media, the lifts and other infrastructure at the TOG Building in reasonable working order.

2.4. You are not entitled to use the Co-working Areas unless otherwise agreed in writing by us.

2.5. You acknowledge that:

2.5.1. this licence is personal to you and cannot be assigned to any other person;

2.5.2. you are only permitted to occupy the Office Space and any other Common Areas you are permitted to use as a licensee and that no relationship of landlord and tenant is created between you and us by this Agreement;

2.5.3. no interest in land or tenancy is created by the grant of this licence;

2.5.4. we retain control, possession and management of the TOG Building and Office Space and you have no right to exclude us from the Office Space at any time whatsoever;

2.5.5. we will regularly enter the Office Space without notice for the purpose of cleaning, waste disposal, maintenance and other building-related matters;

2.5.6. without prejudice to our rights under this Agreement, we may require you to transfer to alternative Office Space:

(a) elsewhere within your Home TOG Building provided that, where reasonably practicable, we will give reasonable prior notice to you and alternative office space is vacant and available in that building; or

(b) in another TOG Building provided that, where reasonably practicable, we will give you at least four weeks' prior notice;

In either of the circumstances referred to above we will use reasonable endeavours to ensure that the alternative office space is of a reasonably equivalent size and quality to the Office Space:

2.6. We shall be entitled to withhold the Services (including denying you access to any TOG Building and/or

the Office Space) if you are in breach of any material terms of this Agreement.

3. Fees, Charges and VAT

3.1. In consideration of our granting the Licence to you, you agree to pay the Licence Fees to us.

3.2. The first payment of the Licence Fees shall be the amount specified on page 1 of this Agreement. This amount shall be payable by you to us on or before the Commencement Date.

3.3. The Licence Fees and any Additional Charges shall be payable by direct debit unless we agree otherwise.

3.4. The Licence Fees (other than the first payment referred to in clause 3.2 above) shall be payable by you in advance on or before the first Business Day of each month. The Licence Fees are not refundable.

3.5. We shall (acting reasonably) notify you of any Additional Charges incurred by you on or around the first Business Day of the month following the month in which the Additional Charges were incurred and you shall pay any such Additional Charges in arrears on or before the 15th day of each month.

3.6. You will pay us interest at the rate of 4% per annum over the base rate of Barclays Bank plc on all sums payable under this Agreement which remain unpaid for 7 days from the due date, such interest being calculated from the due date for payment to the date of payment both after as well as before any judgment.

3.7. If any payment (including the Licence Fees and Additional Charges) is not received within 7 days from the due date for payment of our invoice we will be entitled to suspend your access to our TOG Buildings and to withhold all Services with immediate effect. Following any reinstatement of access a reinstatement fee may be payable.

3.8. Although you are liable for business rates and applicable taxes on the Office Space occupied by you in a TOG Building we are authorised and permitted by you to manage on your behalf such rate liability. The Licence Fee is inclusive of business rates, calculated after any reliefs or rebates for which your occupation may be entitled, and we will accordingly pay the business rates on your behalf. To ensure we pay no more than the correct liability associated with your occupation, if required by us you will provide

information and sign relevant documents within 5 Business Days of such request.

3.9. All amounts referred to in this agreement are subject to VAT where applicable.

3.10. All payments to be made by you under this Agreement shall be made free and clear of and without any deduction or set-off.

4. Deposit

4.1. You shall be required to make payment of the Deposit (being 2 months' Licence Fees) immediately upon signing this Agreement as security for your obligations under these Terms and Conditions.

4.2. If you do not set up a direct debit for the payment of the Licence Fees and Additional Charges at the time of entering into this Agreement, or you cancel any such direct debit you have set up you shall pay us an additional amount by way of deposit, equal to a further month of the Licence Fee (being an aggregate amount of 3 months' Licence Fees) and the Deposit as listed on page 1 of this Agreement will be considered amended accordingly.

4.3. We shall be entitled to deduct from the Deposit any loss or damage we incur as a result of your failure to perform or observe your obligations under these Terms and Conditions. If you become Insolvent, this right will remain unaffected and we shall be entitled to drawdown from the deposit any pre-existing losses and such losses as may arise as a result of you becoming Insolvent and this action will not constitute any breach of our statutory obligations nor require the consent of any Administrator, Liquidator or insolvency practitioner.

4.4. If any deductions are made by us from the Deposit, you shall replace any such sum deducted within 10 Business Days of being notified by us of such deduction.

4.5. We shall return the Deposit to you within 30 Business Days of the Termination Date subject to the deduction of any monies due to us in respect of any loss or damage you have caused us or monies we reasonably believe are owed.

4.6. If any sums are due to us under this Agreement at the date of repayment in clause 4.5 but are unquantified at that date:

4.6.1. we may deduct under clause 4.5 an amount equal to our reasonable estimate, to be made in good faith, of the sums due; and

4.6.2. when those sums have been quantified:

4.6.2.1. if the quantified sums are less than the amount deducted, we will pay the balance to you within 30 Business Days of those sums having been quantified; and

4.6.2.2. if the quantified sums are more than the amount deducted, you must pay the difference to us within 10 Business Days of demand.

4.7. The payment of the Deposit shall not affect our right to demand payment at any time of any amounts due under this Agreement.

4.8. You will have no right to offset the Deposit held by us against outstanding amounts due from you.

4.9. We reserve the right at any time to require an increase in the Deposit held by us if we believe circumstances reasonably require such an increase.

5. Your obligations

5.1. You will use the TOG Buildings and the Services subject at all times to these Terms and Conditions, the TOG House Rules and any other specific rules we may require you to observe from time to time, and to all rights, regulations, restrictions and covenants affecting your Home TOG Building and any other TOG Building that you enter pursuant to this Agreement.

5.2. You agree:-

5.2.1. to pay the Licence Fee and the Additional Charges at the times and in the manner set out in Clause 3 and elsewhere in this Agreement;

5.2.2. not to make any alteration or addition whatsoever to the Office Space other than with our prior written consent (to be granted at our absolute discretion) and by contractors approved by us;

5.2.3. not to apply for any planning permission in respect of the Office Space or any Common Area;

5.2.4. not do anything that will or might constitute a breach of any necessary consents affecting any TOG Building or which will or might invalidate in whole or in part any insurance effected by us in respect of any TOG Building from time to time;

5.2.5. to comply with any requirements of our insurers of the TOG Building from time to time which have been notified to you;

5.2.6. to comply with all laws and regulations, including in respect of health and safety, relating to the Office Space;

5.2.7. to comply with any recommendations of the relevant suppliers relating to the supply of electricity, gas, water, sewage, telecommunications and data and other services and utilities to or from the Office Space;

5.2.8. not to block any fire exit, corridor or other route of entry or access either in the Office Space or the Common Areas;

5.2.9. not to damage any TOG Building or Common Areas;

5.2.10. not to do anything in or around the Office Space or any Common Areas which may be or become illegal, be disreputable or cause a nuisance, annoyance, disturbance, inconvenience, injury or damage to us or the other occupiers of the TOG Buildings or adjacent or neighbouring premises;

5.2.11. not to take, copy or use any information or intellectual property belonging to other TOG Members or their guests, agents or invitees. This includes, without limitation, personal names, likenesses, business names, trademarks, logos or any other intellectual property whatsoever;

5.2.12. not to employ or offer to employ, in any capacity, directly or indirectly, any of our employees during the Licence Period and for six months after the Termination Date Provided that if this clause is breached, you agree to pay us the full annual salary of the employee in question; and

5.2.13. not to do anything or carry on any business or activity that may damage the goodwill or reputation of any TOG Building or the TOG business.

6. Our rights We have the right to:

6.1. re-develop, refurbish, redecorate and/or otherwise alter or make additions to any part of the TOG Buildings (including the Office Space and the Common Areas) from time to time without requiring your consent;

6.2. enter the Office Space at any time for any purpose (including repair and maintenance and inspection and testing of the Office Space or the Equipment) notwithstanding any effect on you or your business;

6.3. disconnect any Equipment and/or withhold Services if, in our opinion, we believe that your Equipment, hardware or software, or use thereof, is damaging or potentially damaging to The Office Group Network, or the

Services being provided by us are being used by you for an unauthorised immoral or illegal purpose or in an inappropriate or excessive manner; and

6.4. assign, transfer, subcontract or deal in any other way with any of our rights under this Agreement and our proprietary rights to the TOG Building and may novate any of our obligations under the agreement to any third party or agent without your consent.

7. IT & Telephony Services

7.1. We both agree to comply with the provisions of Schedule 1 in respect of the IT & Telephony Services.

7.2. From time to time we may at our discretion permit you, or your suppliers or agents access to the Communications Room in your Home TOG Building in order to install, maintain or repair any Equipment belonging to you in the Communications Room, provided that:-

(a) we receive written notice that access will be required to the Communications Room at least one Business Day in advance of access being required save in the case of emergency where we may at our discretion allow more immediate access;

(b) a member of our staff shall be present at all times that you or your supplier or agents is in the Communications Room including in the event of emergency access where a call-out fee for such attendance shall be payable as an Additional Charge in accordance with clause 3.5;

(c) if you require any of our IT technicians to attend a TOG Building in order to gain access to the Communications Room or you require assistance from one of our IT technicians or another member of the TOG team for any other reason related to your own IT and/or telephony system or Equipment (including but not limited to wayleave arrangements and site surveys) for more than 30 minutes access fees as specified in the TOG House Rules shall be payable by you for every hour or part of an hour that you require our IT technician to be in attendance or to have access to the Communications Room which shall be payable as an Additional Charge in accordance with clause 3.5;

(d) you indemnify us against all losses, claims, demands, actions, proceedings, damages, costs, expenses or other liability in any way arising from entry into the Communications Room pursuant to this clause 7.2.

7.2.1. Any of your Equipment housed or stored in the Communications Room shall be kept at your risk but we will take reasonable care of such Equipment;

7.2.2. The use of any Equipment in a TOG Building by you shall be subject to our prior written approval which we will not unreasonably withhold if we are satisfied that the Equipment will not negatively affect building performance or systems, will not impact upon other TOG Members, will comply with our requirements as to safety and will not breach any of the warranties contained in clause 7.2.4;

7.2.3. In respect of the Equipment:-

(a) you shall permit us at all reasonable times to inspect the Equipment to satisfy that it is compliant with our IT and telephony policies from time to time;

(b) you shall remove the Equipment as soon as reasonably practicable following written notice from us if the presence of the Equipment might cause the TOG Building to be in contravention of any regulations or statute, or for any other reason, in our absolute discretion (acting reasonably);

(c) we have the right to suspend or terminate the power which is to be provided to the Equipment in the Communications Room if your Equipment is deemed by us to represent a safety or other hazard or if you are using excessive power in respect of such Equipment that is negatively affecting power available to other TOG Members in the building; and

(d) you shall not plug into or use The Office Group Network for any such Equipment without our prior written approval; and

7.2.4. You warrant that your Equipment (a) will comply with all applicable laws, regulations and standards; (b) will be safe to the extent required by law or required by us; (c) will comply in all material respects with all applicable conditions and standards of any relevant telecommunications company or provider (including but not limited to BT); (d) will be suitable in all material respects for the connection to the appropriate telecommunications network; and (e) will have installed adequate anti-virus software

8. Termination

8.1. This Agreement (subject as provided below) shall continue for the Minimum Term and thereafter unless and until terminated on the Earliest End Date or at the end of any calendar month thereafter by not less than three months' written notice given by either you or us.

8.2. Before the Earliest End Date, we may send to you a Renewal Agreement setting out any proposed revisions to this Agreement (including any increase in the Licence Fees and the amount of the Deposit) and invite you to enter into it on the Earliest End Date.

8.3. If this Agreement is not terminated on the Earliest End Date and a Renewal Agreement is not entered into the Licence Fee shall increase by 10% from the first day after the Earliest End Date and shall continue to be payable until the earlier of (i) the first anniversary of the Earliest End Date (ii) such time as this Agreement is terminated in accordance with this clause 8 or (iii) a Renewal Agreement is entered into.

8.4. If this Agreement continues after the Earliest End Date and no Renewal Agreement is entered into by the first anniversary of the Earliest End Date or by any subsequent anniversary the Licence Fee shall increase by a further 10% for the next 12 month period (during which, your occupation will continue on the terms set out herein, subject to any future amendments) and each 12 month period thereafter until a Renewal Agreement is entered into

8.5. We may immediately terminate this Agreement (and your consequent right to use the Office Space and the Ancillary Services) at any time by notice in writing to you if:

8.5.1. The Office Space and/or the TOG Building are no longer available due to circumstances beyond our control; or

8.5.2. you are in breach or we suspect that you may be in breach of your obligations specified in clause 5; or

8.5.3. you fail to pay an invoice within 14 days of the due date for payment stated on such invoice; or

8.5.4. you are in material breach of any of your other obligations under this Agreement; or

8.5.5. you become insolvent, including but not limited to, if you are unable to pay your debts as they fall due, you suspend or threaten to suspend payment of your debts, if a trustee, administrator or other receiver is appointed or takes any steps with a view to taking possession of all or any part of your assets, you convene or propose to convene a meeting of your creditors or any other steps are taken concerning your insolvency or bankruptcy.

8.6. On termination of this Agreement for any reason:

8.6.1. Other than in the case of termination pursuant to clause 8.5.1, we shall be entitled to charge you for any Licence Fees that would have been payable by you until

the earliest date on which this Agreement could have been terminated by you;

8.6.2. you shall immediately pay to us any outstanding invoices and interest and, in respect of accrued fees for Services supplied but for which no invoice has been submitted, we shall submit an invoice, which shall be payable by you immediately on receipt;

8.6.3. you shall immediately leave the Office Space, ensuring that it is left in the same condition as it was in on the Commencement Date and (where applicable) in accordance with the Inventory and any failure to leave the Office Space in such condition may result in (i) deductions from your Deposit and/or (ii) a charge (to be paid upon demand) for all costs of removing goods or putting the Office Space into an appropriate condition;

8.6.4. you shall cease to be entitled to access and use any Common Areas (unless we otherwise agree to permit you to do so);

8.6.5. you shall comply with the provisions relating to termination contained in the TOG House Rules;

8.6.6. the accrued rights, remedies, obligations and liabilities of you or us at expiry or termination shall be unaffected, including the right to claim damages in respect of any prior breach of this Agreement; and

8.6.7. provisions in these Terms and Conditions which expressly or by implication are intended to survive termination shall continue in full force and effect.

8.7. Prior to the termination or expiration of this Agreement, you must remove all your property from the Office Space and TOG Building. After providing you with reasonable notice, we will be entitled to dispose of any property or Equipment left by you and you waive any claims or demands regarding such property or our handling of it. You will be responsible for the costs of removal of such items, whether done in accordance with Clause 8.6.3 above or otherwise and we will be entitled to deduct such sums from the Deposit.

9. Damages

9.1. You are responsible for the Office Space and its state and condition for the duration of the Licence Period. Any damage to the Office Space or its contents or the equipment as listed in the Inventory or to the Common Areas incurred as a result of your action or omission (or those of your employees or visitors) will result in a charge to you based on the cost of the repair/replacement and/or any subsequent loss of business or trade or other commercial activity suffered by us.

9.2. You agree to indemnify us against all losses, claims, demands, actions, proceedings, damages, costs, expenses or other liability in any way arising from this Agreement, any breach of your obligations and/or the exercise of any rights given in this Agreement.

10. Limitation of liability

10.1. Nothing in these Terms and Conditions shall limit or exclude our or your liability for:

10.1.1. death or personal injury caused by negligence, or the negligence of any of our or your employees, agents or subcontractors; or

10.1.2. fraud or fraudulent misrepresentation.

10.2. Subject to clause 10.1, we shall not be liable to you under or in connection with this Agreement (whether for breach of contract, negligence, breach of statutory duty, misrepresentation or for any other reason) for loss of profits, loss or damage to goodwill and/or any indirect or consequential loss.

10.3. You acknowledge that we are not liable for the actions of any TOG Member and if a dispute arises between TOG Members we have no responsibility or obligation to participate in the dispute or indemnify any party to it.

10.4. We shall not be liable for any inconvenience, damages or loss whatsoever arising from any failure or interruption of any Service or for interruption of your use of any TOG Building other than as referred to in clause 10.1.

10.5. This clause 10 shall survive termination of this Agreement.

11. Force Majeure

11.1. We shall not be liable for any breach of this Agreement, any failure in performing our obligations under this Agreement or any losses resulting therefrom caused by Force Majeure.

11.2. We will be entitled in our sole discretion to interrupt or withdraw or cease to provide the Services and/ or Ancillary Services at any time in order to carry out or procure the carrying out of maintenance and/or support services or for any other such causes beyond our reasonable control.

12. Insurance

12.1. We, or where applicable our landlord or superior landlord, shall insure TOG Buildings against loss or damage by all risks we consider prudent to insure against,

provided that such insurance is available in the market on reasonable terms acceptable to us. Such insurance will not cover your business or contents kept at any of our TOG Buildings.

12.2. You shall at all times carry insurance for (i) your business and business interruption (ii) all your contents kept at any of our TOG Buildings and (iii) public liability, all to appropriate levels given the risks involved. If at any time and for any reason you do not hold any such insurance and you suffer losses that would otherwise have been covered, you shall have no right to make any claim against us or on any insurance policy held by us.

12.3. We may at any time request a copy of a valid certificate of your business and contents insurance policy and your public liability policy.

13. Confidentiality

The terms of this Agreement are confidential and neither party shall disclose them to any third party without the other's prior written consent save to professional advisers, purchasers, lenders or unless required to do so by law or an official authority.

14. Data Protection

14.1. You agree that we may process, disclose or transfer any personal data which we hold on or in relation to you, provided that we take such reasonable steps to ensure that it is used only to fulfil our obligations under this agreement, for fraud prevention, to process your payments for our Services or to make available information which we reasonably consider may be of interest to you.

14.2. We will both ensure that all personal data provided or disclosed by the other party (i) is kept confidential and reasonably secure; and (ii) is not disclosed to any unauthorised third parties. The party to whom such personal data is provided or disclosed will comply with all reasonable instructions from the providing or disclosing party relating to the security and confidentiality of the personal data.

14.3. A party to whom personal data is provided or disclosed by the other party (i) will only process that personal data in accordance with the instructions of that other party; and (ii) will not do anything with any of the personal data (including processing it) other than in accordance with instructions given by the other party.

14.4. Each of us (i) will obtain and maintain all appropriate registration and consents under the General Data Protection Regulation ("GDPR") or any such other applicable legislation as may be in force from time to time in order to allow that party to perform its obligations under

this Agreement; (ii) will process personal data in accordance with the GDPR; (iii) will use its reasonable endeavours to make sure that no act or omission by it, its employees, contractors or agents results in the breach of the obligations of either party under the GDPR; and (iv) you shall ensure that such personal data shall have been obtained and supplied to us in compliance with the GDPR, all codes of practice issued thereunder and all data, protection legislation, including you obtaining any necessary consents to the processing of such data as contemplated by this Agreement, and that all your instructions to us to process such data shall comply with the GDPR and data protection legislation.

14.5. Nothing in this clause 14 will operate to prevent or restrict any disclosure by either party which is required pursuant to an order of a court of competent jurisdiction or pursuant to a proper demand made by any competent authority or body where the party concerned is under a legal or regulatory obligation to make such a disclosure.

15. General

15.1. We reserve the right to make changes to the TOG House Rules from time to time if we consider them appropriate and such amended terms will continue to apply to you throughout the term of the Agreement. If any such amendments are made, we will provide you with a copy of the amended TOG House Rules, either by placing the same on our website or sending them to you by post, email or by leaving them at the relevant Office Space for your attention.

15.2. If any provision of these Terms and Conditions is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision shall not affect the validity and enforceability of the rest of the Agreement.

15.3. If either of us fail to enforce (or delays enforcing) the provisions of this Agreement then such failure or delay shall have no effect on the rights of that party. Waiver by either of us of any of its rights shall not operate as a waiver of any other rights in relation to any subsequent breach of this Agreement. No right, power or remedy available to either of us under this Agreement is exclusive of any other right, power or remedy available to that party and each such right, power or remedy shall be cumulative.

15.4. Variations to this Agreement shall not be effective unless they are in writing and signed by or on behalf of both of us.

15.5. No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

15.6. Nothing in this Agreement is intended to or shall operate to create a partnership between us, or to authorise either party to act as agent for the other, and neither party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way (including without limitation the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

15.7. This Agreement contains all the terms and conditions agreed between the parties. We both acknowledge that, in entering into this Agreement, neither of us have relied upon any statement, warranty or representation made by or on behalf of the other that has not been set out in this Agreement, whether in any service description document or otherwise.

15.8. Any notice or communication under or in connection with this Agreement shall be in writing and delivered personally, or by post (using registered mail) or electronic mail (but not facsimile) to the respective addresses, or electronic mail addresses on page 1 of this Agreement or such other address, or electronic mail addresses as we or you may notify to the other from time to time. Any such notice or communication shall not take effect until personally delivered.

16. Anti-Money Laundering and Anti-Bribery

16.1. You confirm that you are compliant with and will continue to comply with all applicable anti-money laundering and anti-bribery laws and regulations, including the UK Bribery Act 2010, up until the termination of this Agreement.

16.2. You will notify us if you, or any of your associated persons may have caused a potential or actual breach of any applicable anti-money laundering or anti-bribery laws including the UK Bribery Act 2010.

17. Modern Slavery

17.1. You and we shall each comply, and use all reasonable endeavours to ensure where applicable that any persons engaged by us shall comply, with all applicable laws, statutes, regulations and codes from time to time in force relevant to the Modern Slavery Act 2015.

17.2. You and we each represent and warrant to one another that neither us or our officers employees or other persons associated with us:

17.2.1. has been convicted of any offence involving slavery and human trafficking and

17.2.2. having made reasonable enquiries, has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence or alleged offence of or in connection with slavery and human trafficking.

18. Governing Law and jurisdiction

This Agreement shall be interpreted in accordance with English law and any disputes (including non-contractual disputes or claims) shall be subject to the exclusive jurisdiction of the English courts.

IT & Telephony Services

1. Definitions and Interpretation

1.1. In this Schedule 1, and unless the context otherwise requires, the following words and expressions will have the following meanings: "Dedicated Leased Line Services" means Services which provide you with an agreed amount of dedicated non-contended bandwidth;

"IP Rights" means any and all intellectual property rights of any nature anywhere in the world whether registered, registerable or otherwise, including patents, trademarks, registered designs and domain names, applications for any of the foregoing, trade or business names, goodwill, copyright and rights in the nature of copyright, design rights, rights in databases, know-how and any other intellectual property rights which subsist in computer software, computer programs, websites, documents, information, techniques, business methods, drawings, logos, instruction manuals, lists and procedures;

"IT Environment" means the environment in which The Office Group may have agreed to house certain Licensee Equipment;

"Licensee Equipment" means any computer, desktops, relish box, mobile internet device or other equipment, including telephone equipment such as handsets or headsets, owned, used or provided by you;

"Network Connection" means the internet connection described in more detail in paragraph 4.3 of this Schedule;

"Network Services Supplier" means any third party supplier to us of certain services in the connection with the provision of the Services;

"Offices" means the serviced offices occupied by you under the terms of this Agreement (or any other offices to

which the Services are provided in accordance with this Agreement);

“Provided Power” means the power which is to be provided to the Licensee Equipment in the IT Environment;

“IT Services” means the services to be supplied by us pursuant to this Schedule as described in the box entitled ‘Service Details’ on page 1 of this Agreement but, for the avoidance of doubt excluding any services not specifically referred to in this Schedule and/or supplied by persons other than us;

“Shared Internet Access” means access to bandwidth shared by you with other users;

“Shared Internet Access Services” means the Services which provide you with Shared Internet Access; and “The Office Group Network” means the (i) hardware including computers (desktop or laptop), telephone handsets, servers, communications equipment, printers, scanners, cabling, peripheral computer equipment and other physical equipment; (ii) infrastructure including the cables, sockets and data points, local and wide area network links and ports installed from time to time at the Offices and patch leads, communication leads and other similar peripheral computer equipment; and the software, including desktop operating systems and software, word processing systems and software, desktop faxing, mail client software and other IP Rights; all of which are owned by or licensed to us for the purposes of the provision of the Services;

2. IT Services

2.1. We will provide the IT Services to you in accordance with and subject to the terms and conditions of this Schedule.

2.2. Any target dates for performance of our obligations set out in this Schedule are estimates only and time will not be of the essence for the performance of our obligations.

3. Our obligations

3.1. If either of us wish to change the scope of the IT Services, we shall submit details of the requested change to the other in writing.

3.2. If either of us request a change to the scope or execution of the IT Services, we shall, within a reasonable time, provide a written estimate to you of the likely time required to implement such change, any variations to our charges under this Schedule and any other material changes to the terms of this Schedule.

3.3. If we request a change to the scope of the IT Services, you shall not unreasonably withhold or delay consent to it.

3.4. If you wish for us to proceed with a change to the scope of the IT Services, we have no obligation to do so unless and until we have both agreed in writing on the necessary variations to the charges and any other relevant section of this Schedule or the Agreement to take account of the change.

4. Your obligations

4.1. You shall provide all reasonable co-operation to us, without charge, to assist us in performing our obligations under this Schedule. Such co-operation shall include:

4.1.1. reasonable access to, and co-operation by, your employees;

4.1.2. promptly reporting any defect or error in any IT Services of which you become aware (and confirming the details in writing);

4.1.3. providing any information which we may reasonably request and ensure that such information is accurate in all material respects;

4.1.4. obtaining all necessary consents or licences which may be required from any third party (such as any third party licensor of any component of the your computer system) to enable us to provide the IT Services; and

4.1.5. where appropriate, making available appropriate facilities for the storage and safekeeping of equipment.

4.2. You will be responsible for making back-ups of all data and we shall have no liability for loss of any of your data.

4.3. You shall be responsible for the content of all your transmissions which may pass through the internet and/or the Network Connection. You agree that you will not use the Network Connection in any way that may damage the Network Connection or violate the law, infringe the rights of others, or interfere with the users, services, or equipment of us or the Network Services Supplier. In particular, you shall not distribute unsolicited advertising, chain letters, or commercial electronic mail (spam), propagate computer worms or viruses, attempt to gain unauthorized entry to other computers, data or networks, distribute or receive any pornography, obscene, or defamatory material over the internet or infringe any third party copyrights, trademarks, or other intellectual property rights.

4.4. You shall notify us immediately if you become aware of any improper use of the Network Connection and/or damage or the likelihood of damage to the Network Connection. We may charge any re-connection fee for the re-supply of IT and telecom services.

4.5. You shall comply with:-

4.5.1. all reasonable instructions given to you by us or the Network Services Supplier, in particular, but not limited to, instructions relating to the Network Connection; and

4.5.2. all applicable laws concerning the transmission of technical data and other regulated materials via the Network Connection.

4.6. You shall not connect your firewall to our Network without our written consent

4.7. Shared Internet Access Services may not be used by you:

4.7.1. at a greater number of workstations than the number specified in this Agreement;

4.7.2. for proxy use (which for these purposes means use as a device that allows a network used by a number of users to share a single IP address to directly access the internet);

4.7.3. for the connection of your firewall without our express written consent; or

4.7.4. for the connection of your equipment that will or may (as determined by us in our absolute discretion) disproportionately degrade the overall performance of the Shared Internet Access Service.

4.8. You shall only obtain the Licensee Equipment in connection with the IT Services from us or one of our authorised suppliers or otherwise subject to our approval before it is connected to The Office Group Network.

5. Payment

5.1. You will pay us the charges specified as IT & Telephony Charges on page 1 of this Agreement. Charges will be due on the dates (or on the happening of the events) specified on page 1 of this Agreement. The provisions of Clause 3 will apply to these charges.

5.2. We may make reasonable increases to the IT & Telephony Charges at any time by giving to you at least one month's notice in writing.

5.3. You shall indemnify us against all legal and other fees and expenses incurred by us in relation to the collection of any overdue IT & Telephone Charges.

6. Assignment and sub-licensing

6.1. We may assign, transfer, mortgage, charge, subcontract or delegate in any matter any of our rights or obligations arising under this Schedule to any of our associated companies or to any third party.

6.2. You may not assign or transfer any of your rights arising under this Schedule.

6.3. You may not sub-license or otherwise part with possession of any rights granted to you under this Schedule.

7. IP Rights, Licences and Licensee Equipment

7.1. If the supply of any IT Services by us to you will involve the use by you of any computer software programmes or other IP Rights not owned by or licensed to you, we shall grant (or so far as we are able shall procure the grant of) a licence to you on such terms as we may reasonably require to use the programmes or other IP Rights of we have or those of the Network Services Supplier for the purposes for which the IT Services are supplied.

7.2. You shall comply with all terms or restrictions in relation to the licence to and use by it of computer software and other IP Rights we may notify to you from time to time.

7.3. You acknowledge that any images or material from any document or webpage produced by us including details, data, illustrations, designs, icons, photographs, video clips, text, graphics, scripts, logos are owned exclusively by us and/or our content providers. Any use other than that stated in the licence is strictly prohibited, including, without limitation, modification, removal, deletion, transmission, publication, distribution, uploading, posting, redistribution, re-licensing, selling, duplicating, republication or any other dissemination without our express written permission.

7.4. You shall not house or store Licensee Equipment outside the Office Space but within The Office Group Network without our prior written consent. If we agree to the housing or storage outside the Office Space, of any Licensee Equipment, such Licensee Equipment will be housed or stored at your risk but we will take reasonable care of such Licensee Equipment.

7.5. Unless the Licensee Equipment has been obtained by you from or supplied to you by us or an

authorised supplier, we have the right to suspend or terminate the Provided Power if the Licensee Equipment is deemed by it to represent a safety or other hazard.

7.6. You shall not plug into The Office Group Network any telephone equipment such as handsets or headsets unless obtained by you from or supplied to you by us or an authorised supplier.

7.7. You warrant and undertake to us that any Licensee Equipment (a) will comply with all applicable laws, regulations and standards; (b) will be safe to the extent required by law or required by us; (c) will comply in all material respects with all applicable conditions and standards of any relevant telecommunications company or provider (including but not limited to BT); and (d) will be suitable in all material respects for the connection to the appropriate telecommunications network.

7.8. Our standard direct dial numbers are unable to be ported to any 3rd party provider. If you wish to have this flexibility, we must be informed at the outset and, if possible, this will be subject to a DDI range set up fee which will form an Additional Fee.

8. Our obligations

8.1. We will provide the IT Services with reasonable skill and care.

8.2. We will use reasonable endeavours to preserve the confidentiality of any of your data on The Office Group Network (such as voicemail messages).

8.3. Save as expressly set out in this Schedule, (a) no conditions, warranties or other terms, whether express or implied, shall apply to the IT Services, including warranties of satisfactory quality and fitness for any particular purpose and (b) We do not offer any warranty or guarantee regarding the continued and uninterrupted availability of the IT Services to you.

9. Exclusions and Limitations

9.1. Notwithstanding any other provision of this paragraph 9 or of this Agreement we shall remain liable (a) for death or personal injury which is caused by our negligence and (b) for our fraud or fraudulent misrepresentation.

9.2. Other than as set out in paragraph 9.1, neither we nor the Network Services Supplier shall be liable (whether for breach of contract, negligence, breach of statutory duty, misrepresentation or for any other reason) for any indirect, consequential or special loss or damages including (a) loss of profits; (b) loss of sales; (c) loss of revenue; (d) loss of or damage to any software or data (e) loss of or damage

to any hardware or software; (f) loss of management or staff time; or (g) loss of goodwill.

9.3. We shall not incur any liability if and to the extent that the Services are interrupted or the confidentiality of any data belonging to you is not maintained.

9.4. Neither we nor the Network Service Supplier shall be liable for unauthorized access to our or your transmission facilities or equipment or for unauthorized access to or alteration, theft, damage or destruction of your data files, programmes, procedures or information, or any other IP Rights regardless of whether resulting from our or its Network Service Supplier's negligence or by accident.

10. Termination

10.1. Subject as provided below, this Schedule shall continue until either party terminates the Agreement in accordance with clause 8.

10.2. On termination of this Agreement, we shall cease providing the IT Services and you shall immediately (i) pay to us any outstanding charges, fees and expenses due from you and (ii) return to us all of the property belonging to us.

10.3. Notwithstanding any other rights which we might have, if you breach the terms of this Schedule, we may suspend or terminate performance of any of our obligations or the exercise of any of your rights under this Schedule. Any suspension shall be effective until you remedy the breach to our reasonable satisfaction.

10.4. Termination of this Agreement shall not affect any accrued or other rights which might be available to us or you whether under this Schedule or otherwise.

10.5. Upon the expiration or termination of this Agreement or the obligations in this Schedule, you shall relinquish any IP addresses or address blocks assigned to you by us or the Network Services Supplier and we may, at any time following such expiration or termination require you to collect Licensee's Equipment which we may remove from the IT Environment.

Addendum To Terms and Conditions

Addendum to the terms and conditions between The Office Group and Compass Pathways Limited . These additional Terms and Conditions between The Office Group (The Licensor) and Compass Pathways Limited (The Licensee) will supersede any terms conditions laid out on page 3, 4 and 5 of the licence agreement in the event of a conflict.

Clause 2.5.6. The Office Group agree to are moving costs and agree any alternative space Compass Pathways Limited are asked to move to will be 'equal or better than' their initial space. The Office Group Limited to not agree to cover any losses.

Clause 10.2. will be changed to reflect - 'neither party shall be liable to the other party...'

Clause 11 will be changed to reflect that Force Majeure should apply to both parties

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BioInnovation Labs LLC or its affiliates (collectively, "**BioLabs**") and the licensee identified on the signature page of this agreement ("**Client**" or "**Licensee**") hereby agree as of 30 May 2019 (the "**Commencement Date**"), to the following terms and conditions (the "**Agreement**"). Please note that "you" and "your" refer to the aforementioned Licensee, and "we" and "our" refer to BioLabs.

Whereas, New York University, a New York education corporation ("**SOM**"), on behalf of its School of Medicine has leased space at 180 Varick Street, NY, (the "**Leased Premises**") from 180 Varick LLC ("**Landlord**") pursuant to a lease agreement (the "**Lease**") wherein SOM and BioLabs intend to operate a full-service biotech facility; and

Whereas, pursuant to that certain Management Services Agreement by and between SOM and BioLabs dated August 17, 2017, SOM has granted BioLabs a license (the "**License**") for a portion of the Leased Premises (the "**Licensed Premises**") with the intent that BioLabs sublicense to start-up companies desks and access to the common space, as set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. License:

(a) BioLabs hereby grants to Licensee, and Licensee hereby accepts from BioLabs, the license and privilege to use the Licensed Space (as defined on Exhibit A) at the Premises indicated in Exhibit A (and, to the limited extent set forth in Section 2(c), the Other Premises) until the earliest of (i) the second (2nd) anniversary of the Commencement Date, (ii) and such other date in which the Agreement is terminated earlier as set forth herein (the "**Term**"), and in accordance with the terms and conditions of this Agreement, This license does not convey title to any land or buildings or a leasehold interest in any premises used or occupied by Licensee. Licensee may request to add benches and/or desks to the Licensed Space but the Licensed Space will only be increased if approved by BioLabs in writing (which approval BioLabs may grant or withhold in its sole discretion).

(b) Licensee represents that it is not presently in default of a lease obligation to another lessor, nor would it be as a consequence of moving to BioLabs.

(c) Upon 30 days' notice (the "**Notice Period**") either party may terminate this Agreement for any reason or no reason. Additionally, we reserve the right to, in our sole discretion make any modifications, deletions or additions to these this Agreement provided that we provide you with 45 days' notice thereof.

2. Space and Services:

(a) Locations of Licensed Space shall be designated by BioLabs and subject to change from time to time.

(b) **Sharing or shift use of benches is not permitted; each bench may be used by only one scientist.**

(c) During the Term, Licensee shall be entitled to the use of the shared common facilities at the Premises (as designated by BioLabs from time to time) and the shared common facilities at BioLabs' Other Premises (as defined below), including equipment (e.g., printers) contained therein (the "**Common Facilities**"). Licensee agrees to not abuse its right to use the Common Facilities and Campus Amenities and shall share the Common Facilities and Campus Amenities with other clients of BioLabs in accordance with BioLabs policies for use of the Common Facilities. Without limiting any of its other rights or remedies, If BioLabs believes in its reasonable discretion that Licensee is abusing its right to use the Common Facilities, and Licensee does not alter its conduct after receiving notice from BioLabs about the abuse, BioLabs shall be entitled to treat Licensee's conduct as a material breach of this Agreement.

(d) The Licensed Space and Common Facilities are 24x7 facilities, and you may conduct business at the Licensed Space and Common Facilities at any time.

(e) Licensee acknowledges that even in the best-managed shared environments, systems, services, and security failures will occur. BioLabs will use commercially reasonable efforts

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to provide quality services and otherwise maintain a quality environment, but you acknowledge that BioLabs is not responsible for financial or other losses as a consequence of the receipt of services from BioLabs, or lack or insufficiency thereof, regardless of the cause.

3. Moving Out:

(a) One of the benefits of our offering is to give clients the flexibility to be able to move elsewhere on short notice if their needs change. BioLabs requests that you provide as much informal notice as possible of any planned decrease in your use of our services. Giving us an idea of your future plans will not prejudice your access to current services, and may allow us to introduce you to alternative options.

(b) Over and above any informal conversations you may have with us, you agree to provide BioLabs at least 30 days' advance Notice of termination of this Agreement as well as of any reduction of your BioLabs space or services used under this Agreement. This means 30 days' Notice is required if you plan to leave, but also if you plan to decrease your Licensed Space at BioLabs. Please keep in mind that once you give us formal Notice, BioLabs will release that Licensed Space for reservation by others following the date you told us you will no longer require it, and it may not be possible for you to later reverse your decision.

(c) Sometimes Licensees need to vacate their space in less than 30 days from the time they provide us Notice. If this happens, you will still be responsible for full payment for your BioLabs fees through the full Notice Period, regardless of whether we reuse your space for others during that period.

(d) Any time BioLabs determines that a Licensee has vacated or abandoned a particular space, has left it and does not plan to return to work there, and/or has failed to make payments as required in this Agreement or does not intend to continue to pay its fees to BioLabs, we may deem your space to be vacant, we may pack up and remove your furniture, computers, experiments, files and other property, and we may redeploy the space to others' use. If you had not given formal Notice of termination, we will deem that your Notice of termination was

given effective as of the date that we make the above determination. We will send notification to the Licensee's address set forth at the end of this Agreement.

4. Use of Facilities:

(a) The Licensee will use the private and shared laboratory and office facilities for general lab and office purposes and for no other purpose without prior written permission from BioLabs. Licensee may not offer services that compete with those already offered by BioLabs. Licensee shall not install any signs in or near the premises, and will coordinate any signage needs with BioLabs.

(b) Most services provided by BioLabs are provided on an 'unmetered' basis. This 'unmetered' basis is premised on a good-faith understanding between BioLabs and the Licensee that this privilege will not be abused. Employing BioLabs's services and facilities beyond normal shared use, defined as the norm amongst other Licensees as reasonably determined by BioLabs, without prior discussion and approval, after having received Notice that BioLabs is concerned about this level of use, and having been given a reasonable opportunity to cure it, may be considered a breach of this Agreement. An example would be printing high volumes of material on the color printer. We would say this is a job for a printing company. Most special needs can be accommodated by prior arrangement.

(c) BioLabs is particularly sensitive in this regard to use of Common Facilities, such as common laboratories and conference rooms. Using the example of conference rooms, we define "normal use" as frequent short meetings throughout the day, long meetings occasionally, and multi-day long meetings very occasionally. All-day meetings should be no more frequent than once per quarter, on average. Please do not use the conference rooms for private phone calls during peak hours (9am - 5pm). More liberal usage during off-peak hours and weekends is fine. For common laboratory equipment and common laboratories, we define "normal use" as daily short-term use. If you expect to need to go beyond these guidelines, please discuss with us before moving in. Licensee shall be neat and orderly when using

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the Common Facilities (including, without limitation, by cleaning any mess left by Licensee in such area and removing all items brought into such area by Licensee). Please see Exhibit D for List of Services.

(d) To help maintain the security of the building, any guest who does not have their own key card is required to sign-in at the reception desk and wear a visitor badge on the premises. If you have contractors or part-time employees who perform work onsite two or fewer days per week, they may be considered visitors. These employees/contractors must sign-in like any other visitor. In the case that an employee or contractor is onsite more than two days weekly, they must be registered with BioLabs as an employee. This will give them building access and add them to your roster of onsite employees. This triggers an additional monthly per-person charge (at BioLabs's then current rate) for the use of the BioLabs facility.

(e) Subject to BioLabs's approval (which it may provide or withhold in its sole discretion), you may add additional employees to access the lab benches within your Licensed Space. Such access shall only be granted to employees for which you and BioLabs execute a Temporary Access Addendum in the form attached as Exhibit F hereto.

(f) You may be required to present a valid, government-issued photo identification in order to gain access to the Premises or Other Premises. For security purposes, we may regularly record via video certain areas of the Premises or Other Premises. If we deem it reasonably necessary, we may disclose information about you to satisfy applicable law, rule, regulation, legal process or government request, or to protect us, our members, or other individuals, or any of our or their property. It is your obligation to notify any of your guests about this policy.

5. Use of BioLabs Affiliate Facilities. Licensee may request to use available bench, desk space on the premises of BioLabs' affiliates (e.g. BioLabs Cambridge, BioLabs San Diego) ("**BioLabs Affiliate Space**") on a specified temporary basis. Any request for such use shall be in writing and specify: (i) the personnel of Licensee that would be using such premises; (ii)

the number of benches and desk required; and (iii) the dates for which Licensee seeks to use such space. Licensee shall not be entitled to use BioLabs Affiliate Space unless each of BioLabs and BioLabs's applicable affiliate provide written approval of such request (which may be provided, rejected, or withheld in their sole discretion). Upon such approval, Licensee shall be entitled to use the BioLabs Affiliate Space as requested. Licensee agrees (for the benefit of BioLabs and the applicable BioLabs affiliate) that all terms and conditions governing Licensee's use of the Licensed Space or Premises apply to Licensee's use of the BioLabs Affiliate Space and the premises of such BioLabs affiliate.- Additionally, Licensee agrees to abide by the policies and codes of conduct of any BioLabs Affiliate Space that Licensee attends.

6. Environmental, Health, and Safety Services; Licensee is responsible for complying with all applicable state regulations and BioLabs policies (as provided to Licensee from time to time) regarding environmental, health, and safety (EHS) in its use of the Premises (and Other Premises) and the building in which the Premises (and Other Premises) are located (the "Building"). In order to maintain the appropriate permits, programs, and training, the Licensee must acknowledge and sign off on the BioLabs Commitment to Safety in Exhibit E. By signing this Agreement, you confirm that you have read and will comply with the requirements in Exhibit E.

7. Consumables and Equipment

(a) Except with respect to a reasonable amount of office equipment of a reasonable size and of the type and quantity typically in use in modern offices (all as determined in BioLabs's discretion), Licensee shall not introduce, install or use any consumables, supplies or equipment that is not provided by or on behalf of BioLabs to Licensee hereunder without BioLabs's advance written consent.

(b) If Licensee wishes to purchase any consumables, supplies or equipment (any such items, "**Goods**") for its Licensed Space, Licensee must utilize the services of BioLabs as Licensee's purchasing agent to effectuate such purchases on Licensee's behalf. In its capacity

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as Licensee's purchasing agent, BioLabs shall, on behalf of Licensee and not in its individual capacity (1) place orders for Goods with third party vendors, (2) receive and pay all vendor invoices for any such ordered Goods, (3) seek and collect payment from Licensee of all amounts necessary to pay in full the above-mentioned third party vendor invoices (or reimburse BioLabs for amounts advanced by BioLabs to pay such vendor invoices on Licensee's behalf) in accordance with Section 9(b) and (c), and (4) receive and hold for Licensee all deliveries of such ordered Goods. It is expressly understood that all orders of Goods placed with a vendor by BioLabs in accordance with this Section 7 are direct purchases from such vendor by Licensee, and BioLabs' role is merely as Licensee's purchasing agent. Accordingly, title to all Goods purchased from a vendor in accordance with this Section 7 shall transfer directly from the vendor to Licensee, and Licensee shall be regarded as acquiring possession of all such Goods in accordance with the terms of the contract of sale with the vendor, but in no event later than immediately upon the delivery of such Goods to the Facilities. BioLabs shall make clear to vendors when placing orders in accordance with this Section 7 that such orders are being placed by BioLabs in its capacity as purchasing agent for Licensee, such that the contracts of sale are between the vendor and Licensee. BioLabs may, however, act as guarantor in respect of all amounts due to vendor for Goods ordered by BioLabs as purchasing agent for Licensee.

(c) In consideration of the Goods procurement services rendered by BioLabs to Licensee in accordance with Section 7(b), Licensee shall pay BioLabs a Goods procurement services fee equal to 15% of the total costs of Goods so procured, including without limitation all applicable sales, use or other transfer taxes and shipping costs reflected on vendor invoices (such fee, a "Goods Procurement Services Fee"). [Items, not total costs of Goods, which exceed \$2,000, will incur maximum service fee of \$300.

(d) BioLabs reserves the right to prohibit or limit the volume of any consumables, supplies or equipment stored by BioLabs that BioLabs determines in its reasonable discretion: (i) could pose an unacceptable risk to the Licensed

Space, Common Facilities; (ii) could interfere with BioLabs's efforts maintain a safe and attractive work space for all; or (iii) does not allow for an equitable allocation of storage space for BioLabs's other clients. Licensee acknowledges that BioLabs's ability to store consumables and supplies is subject to BioLabs's available storage capacity, equipment and other facilities, all of which are subject to change without notice. BioLabs shall use commercially reasonable efforts to store Licensee supplies and consumables in accordance with Licensee's written storage instructions to the extent agreed to in advance by BioLabs. Notwithstanding the foregoing, Licensee acknowledges that BioLabs does not guarantee that Licensee consumables, equipment or supplies will be kept secure or free from contamination or other losses, but will apply commercially reasonable efforts to do so.

8. Mail. Subject to availability, you may elect to receive mail and packages at one of our locations. If you have done so, we will accept mail and deliveries on your behalf during regular business hours on regular business days. We have no obligation to store such mail or packages for more than thirty (30) days of our receipt or if we receive mail or packages after this Agreement terminates. This feature is meant to allow you to accept business correspondence from time to time. It is not meant for an address for the receipt of merchandise or personal goods. As such, we have no obligation to accept bulk or oversized mail or packages.

9. Payment:

(a) At the beginning of each calendar month, BioLabs will provide Licensee with an invoice setting forth the License Fee for that month. BioLabs, or its affiliates, will invoice Licensee for Consumables Fees as they arise or at the end of each calendar month.

(b) Licensee shall execute the automatic debit authorization form attached hereto as Exhibit B and provide BioLabs with financial or banking information sufficient to permit BioLabs to make an automatic bank debit (ACH) for all License Fee and Consumables Fee invoices issued by BioLabs. Licensee hereby authorizes BioLabs to withdraw (i) each License Fee

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invoice amount upon Licensee's receipt of the applicable invoice; and (ii) each Consumable Fee invoice amount within thirty (30) days after the date of such invoice. If Licensee requests an order for consumables, supplies, and/or equipment with a total cost equal to or greater than \$10,000, BioLabs shall be entitled to immediate reimbursement from Licensee for such total cost and Licensee also authorizes BioLabs to withdraw such amount. Additionally, BioLabs may, in its sole discretion, condition its purchase of Consumables on Licensee's prepayment therefore.

(c) Licensee acknowledges that the License Fee may change from month to month, depending on the number of users, benches, private labs, private offices and/or desks that constitute the Licensed Space in any given month. Licensee also acknowledges that the rates set forth in Exhibit A are only applicable to the Term and may not apply in any subsequent agreement or renewal.

(d) Licensee's payments not made when due shall bear interest at a rate equal to the lower of (i) ten percent (10%) per annum, or (ii) the highest rate allowed under applicable law. In addition, Licensee shall pay reasonable attorney's and/or arbitrator's fees and other costs incurred by BioLabs in conjunction with collecting any late payment, all of which are to be paid by Licensee within five (5) days of receipt of BioLabs' invoice therefore.

10. Access to Licensee spaces: The Licensee acknowledges that BioLabs' active management of the office space and lab and BioLabs' provision of a variety of office and lab services including, where applicable, cleaning, removal of common and biohazard waste, environmental health and safety services, maintenance of compliance with local, state and federal licenses and regulations, phones, internet connections, and so forth necessitates that BioLabs be able to access the Licensee's premises in the same manner that Licensee's own internal office managers and technology support staff would, without advance notice, in order to provide said services, view the condition of the premises, make alterations and repairs and so forth. We will make reasonable efforts to ensure that such visits do not disrupt the Licensee's operations.

11. Retainer Fee:

(a) No later than the first day of the Term, Licensee shall provide a retainer fee payment to BioLabs (via ACH) in an amount equal to one time the expected monthly License Fee (the "Retainer Fee") plus a decontamination fee in the amount set forth in Exhibit A. In the event that BioLabs later determines, in its reasonable discretion, that Licensee's use, access, or other activities conducted hereunder substantially exceed the aforementioned retainer fee. BioLabs reserves the right to increase the amount of the Retainer fee required of Licensee, and require Licensee to pay the increase, upon thirty (30) days advance written notice (for example: if you double the amount of desks and benches in the Licensed Space, then your fees double and the amount of your required Retainer fee will double as well, to keep step with your fees). BioLabs may, in its discretion, apply Licensee's Retainer fee to any charges or other payments due from Licensee or to any other amount it may be required to expend on Licensee's behalf or as a result of Licensee's acts or omissions. If BioLabs notifies Licensee that Licensee's Retainer fee is below the original level, then, Licensee shall pay BioLabs with such amount as necessary to restore the Retainer fee to its original level.

(b) The required Retainer Fee amount shall be increased by an additional one (1) month's License Fee if you are late in payment on two (2) separate occasions, where Notice of your lateness is provided after the first occasion.

(c) If you are not in default or breach of this Agreement at the end of the term, the unapplied balance of the Retainer Fee shall be returned to you without interest within 30 days' after your departure.

12. Liability for Damages: Licensee acknowledges liability for any damage to equipment, furnishings, and any other property of BioLabs, the Landlords (as defined hereafter) or their other licensees, or any missing property, caused by Licensee, its employees, guests, or affiliated parties, excluding damage due to normal wear and tear. Licensee agrees to pay the cost to repair or replace (at full replacement cost) the missing or damaged property, at the discretion of BioLabs.

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13. Intellectual Property of others. You must not directly or indirectly take, copy or use any information or intellectual property belonging to other members or member companies or any of their guests, including without limitation personal names, likenesses, voices, business names, trademarks, service marks, logos, trade dress, other identifiers or other intellectual property, or modified or altered versions of the same.

14. Technology Release. We may need to install software onto your computer, tablet, mobile device or other electronic equipment to provide you with certain amenities. You acknowledge that your refusal to install such software may affect your ability to properly receive such amenities. We may also provide you with technical support at your request. You agree that we (a) are not responsible for any damage to any of your electronic equipment or systems related to such technical support or software installation; (b) do not assume any liability or warranty in the event that any manufacturer warranties are voided; and (c) do not offer any verbal or written warranty, either expressed or implied, regarding the success of any technical support. Furthermore, you acknowledge that you have no expectation of privacy with respect to our internet connection, networks, telecommunications systems or information processing systems (including any stored computer files, email messages and voice messages), and your activity and any files or messages on or using any of those devices or systems may be monitored at any time without notice, including for security reasons and to ensure compliance with our policies, regardless of whether such activity occurs on equipment owned by you or us.

15. Pets and Live Animals. You shall not bring pets or other animals onto the premises without our express written consent (which, if provided, we may revoke in our sole discretion). You will be responsible for any injury or damage caused by any animal you or any of your employees, invitees or guests bring into any Premises or Other Premises. We will not be responsible for any injury to any such animal.

16. Acceptable use rules and regulations:

(a) The Licensee acknowledges that no trade or occupation shall be conducted in the premises or use made thereof which will be unlawful, improper or offensive, or contrary to any law or any municipal by-law or ordinance in force in the City of New York. BioLabs explicitly prohibits the conduct of business directly related to pornography or gambling.

(b) Licensee agrees with BioLabs that Licensee shall not cause disturbances, create odors, noises or situations any of which may be offensive to other Licensees or that would interfere with the normal operations of BioLabs. While at BioLabs, Licensee agrees not to intentionally display or print Services Agreement pornography. Licensee agrees not to send unsolicited commercial email (spam) using BioLabs' network, and to cooperate fully when requested by BioLabs to remove viruses, worms, Trojans, bots and other malware from its computer systems. Licensee shall not disturb, disrupt or otherwise impede any of BioLabs's other clients from their equitable access and use of the Common Facilities or Campus Amenities.

(c) To minimize interference with the common wireless data and voice network(s) BioLabs provides for the use of all clients, Licensee agrees that it will not set up an independent wireless network at BioLabs without prior consultation and approval from BioLabs technology staff.

(d) Licensees are welcome to state that they are located at BioLabs and are a client of BioLabs. Licensees agree not to describe BioLabs or the Landlords as a business partner (or similar) without written permission.

(e) It is understood and agreed that Licensee shall comply with any rules and regulations issued by BioLabs or the Landlords from time to time (including, without limitation, codes of conduct, environmental, health and safety policies) from and after the date on which Licensee is made aware of such rules and regulations.

(f) Licensee acknowledges that it will be in close proximity to other companies who are

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customers of BioLabs, and it is the Licensee's sole responsibility to protect the confidentiality of its information. BioLabs hereby waives any responsibility, and hereby disclaims any and all liability, arising out of or in connection with the protection, or lack thereof, of Licensee's information.

17. Insurance: Licensee agrees to the insurance terms set forth in Exhibit C applicable to the Premises (i.e. C-1 or C-2).

Fire: The Licensee shall not permit any use of fire in its premises (candles, matches, etc.) for any reason except for the regulated use of laboratory equipment, i.e. Bunsen burner.

18. Indemnification and Liability:

(a) To the greatest extent permitted by law, except for harm caused by gross negligence or willful misconduct of BioLabs or the Landlords, Licensee hereby indemnifies and holds harmless BioLabs, the Landlords, and their respective sponsors, partners, members, officers, employees, agents, landlords, other licensees and property managers (and the affiliates thereof and their respective employees) from any claims, liabilities, losses or damages incurred by BioLabs or such persons and entities (including all costs and expenses of defense of any action or proceeding) arising out of, directly or indirectly, any claim against or incident to, or any injury to or death of the Licensee, its employees, its successors and assigns, or the contractors, agents or invitees of any of them or any damage to or loss of property of such persons or entities. Licensee shall maintain adequate insurance for the foregoing and present evidence of same to BioLabs upon request.

(b) If any court should find BioLabs or the Landlords liable for any loss or damage of any kind for any reason related to Licensee or its employees, guests and affiliated parties, Licensee agrees that, to the greatest extent permitted by law, the limit of BioLabs' and Landlords' liability shall be the amount that Licensee has paid BioLabs under this Agreement,

19. Waiver of Subrogation: Licensee hereby (i) waives on behalf of itself and its insurer(s) (none of which shall ever be assigned

any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action against the Landlords, Sublandlord(s), BioLabs and their agents, officers, directors, servants, partners, members, shareholders, or employees (collectively, the "**Related Parties**") for any loss or damage that may occur to or within the premises or the Building or any improvements thereto, or any personal property of such Licensee (or any of its employees, contractors or other agents or invitees) therein which is insured against under any insurance policy actually being maintained by such Licensee (or such other parties) from time to time, even if not required, or which would be insured against under the terms of any insurance policy required to be carried or maintained by such Licensee, whether or not such insurance coverage is actually being maintained, including, in every instance, such loss or damage that may be caused by the negligence of the Landlords or other Related Parties; and (ii) agrees to cause appropriate clauses to be included in all of its insurance policies as necessary.

20. Maintenance: The Licensee agrees to maintain the office and lab in good condition, damage by normal wear and tear, fire and other casualty only excepted, and acknowledges that the office and lab are now in good order. The Licensee shall not permit the office or lab to be overloaded, damaged, stripped or defaced. Any equipment needed beyond what is provided by BioLabs must be approved in writing prior to install to avoid overloading of circuits or excessive drain on other utilities.

21. Emergency Procedures; Licensee management should inform all their employees of the life safety policies and emergency procedures of the Building and conduct periodic training regarding the same. A representative of the Building's management is available to participate in Licensee safety and security awareness sessions. While BioLabs employees and employees of BioLabs's other licensees may be available to offer assistance in the event of an emergency, Licensee's management hereby acknowledges and agrees that these individuals may not always be available and are not trained safety professionals, and cannot be relied upon to provide error-free assistance.

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22. Alterations-Additions: The Licensee shall not make any alterations or additions to the office or laboratory (including any wiring or cabling in the walls or any conduit) without the prior written consent of BioLabs and shall never make structural alterations or additions. All allowed alterations shall be at Licensee's expense and shall be in quality at least equal to the present construction. Licensee shall not permit any mechanics' liens, or similar liens, to remain upon the licensed premises for labor and material furnished to Licensee or claimed to have been furnished to Licensee in connection with work of any character Services Agreement performed or claimed to have been performed at the direction of Licensee and shall cause any such lien to be released of record forthwith without cost to BioLabs or the Landlords. If requested by BioLabs or by the Landlords, Licensee shall remove any alterations or additions prior to expiration of or earlier termination of this Agreement, and repair and restore all areas or elements affected by such alterations or additions (or by the removal there) to their former condition. Any alterations or improvements made by the Licensee which are not requested to be removed shall become the property of BioLabs and the Landlords upon termination of this Agreement.

23. Assignment and Rights and Notifications Concerning Invitees:

(a) The Licensee shall not assign this Agreement, sublicense all or any portion of the premises licensed to Licensee hereunder to any other party, or permit the use or occupancy of such licensed premises by any other party, in each case without BioLabs' prior written consent. Notwithstanding such consent, Licensee shall remain liable to BioLabs and the Landlords for the payment of all charges and for the full performance of the covenants and conditions of this Agreement. Also notwithstanding such consent, to the extent that a court order, secured credit contract, sale, invitation by the Licensee for other parties to use BioLabs' facilities as their offices with or without informing BioLabs, or other process, introduces new parties which become owners or responsible parties for Licensee and/or property stored at the Licensee's premises, Licensee must bind such parties to this Agreement, and notify BioLabs of the names and contact

information for the same parties. These parties shall in any case be deemed to be signatories to this Agreement by virtue of having taken an interest in property located in the Licensee's premises or by virtue of having commenced to use BioLabs facilities or services in their own right.

(b) The Licensee shall not cause or permit any other persons or entities present at the Landlords' premises by the Licensee's invitation or consent, whether affiliated with the Licensee or otherwise, to operate an office, use a laboratory or conduct a separate business out of the Landlords' premises unless such invitees have entered into an agreement with BioLabs to do so. BioLabs shall have sole discretion as to whether others should be added as additional parties to this Agreement. In the event the Licensee allows any invitee to operate an office or conduct a business out of the Landlords' premises without BioLabs's permission or modification of this Agreement, the Licensee hereby agrees on behalf of itself and its insurers that it will defend and indemnify BioLabs, and the Landlords with respect to the invitee to the same extent required under this Agreement with respect to the Licensee. To avoid any potential confusion concerning whether certain entities are invitees of Licensee, the Licensee shall provide BioLabs with documentation concerning any of its corporate name changes or DBA filings within thirty (30) days of filing. If Licensee wishes to do business at BioLabs under a name other than its legal name, (e.g. by accepting mail under that other name or by using that other name on the sign on its work area entry, etc.) Licensee agrees to register such name with the City of New York as a DBA.

24. Subordination: This Agreement shall be subject and subordinate to any and all leases, mortgages, deeds and other instruments in the nature of a lease, mortgage or deed, existing now or at any time hereafter, a redacted copy of which shall be furnished to Licensee at Licensees request, and to any condominium regime or ground lease, and to any other instrument constituting a lien or liens on the property of which the licensed premises is a part and the Licensee shall, as requested by BioLabs, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this Agreement to said

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lease, mortgage, deed or other such instruments. Termination of the Landlords' lease or leases with the owner of the premises, or termination of the Landlord's Lease with BioLabs, will terminate this Agreement and all of BioLabs' and Landlords' obligations to the Licensee. Licensee acknowledges that BioLabs' Landlords have reserved the right to review and approve all license agreements, and that BioLabs is obligated to terminate any license agreement, which may include this Agreement, if objected to by the Landlords. BioLabs agrees to promptly deliver this Agreement to the Landlords for review and approval, and shall notify Licensee of the Landlords' decision with regard to this Agreement within one (1) business day after receipt of such decision from the Landlords.

25. Casualty and Condemnation:

(a) If the Building or the premises therein leased to BioLabs by the Landlords (the "**Lease**") are damaged or destroyed by fire or other cause such that the owner of the Building determines not to rebuild the same or exercises any right it may have to terminate the Lease, this Agreement shall expire at such time as BioLabs' interest in the Building under the Lease is terminated and Licensee thereupon shall surrender its premises to BioLabs and shall pay all charges through the time of such termination. In the event that such owner shall decide to restore or rebuild the Building, and BioLabs' interest in the Building under the Lease is not terminated, this Agreement shall remain in full force and effect; however, the charges payable hereunder shall be abated in proportion to the time in which Licensee has been deprived use of its premises. In no event shall BioLabs or the Landlords be liable to Licensee for any loss or damage occasioned by such fire or other cause.

(b) If the whole or substantially the whole of the Building is condemned or taken in any manner for any public or quasi-public use or purpose, this Agreement shall cease and terminate as of the date of the taking of possession for such use or purpose. If less than the whole or substantially the whole of the Building shall be so condemned or taken, whether or not Licensee's premises is affected, then BioLabs may, at its option, terminate this Agreement as of the date of the taking of

possession of such use or purpose by notifying Licensee in writing of such termination. Upon any such taking or condemnation and this Agreement continuing in force, the fees payable by the Licensee hereunder shall be abated in proportion to the time in which Licensee has been deprived of use of its premises. Licensee shall have no claim arising from any such taking and, without limitation, no claim against any proceeds paid on account of such taking.

26. Termination: In addition to the termination provisions contained in Section 1, BioLabs may also terminate this Agreement, including but not limited to the Licensee's access to the office and laboratory, at any time after the following:

(a) The Licensee shall fail to pay any charge or other sum due under this Agreement within ten (10) calendar days' following Notice of delinquency; or

(b) The Licensee shall default in the observance or performance of any other of the Licensee's covenants, agreements, or obligations hereunder and such default shall remain uncured after ten (10) calendar days' Notice of the same; or

(c) The Licensee shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of Licensee's property for the benefit of creditors; or

(d) Licensee makes a material misrepresentation to BioLabs, materially violates applicable law, or materially breaches Section 16.

27. Holdover: Prior to the date on which this Agreement expires or is earlier terminated, Licensee is obligated to remove all of its effects, including consumables, instruments, and other property, from the premises. Chemicals will have to be disposed of or removed by the Licensee prior to such date, at the Licensee's sole cost and expense. Should Licensee fail to remove its effects and vacate its premises prior to the expiration or earlier termination of this Agreement, the Licensee will be obligated to pay BioLabs 200% of its monthly License Fee, prorated by days, until the date Licensee vacates

Services Agreement

the premises and properly disposes of any remaining material, including chemicals.

28. Notice: Notice ("Notice") shall be defined as any notice that is delivered in writing, either by hand, by e-mail, or by physical mail, to one or more responsible parties at the Licensee's address set forth at the end of this Agreement, or to BioLabs as provided herein, as applicable, provided that there is a reasonable record kept thereof as relating to both the date of the communication and as to the content thereof. Such a reasonable record can include printed or electronic copies of said communications. Any Notice under this Service Agreement that is sent by mail shall be deemed received, if properly addressed, three (3) business days after any such Notice is deposited in the United States mail certified, postage-prepaid, return-receipt requested. If the Licensee's address as set forth below is given as blank or as being within the Landlords' premises, then Notice shall be deemed received if delivered by hand to Licensee's mailbox within the premises. Any Notice to Licensee under this Service Agreement that is sent by e-mail shall be deemed received if delivered to the e-mail address set forth below or another e-mail address reasonably believed by BioLabs as being that of a responsible party at the Licensee, three (3) business days after any such notice is sent, provided that no automatic response has been received from the recipient's e-mail system indicating non-receipt of the email message or unavailability of the recipient. No oral communication shall be deemed a notice under this Agreement.

29. Surrender: The Licensee shall, prior to the expiration or other termination of this Agreement, remove all of the Licensee's goods and effects from the premises, as more particularly set forth in Section 27 above, and remove and restore any alterations or additions as set forth in Section 22 if applicable, and deliver the premises to BioLabs empty and broom clean and in good order and repair. Licensee shall deliver to BioLabs all keys and access cards thereto. Improvements and fixtures permanently affixed to the premises and not requested to be removed shall become the property of BioLabs and may not be removed upon departure without express permission. In the event that any property remains in the

premises after termination for any reason, it shall be deemed that it was the Licensee's intent that it becomes the property of BioLabs, to use, sell or dispose of as it sees fit.

30. Non-solicitation of Employees: Licensee hereby acknowledges that employees of BioLabs have been carefully selected and/or received training from BioLabs and agrees not to employ or solicit for employment any employee of BioLabs for a period of 12 months following termination of this Agreement and further agrees that in any case if such employee is hired, Licensee shall pay BioLabs the sum equal to six months of the employee's annual salary previously paid to employee by BioLabs as liquidated damages. BioLabs agrees not to employ or solicit for employment any employee of Licensee during the period this Agreement is in effect. Licensee may procure a BioLabs employee's services for consulting outside of regular business hours provided a non-compete agreement has been

31. Permission: Licensee hereby grants to BioLabs permission to use Licensee's name and logo on BioLabs' website and in advertising and promoting BioLabs' facility for the sole purpose of identifying Licensee as a licensee of BioLabs. Upon receipt by BioLabs of a written request submitted by Licensee, BioLabs will submit to Licensee advance copies of any materials bearing Licensee's logo for Licensee's approval, such approval not to be unreasonably withheld, conditioned or delayed. Additionally, Licensee acknowledges that BioLabs may provide non-confidential descriptive material regarding Licensee's business and operations at the facility (including, without limitation, the name(s) of key personnel and the number of employees at the facility) in association with the display of Licensee's name and/or logo.

32. Choice of Law: The parties agree that the interpretation, construction and enforcement of this contract shall be governed by the laws of the state in which the Premises are located.

33. Disputes and Arbitration Agreement: BioLabs and Licensee mutually agree that any controversy or claim arising out of or relating to any aspect of the Licensee's relationship with BioLabs or the Landlords, whether directly related to this Agreement or not,

Services Agreement

and whether arising before or after the date of this Agreement, which could have been brought in a court of law ("**Covered Disputes**"), shall be settled by arbitration administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**"), and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Covered Disputes include all claims, rights, demands, losses, and causes Services Agreement of action arising: in contract, whether express or implied; or in tort; or under any common law theories; or under any covenants of good faith and fair dealing; or under any BioLabs policy; or under any federal, state, or municipal statute, executive order, regulation or ordinance. This arbitration agreement shall not prohibit actions solely seeking injunctive relief necessary to protect either party's rights. With the exception of actions set forth above, arbitration shall be the exclusive means through which the Parties may seek relief in connection with any Covered Disputes. The Parties expressly waive their right to a trial by judge or by jury of any Covered Dispute, as well as their right to appeal the decision rendered by the arbitrator except on the grounds that the decision was procured by corruption, fraud or other undue influence or on the grounds specifically set forth in a statute applicable to vacating an arbitration award under this arbitration agreement. Licensee agrees that if Licensee wishes to assert a claim against BioLabs or the Landlords, the Licensee must present to BioLabs a written request for arbitration within 6 months of the date on which the Licensee knows or should have known of the Covered Dispute against BioLabs or the Landlords. Likewise, BioLabs must present a written request for arbitration to the Licensee against whom it wishes to assert a claim within the same time frame. Failure by either the Licensee or BioLabs to present such a request within this time shall constitute a waiver of the right to recover relief in any forum in connection with the Covered Dispute. Unless otherwise agreed to by Licensee and BioLabs, the arbitration shall take place in JAMS office closest to BioLabs's headquarters. The party bringing the dispute to arbitration shall cover all costs of the arbitration until such time as the arbiter may choose to allocate costs differently. The Parties are entitled to discovery sufficient to adequately arbitrate their Covered Disputes, including, but not limited to, access to essential

documents and witnesses, as determined by the arbitrator. The arbitrator shall apply the law designated in this Agreement. The arbitrator shall have the discretion to award monetary and other damages, or to award no damages, and to fashion any other relief that would otherwise be available in court. The arbitrator will issue a written arbitration decision that reveals the essential findings and conclusions on which the award is based. This arbitration provision shall survive the termination of this Agreement.

34. Nature of Agreements: The parties agree that any oral discussion regarding modifying this Agreement shall be deemed by both parties to be exploratory in nature, and shall be binding on the parties only when reduced to writing and acknowledged in writing by both parties as agreed. This shall be the case even if one or both parties begin to operate on the basis of an oral discussion as though such discussion represented a definitive agreement. "In writing" shall include agreements reached by email, wherein stored electronic copies of emails shall be considered adequate evidence of said agreement. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of that term of the Agreement, and such provision may be enforced later, at any time, without prejudice. This Agreement constitutes the entire agreement between BioLabs and Licensee pertaining to the subject matter hereof and supersedes any and all written or oral agreements previously entered into between BioLabs and Licensee, including, without limitation, any Affiliate Member Services Agreement.

Limitation on Liability: NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN CLIENT AND BIOLABS AND/OR THE LANDLORDS (COLLECTIVELY, THE "RELEASED PARTIES") TO THE CONTRARY: (A) THE RELEASED PARTIES SHALL NOT BE LIABLE TO CLIENT OR ANY OTHER PERSON FOR (AND CLIENT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL, DIRECT OR CONSEQUENTIAL TO: CLIENT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION, TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH,

Services Agreement

SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES OR OTHER PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO ANY RELEASED PARTY FOR ANY ACT, OMISSION OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR OTHER PREMISES OR ARISING IN ANY WAY UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN SUCH RELEASED PARTY AND CLIENT WITH RESPECT TO THE SUBJECT MATTER HEREOF; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST ANY RELEASED PARTY IN CONNECTION WITH THIS AGREEMENT NOR SHALL ANY RECOURSE BE HAD TO ANY PROPERTY OR ASSETS OF ANY RELEASED PARTY OR ANY SHAREHOLDER, SPONSOR, PARTNER, MEMBER, MANAGER, OFFICER, DIRECTOR, EMPLOYEE, AGENT OR CONTRACTOR OF ANY OF THEM (OR THE AFFILIATES THEREOF OR THEIR RESPECTIVE EMPLOYEES). UNDER NO CIRCUMSTANCES SHALL ANY RELEASED PARTY OR ANY SHAREHOLDER, SPONSOR, PARTNER, MEMBER, MANAGER, OFFICER, DIRECTOR, EMPLOYEE, AGENT OR CONTRACTOR OF ANY OF THEM (OR THE AFFILIATES THEREOF OR THEIR RESPECTIVE EMPLOYEES) BE LIABLE FOR INJURY TO CLIENT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

Disclaimer. EXCEPT AS SET FORTH IN THIS AGREEMENT, BIOLABS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL SUCH WARRANTIES, RELATING TO THE PREMISES OR OTHER PREMISES OR SERVICES PROVIDED BY BIOLABS, OR ANY LOSS ASSOCIATED WITH ANY CLIENT MATERIALS, EQUIPMENT OR CONSUMABLES. ALL DATA AND OTHER SERVICES TO CLIENT ARE PROVIDED "AS-IS."

Services Agreement

Name of Licensee organization’s legal entity:
COMPASS Pathways, Inc.

Mailing Address

Email Address _____

Licensee federal tax ID# _____

(if left blank, agreement becomes a personal obligation of signer)

Signature: /s/ George J. Goldsmith

Name of authorised signer: George J. Goldsmith

Title: Chairman & Co-Founder

BiolInnovation Labs LLC

Signature: /s/ Shannon Torstrom

Officer’s name: Shannon Torstrom

Title: Director of operations

Exhibit A

Premises: 180 Varick Street, New York NY 10014

Licensed Space:

Number of Users (a): 2

Number of Benches (b): 0

Number of Assigned Desk (c): _____

Number of Private Offices (d): 1-4 person office

First Date of Move-in: _____

*In no event shall the Licensed Space exceed 6,000 rentable square feet

Monthly License Fees:

The fee for the laboratory use described in this Agreement shall be:

- (a) a per-user fee of \$400.00 per month per person
- (b) a per-bench fee of \$3,600.00 per month per bench
- (c) an assigned desk fee of \$400.00 per month per desk
- (d) A private office fee of starting at \$800.00 per month per office

Fees do not include consumables and other laboratory supplies which will be charged separately as outlined in Section 7. A refundable service retainer equal to one time the recurring monthly fee will be required.

Decommission Fees:

A one-time decommissioning fee of \$500.00 will be charged to cover decommissioning and cleanup costs and is due upon signing.

First Invoice Opening Charges:

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
	User Fee	400	2
	Bench Fee	3600	0
	Decommission Fee (lab bench only)	500	0
	Assigned Desk Fee	400.00	0
	Private Office Desk	800.00	4
	Refundable Retainer		\$4,000.00
	TOTAL DUE BY		\$4,000.00/mo

Exhibit B**Automatic Debit Authorization Form (ACH Authorization Form)**

Legal Company Name:			
DBA:			
Street Address:			
City:		State:	Zip Code:
Phone:	Fax:	Effective Date:	
Bank Name:			
Bank Street Address:			
City:		State:	Zip Code:
Bank Contact Name:			Bank Phone:
Transit/ABA or Routing #:		Account #:	
<p>I (we) hereby authorize BioInnovation Labs LLC ("BioLabs"), or its designated affiliates, to initiate debit/credit entries to my (our) account indicated above in the amounts equal to each invoice, and I authorize the depository financial institution named above to process said entries. I (we) understand that invoice amounts are variable with each payment period. I waive my right to receive written notice of varying amounts and elect instead to be notified one day prior to each pay date of the exact amount of the invoice for that payment period. I agree that the effective date of each debit will be the same as the pay date for that period and that if the above-named bank rejects or declines to pay for any reason a debit initiated under this agreement, the full amount of the invoice will be due immediately in certified funds.</p> <p>This authority is to remain in full force and effect until BioLabs has received written notification from me of its termination in such manner as to afford BioLabs, and its own financial institutions a reasonable opportunity to act on it.</p>			
Authorized Signature:			Date:
Name and Title: (must be signer on the account)			

Please attach a voided check for the bank account allocated for ACH debit payments.

BIOLABS USE ONLY**Date Received:** _____**Received by:** _____**Date Processed:** _____**Processed by:** _____

NOTICE TO LICENSEE: IN ACCORDANCE WITH THE TERMS OF THIS LEASE, LICENSEE MUST PROVIDE EVIDENCE OF THE REQUIRED INSURANCE TO LANDLORD'S MANAGEMENT AGENT PRIOR TO BEING AFFORDED ACCESS TO THE PREMISES.

Exhibit D

Overview of Included Services

Office Rental Space BioLabs offering includes flexible, expandable office and wet laboratory space configured for use by growing companies. We provide access control using mechanical keys, electronic card keys and recorded video. All normal office utilities and services, such as electricity, office-hours HVAC, trash pickup, etc. are included. Access is provided on 24x7 basis. Although HVAC is on in the office areas Monday - Friday and Saturdays 9 am- 3 pm. AC is available 24x7 in the laboratory areas.

Office Furniture Each individual is provided with a complete workstation, including a desk, adjustable office chair and locking file storage space.

Internet Each employee is provided with a high-speed Internet connection for office use. BioLabs holds its own IP address block and maintains high-speed connections (an optical fiber loop) to the Internet. Internet connections for non-office use (e.g. web servers) are not permitted without written permission.

Copier, Printer & Fax Your service includes unmetered use of black and white and color printers, and commercial-grade copiers..

Conference Rooms Your service includes unmetered use of well-appointed conference rooms available with data projectors as well as unmetered use of digital Polycom audio and video conferencing equipment. Conference rooms are booked via a web page. Dedicated conference rooms for companies requiring frequent all-day meetings or intensive use for training or other purposes are available at a separate charge.

Kitchen Services BioLabs has a fully stocked kitchen and food and drink are included in your rent. BIOLABS stocks yogurts, fruits, soft drinks, ice cream sandwiches, and other snacks and cold beverages. BIOLABS also stocks a full selection of gourmet coffees and a high-end by-the-cup coffee brewing system. Fair consumption is on the honor system.

Reception and Facilities Management Services BioLabs takes care of janitorial services, front desk reception, routing of mail, packages and faxes, access control and management of the facility.

Environmental Health and Safety BioLabs provides permitting and EHS support. AH laboratory users must attend safety training and go through the EHS orientation in order to utilize the laboratory spaces. We also manage your waste removal and chemical storage.

Lab Equipment Your service includes unmetered used of basic laboratory equipment, freezer and refrigerator storage and access to fully-equipped Tissue Culture Rooms. Some equipment is shared and you must adhere to safety requirements on the equipment at all times. In order to access the equipment, the user must be authorized and must have had the appropriate training.

Purchasing BioLabs manages the entire procurement process and each member must purchase through our centralized purchasing system. This allow you to benefit from our vendor discounts and manages the intake and removal of hazardous materials.

Signage Members are not permitted to hang any signs or wall coverings without the written consent of BioLabs. BioLabs will provide directory signage in the lobby area that will help guests and visitors identify that member company is located within the space.

House Rules Members are asked to abide to House Rules and Code of Conduct as set forth by BioLabs

Exhibit E

BioLabs House Rules

- Members must abide by our rules, which we may amend in our reasonable discretion. We will notify Members of any amendments.
- Be courteous and show respect to both members and visitors.
- Be considerate when using the co-working area ensuring not to take up more than one open desk per person.
- When speaking on the phone, please adjust the volume of your voice. If your phone call might disrupt other people using the coworking space, please make your phone call in one of the conference rooms / phone booth.
- We suggest you put your cell phone on vibrate mode to prevent disturbing others.
- Pets are not allowed. For their safety, unless during an authorized family friendly event, Children may visit outside of normal business hours.
- All guests must be registered before entering the Premises.
- Members' electronic devices must contain the current latest software updates and kept clean of malware, viruses or anything designed to perform malicious operations. BioLabs may remove any device from our networks that pose a threat to our networks or users.
- Any activity likely to be disruptive or dangerous, illegal or generally regarded as offensive is prohibited.
- Members may not take, copy or use any information or intellectual property belonging to BioLabs or other Member Companies or their Members or guests.
- Office Space may not be used in a "retail," "medical," or other nature involving frequent visitors.
- You must not directly or indirectly take, copy or use any information or intellectual property belonging to other members or member companies or any of their guests, including without limitation personal names, likenesses, voices, business names, trademarks, service marks, logos, trade dress, other identifiers or other intellectual property, or modified or altered versions of the same.
- We do not control and are not responsible for the actions of other members or any other third parties. If a dispute arises between members or their guests, we shall have no responsibility or obligation to participate, mediate or indemnify any party.
- Keys and key cards provided by BioLabs remain our property and must not be copied or shared. Members are responsible for replacement fees if they are lost, stolen or destroyed. Locks must not be installed unless authorized in advance by BioLabs.
- To host Member events at the Premises, BioLabs needs fully completed required paperwork and reasonable prior notice.
- Alterations and/or installations to the Office Space require BioLabs approval. Members are responsible for the removal of such items, as well as installation and removal costs. Approved alterations, installations, and removals must be coordinated the Community Manager at the Premises.

- In general, we expect that you will not perform any activity that is reasonably likely to be disruptive, damaging or dangerous to us, our employees or agents, other members, any guests or any other third parties or property.
- Member Companies must ensure that no alcohol is consumed by Members who are younger than the legal age for consuming alcohol in the applicable jurisdiction.
- Members are responsible to successfully completing EHS courses before being given access to the lab.

Exhibit F

BioLabs Commitment to Safety

Our Mission and How We Work

Our mission is to help create the next generation of powerhouse biotech companies by providing entrepreneurs and innovative life-sciences startups with the space and resources they need to test out, challenge, and nurture early ideas. Our aim is to foster a collaborative atmosphere with and amongst all of our residents. We strive to be “green” by minimizing the impact of our operations on the environment, and endeavor to operate as a good community citizen.

Our Commitment to Environmental Health and Safety

BioLabs is committed to creating and maintaining a safe and healthy environment for all who work in or visit our facility. Accordingly, we worked to design a robust EHS program, suitable for the varied needs of all resident companies. Integral to our EHS commitment, we:

- Provide fully permitted laboratory space
- Provide equipment designed with suitable engineering controls for the safe performance of laboratory work, and work to maintain it to manufacturers’ specifications
- Provide personal protective equipment that is required in our laboratory facilities, necessary for the safety of scientific personnel or visitors

Resident Responsibilities

In order to achieve our safety commitment, BioLabs expects all residents to conduct their operations in accordance with the established EHS policies and procedures. As a *condition of residency*, you must:

- Be familiar with and adhere to all BioLabs EHS policies and procedures
- Conduct your work safely at all times; *consider its impact on both people and the environment*
- Don’t wait: see something, say something! Report any environmental, health or safety incident that occurs in your area *immediately*
- Attend *all* required EHS trainings for your operations
- Seek advice and counsel *before* conducting work with materials, agents, or processes with uncharacterized EHS implications
- Use the engineering controls provided for all work that may produce exposures to personnel or other residents
- Work with the BioLabs staff to maintain the EHS program; and help us as we work to constantly improve it
- Do your part in creating and maintaining a safe and compliant BioLabs operation and culture - we’re all in this together!

Exhibit G

Temporary Access Addendum

This Temporary Access Addendum (the “**Addendum**”), dated _____ (the “Addendum Effective Date”), is an addendum to that certain Services Agreement by and between BioInnovation Labs LLC (“**BioLabs**”) and _____ (“**Client**” or “**Licensee**”) dated _____ (the “**Agreement**”). Capitalized terms used by not defined herein shall have the meaning given to them in the Agreement. The parties agree as follows:

1. Subject to the terms of the Agreement (including this Addendum), BioLabs will allow (the “**Additional Employee**”) access to lab bench within the Licensed Space on up to eight (8) days in each calendar month during the Term. For clarity, the Additional Employee is only granted access to use the lab bench assigned to Licensee.

2. Licensee shall pay BioLabs \$100 for each day in which the Additional Employee accesses the Licensed Space. Such payment is due within thirty (30) days after BioLabs invoice therefore.

3. All terms and conditions of the Agreement that apply to Licensee and its employees registered with BioLabs also apply to the Additional Employee. This includes, without limitation, the requirement that Additional Employee attend safety training and go through the Environmental Health and Safety orientation prior to using the laboratory.

4. This Addendum is hereby incorporated into the Agreement. This Addendum may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Copies (whether photostatic, facsimile or otherwise) of this Addendum may be made and relied upon to the same extent as an original.

WITNESS WHEREOF, the parties have caused this Addendum to be executed by their duly authorized representatives.

[LICENSEE NAME]

BIOINNOVATION LABS LLC (“BioLabs”)

By: _____

By: _____

title: _____

Title: _____

Date: _____

Date: _____

AMENDMENT NO.1 TO SERVICES AGREEMENT

This Amendment No.1 (the "Amendment"), effective as of April, 2020 (the "Amendment Effective Date"), is between Compass Pathways Inc. ("Client or Licensee"), and BioInnovation Labs, LLC ("BioLabs"), and amends that certain Services Agreement between the parties, dated 4/22/2020 (the Agreement). Capitalized terms used in this Amendment and not otherwise defined shall have the same meanings herein as assigned to such terms in the Agreement.

WHEREAS, pursuant to the Agreement, BioLabs provides to Licensee certain Services and Licensed Space; and

WHEREAS, the parties desire to amend certain terms of the Agreement, as set forth in this Amendment.

NOW THEREFORE, in consideration of the. premises and the parties mutual covenants, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensee and BioLabs agree as follows

1. AMENDMENT.

1.1 Payment Terms. The parties hereby agree that Section 9(b) of the Agreement is deleted and replaced in its entirety by the following:

"(b) Licensee shall execute the automatic debit authorization form attached hereto as Exhibit B and provide BioLabs with financial or banking information sufficient to permit BioLabs to make an automatic bank debit (ACH) for all License Fee and Consumables Fee invoices issued by BioLabs. Licensee hereby authorizes BioLabs to withdraw (i) each License Fee invoice amount upon Licensee's receipt of the applicable invoice; and (ii) each Consumable Fee invoice amount within five (5) days after the date of such invoice. If Licensee requests an order for consumables, supplies, and/or equipment with a total cost equal to or greater than \$10,000, BioLabs shall be entitled to immediate reimbursement from Licensee for such total cost and Licensee also authorizes BioLabs to withdraw such amount. Additionally, BioLabs may, in its sole discretion, condition its purchase of Consumables on Licensees prepayment therefor."

2. EFFECT. This Amendment shall be effective and binding upon the parties as of the Amendment Effective Date. Except and only to the extent specifically modified herein, all of the terms and conditions of the Agreement are hereby ratified and confirmed and shall remain in full force and effect. In case of any conflict or inconsistency between the provisions of this Amendment and the Agreement, this Amendment shall control. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In making proof of this Amendment, it shall not be necessary to produce or account for more than one such counterpart. Execution of a facsimile copy (including PDF) shall have the same force and effect as execution of an original, and a facsimile signature shall be deemed an original and valid signature.

IN WITNESS WHEREOF, intending to be legally bound, the Licensee and BioLabs have executed this Amendment as of the Amendment Effective Date.

<hr/>		BIOINNOVATION LABS, LLC
By:	<u>/s/ John Boghossian</u>	By: <u>/s/ Shannon Torstrom</u>
Name:	<u>John Boghossian</u>	Name: <u>Shannon Torstrom</u>
Title:	<u>Vice President of Operations</u>	Title: <u>Director of operations</u>

Services Agreement

Name of Licensee organization's legal entity:

COMPASS Pathways, Inc.

Mailing Address

180 Varick Street, 6th Floor, New York, NY 10014

Email Address _____

Licensee federal tax ID# _____

(if left blank, agreement becomes a personal obligation of signer)

Signature: /s/ George Goldsmith

Name of authorized signer: George Goldsmith

Title: Co-founder and CEO

BiolInnovation Labs LLC

Signature: /s/ Shannon Torstrom

Officer's name: Shannon Torstrom 6/26/20

Title: Director of Operations

Exhibit A

License Fees/Space

Premises: 180 Varick Street, New York NY 10014

Licensed Space:

Number of Users (a): 6 users

Number of Benches (b): 0

Number of Assigned Desk (c): 6

Number of Private Offices (d): 1-4-person private office (Rm 635);
1-2-person private office (Rm 651)

First Date of Move-in: 8/01/2020

*In no event shall the Licensed Space exceed 6,000 rentable square feet

Monthly License Fees:

The fee for the laboratory use described in this Agreement shall be:

- (a) a per-user fee of \$ 400.00 per month per person
- (b) a per-bench fee of \$3,600.00 per month per bench
- (c) an assigned desk fee of \$400.00 per month per desk
- (d) A private office fee of starting at \$800.00 per month per office

Fees do not include consumables and other laboratory supplies which will be charged separately as outlined in Section 7. A refundable service retainer equal to one time the recurring monthly fee will be required.

Decommission Fees:

A one-time decommissioning fee of \$500.00 will be charged to cover decommissioning and cleanup costs and is due upon signing.

First Invoice Opening Charges:

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
6	User Fee	400	\$2,400.00
	Bench Fee	3600	
	Decommission Fee (lab bench only)	500	
	Assigned Desk Fee	400.00	
6	Private office desk	800.00	\$4,800.00
	Refundable Retainer		\$1,600.00
	TOTAL DUE BY		
		<u>\$8,800.00 due by 8/15/2020</u>	

Refundable Retainer is for the 2-person office:

$$2 * \$800.00 = \$1,600.00$$

Exhibit C-1
Insurance -180 Varick Street

With respect to the spaces it makes use of from time to time within BioLabs's premises, Licensee agrees to maintain at its own cost during the term hereof insurance coverage for:

(a) Comprehensive General Liability Insurance (CGL) against all claims and demands for bodily injury-personal injury and property damage arising out of Licensee's operations (including, without limitation by any of its agents, servants, employees, invitees, consultants, contractors, subcontractors, sub-licensees and/or sub-sublicensees), assumed liabilities or use of the Premises and Other Premises (including, without limitation, any Common Facilities, Campus Amenities or Licensed Space). Such insurance shall be in amounts no less than:

Bodily Injury and Property Damage Liability: \$1,000,000 each occurrence and \$2,000,000 annual aggregate

Personal Injury Liability: \$1,000,000 each occurrence and \$2,000,000 annual aggregate and 0% insured participation.

(b) fire, vandalism, malicious mischief, extended coverage and so-called "all risk" coverage insurance in an amount equal to one hundred percent (100%) of the replacement cost insuring all of Licensee's furniture, equipment, fixtures and property of every kind, nature and description which may be in or upon the Building.

Such policy(ies) shall also include contractual liability coverage covering such Licensee's liability assumed under its agreement with BioLabs and under any written agreement between such Licensee and either of the Landlords, including without limitation such Licensee's indemnification obligations hereunder or thereunder.

Such insurance policy(ies) shall name New York University, a New York education corporation, and 180 Varick LLC (the "Landlords"), BioLabs, any managing agent of the Landlords or BioLabs, and persons claiming by, through or under any of them, if any, as additional insureds. All such CGL shall be on an occurrence basis. Licensee shall provide BioLabs with all endorsements and an ACORD 25-S or ACORD-28 certificate evidencing coverage for such parties as additional insureds, prior to the date Licensee takes possession of its assigned, licensed premises. Such CGL certificates and endorsements must spell out the names of the additional insureds precisely as shown above. To the extent required by applicable state law, the Licensee also shall carry Worker's Compensation Insurance. The insurance required under this Section must be placed with insurers authorized to do business in the state in which the Premises are located, with a rating of not less than "A-VIII" in the current Best's Insurance Reports. All policies required under this Section shall be written as primary policies and not contributing to or in excess of any coverage either BioLabs or the Landlords may otherwise maintain. All insurance herein required shall be deemed an obligation of Licensee, not a discharge or limitation of Licensee's obligation to indemnify BioLabs or the Landlords. If BioLabs provides the name of a particular broker or insurer to the Licensee, Licensee agrees that Licensee is itself nevertheless the sole party responsible for ensuring that such coverage meets these requirements.

Names and addresses of Additional Insureds:

NYCEDC and the City of New York are additional insured per terms outlined which include a blanket automatic additional insured provision that confers additional insured status to the certificate holder only if there is a written contract between the named insured and the certificate holder that requires the named insured to name the certificate holder as an additional insured. In the absence of such a contractual obligation on the part of the named insured, the certificate holder is not an additional insured under the policy. Regarding Project Number 6709001.

The Additional Insured Endorsement should include the following names and NOT be limited to "when required by written contract" unless a contract or PO includes this list:

The Certificate Holder Is:

**New York City Economic Development Corporation
110 William Street
6th Floor
New York NY 10038**

NOTICE TO LICENSEE: IN ACCORDANCE WITH THE TERMS OF THIS LEASE, LICENSEE MUST PROVIDE EVIDENCE OF THE REQUIRED INSURANCE TO LANDLORD'S MANAGEMENT AGENT PRIOR TO BEING AFFORDED ACCESS TO THE PREMISES.

Exhibit D

Overview of Included Services

Office Rental Space BioLabs offering includes flexible, expandable office and wet laboratory space configured for use by growing companies. We provide access control using mechanical keys, electronic card keys and recorded video. All normal office utilities and services, such as electricity, office-hours HVAC, trash pickup, etc. are included. Access is provided on 24x7 basis. Although HVAC is on in the office areas Monday - Friday and Saturdays 9 am - 3pm. AC is available 24x7 in the laboratory areas.

Office Furniture Each individual is provided with a complete workstation, including a desk, adjustable office chair and locking file storage space.

Internet Each employee is provided with a high-speed Internet connection for office use. BioLabs holds its own IP address block and maintains high-speed connections (an optical fiber loop) to the Internet. Internet connections for non-office use (e.g. web servers) are not permitted without written permission.

Copier, Printer & Fax Your service includes unmetered use of black and white and color printers, and commercial grade copiers..

Conference Rooms Your service includes unmetered use of well-appointed conference rooms available with data projectors as well as unmetered use of digital Polycom audio and video conferencing equipment. Conference rooms are booked via a web page. Dedicated conference rooms for companies requiring frequent all-day meetings or intensive use for training or other purposes are available at a separate charge.

Kitchen Services BioLabs has a fully stocked kitchen and food and drink are included in your rent. BIOLABS stocks yogurts, fruits, soft drinks, ice cream sandwiches, and other snacks and cold beverages. BIOLABS also stocks a full selection of gourmet coffees and a high-end by-the-cup coffee brewing system. Fair consumption is on the honor system.

Reception and Facilities Management Services BioLabs takes care of janitorial services, front desk reception, routing of mail, packages and faxes, access control and management of the facility.

Environmental Health and Safety BioLabs provides permitting and EHS support. All laboratory users must attend safety training and go through the EHS orientation in order to utilize the laboratory spaces. We also manage your waste removal and chemical storage.

Lab Equipment Your service includes unmetered used of basic laboratory equipment, freezer and refrigerator storage and access to fully-equipped Tissue Culture Rooms. Some equipment is shared and you must adhere to safety requirements on the equipment at all times. In order to access the equipment, the user must be authorized and must have had the appropriate training.

Purchasing BioLabs manages the entire procurement process and each member must purchase through our centralized purchasing system. This allow you to benefit from our vendor discounts and manages the intake and removal of hazardous materials.

Signage Members are not permitted to hang any signs or wall coverings without the written consent of BioLabs. BioLabs will provide directory signage in the lobby area that will help guests and visitors identify that member company is located within the space.

House Rules Members are asked to abide to House Rules and Code of Conduct as set forth by BioLabs

Exhibit E

BioLabs House Rules

- Members must abide by our rules, which we may amend in our reasonable discretion. We will notify Members of any amendments.
- Be courteous and show respect to both members and visitors.
- Be considerate when using the co-working area ensuring not to take up more than one open desk per person.
- When speaking on the phone, please adjust the volume of your voice. If your phone call might disrupt other people using the coworking space, please make your phone call in one of the conference rooms / phone booth.
- We suggest you put your cell phone on vibrate mode to prevent disturbing others.
- Pets are not allowed. For their safety, unless during an authorized family friendly event, Children may visit outside of normal business hours.
- All guests must be registered before entering the Premises.
- Members' electronic devices must contain the current latest software updates and kept clean of malware, viruses or anything designed to perform malicious operations. BioLabs may remove any device from our networks that pose a threat to our networks or users.
- Any activity likely to be disruptive or dangerous, illegal or generally regarded as offensive is prohibited.
- Members may not take, copy or use any information or intellectual property belonging to BioLabs or other Member Companies or their Members or guests.
- Office Space may not be used in a "retail," "medical," or other nature involving frequent visitors.
- You must not directly or indirectly take, copy or use any information or intellectual property belonging to other members or member companies or any of their guests, including without limitation personal names, likenesses, voices, business names, trademarks, service marks, logos, trade dress, other identifiers or other intellectual property, or modified or altered versions of the same.
- We do not control and are not responsible for the actions of other members or any other third parties. If a dispute arises between members or their guests, we shall have no responsibility or obligation to participate, mediate or indemnify any party.
- Keys and key cards provided by BioLabs remain our property and must not be copied or shared. Members are responsible for replacement fees if they are lost, stolen or destroyed. Locks must not be installed unless authorized in advance by BioLabs.
- To host Member events at the Premises, BioLabs needs fully completed required paperwork and reasonable prior notice.
- Alterations and/or installations to the Office Space require BioLabs approval. Members are responsible for the removal of such items, as well as installation and removal costs. Approved alterations, installations, and removals must be coordinated the Community Manager at the Premises.
- In general, we expect that you will not perform any activity that is reasonably likely to be disruptive, damaging or dangerous to us, our employees or agents, other members, any guests or any other third parties or property.

- Member Companies must ensure that no alcohol is consumed by Members who are younger than the legal age for consuming alcohol in the applicable jurisdiction.
- Members are responsible to successfully completing EHS courses before being given access to the lab.

Exhibit F BioLabs Commitment to Safety

Our Mission and How We Work

Our mission is to help create the next generation of powerhouse biotech companies by providing entrepreneurs and innovative life-sciences startups with the space and resources they need to test out, challenge, and nurture early ideas. Our aim is to foster a collaborative atmosphere with and amongst all of our residents. We strive to be “green” by minimizing the impact of our operations on the environment, and endeavor to operate as a good community citizen.

Our Commitment to Environmental Health and Safety

BioLabs is committed to creating and maintaining a safe and healthy environment for all who work in or visit our facility. Accordingly, we worked to design a robust EHS program, suitable for the varied needs of all resident companies. Integral to our EHS commitment, we:

- Provide fully permitted laboratory space
- Provide equipment designed with suitable engineering controls for the safe performance of laboratory work, and work to maintain it to manufacturers' specifications
- Provide personal protective equipment that is required in our laboratory facilities, necessary for the safety of scientific personnel or visitors

Resident Responsibilities

In order to achieve our safety commitment, BioLabs expects all residents to conduct their operations in accordance with the established EHS policies and procedures. *As a condition of residency, you must:*

- Be familiar with and adhere to all BioLabs EHS policies and procedures
- Conduct your work safely at all times; *consider its impact on both people and the environment*
- Don't wait: see something, say something! Report any environmental, health or safety incident that occurs in your area *immediately*
- Attend *all* required EHS trainings for your operations
- Seek advice and counsel *before* conducting work with materials, agents, or processes with uncharacterized EHS implications
- Use the engineering controls provided for all work that may produce exposures to personnel or other residents
- Work with the BioLabs staff to maintain the EHS program; and help us as we work to constantly improve it
- Do your part in creating and maintaining a safe and compliant BioLabs operation and culture - we're all in this together!

Exhibit G

Temporary Access Addendum

This Temporary Access Addendum (the “**Addendum**”), dated _____ (the “Addendum Effective Date”), is an addendum to that certain Services Agreement by and between BioInnovation Labs LLC (“**BioLabs**”) and _____ (“**Client**” or “**Licensee**”) dated _____ (the “**Agreement**”). Capitalized terms used by not defined herein shall have the meaning given to them in the Agreement. The parties agree as follows:

1. Subject to the terms of the Agreement (including this Addendum), BioLabs will allow(the “**Additional Employee**”) access to lab bench within the Licensed Space on up to eight (8) days in each calendar month during the Term. For clarity, the Additional Employee is only granted access to use the lab bench assigned to Licensee.

2. Licensee shall pay BioLabs \$100 for each day in which the Additional Employee accesses the Licensed Space. Such payment is due within thirty (30) days after BioLabs invoice therefore.

3. All terms and conditions of the Agreement that apply to Licensee and its employees registered with BioLabs also apply to the Additional Employee. This includes, without limitation, the requirement that Additional Employee attend safety training and go through the Environmental Health and Safety orientation prior to using the laboratory.

4. This Addendum is hereby incorporated into the Agreement. This Addendum may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Copies (whether photostatic, facsimile or otherwise) of this Addendum may be made and relied upon to the same extent as an original.

WITNESS WHEREOF, the parties have caused this Addendum to be executed by their duly authorized representatives.

[LICENSEE NAME]

BIOINNOVATION LABS LLC (“BioLabs”)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

COMPASS PATHWAYS PLC

[Name of Director or Officer]
[Address]

[●] 2020

Dear [Name of Director or Officer],

COMPASS Pathways plc (the “Company”) and your role as a director/officer of the Company

As you are aware the articles of association of the Company (the “**Articles**”) contain provisions, at Article 140, granting an indemnity to the directors and officers of the Company from time to time. We are taking this opportunity to afford you the direct benefit of this indemnity in the form of a deed for your benefit (this “**Deed**”). As you are aware the Companies Act 2006 (the “**Act**”) imposes certain statutory limitations on the scope of this indemnity. For the avoidance of doubt the Company will maintain directors and officers insurance (“**D&O Cover**”), which is intended to operate for your protection in addition to this indemnity.

Any defined terms used in this letter (to the extent undefined) shall have the meanings given to them in the Articles.

- 1.1 Without prejudice to any indemnity to which you may otherwise be entitled pursuant to Article 140 of the Articles, you shall be indemnified by the Company against all liabilities, costs, charges and expenses incurred by you in the execution and discharge of your duties to the Company and any “Associated Company” of the Company (as defined by the Act for these purposes), including any liability incurred by you in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to be done or omitted by you as an officer of the Company or an Associated Company provided that no such indemnity shall extend to any liability arising out of your fraud or dishonesty or by you obtaining any personal profit or advantage to which you were not entitled. In addition, to the Act prohibits this indemnity extending to:
 - 1.1.1 any liability incurred by you to the Company or any Associated Company of the Company;
 - 1.1.2 any fine imposed in any criminal proceedings;
 - 1.1.3 any sum payable to a regulatory authority by way of a penalty in respect of your personal non-compliance with any requirement of a regulatory nature howsoever arising;
 - 1.1.4 any amount for which you have become liable in defending any criminal proceedings in which you are convicted and such conviction has become final;
 - 1.1.5 any amount for which you have become liable in defending any civil proceedings brought by the Company or any Associated Company of the Company in which a final judgment has been given against you; and
 - 1.1.6 any amount for which you have become liable in connection with any application under sections 661(3) or (4) or 1157 of the Act in which the court refuses to grant you relief and such refusal has become final, however the D&O Cover in place is designed to provide cover for these specific areas which the Act prescribes that the indemnity cannot extend, and for which it is possible to obtain coverage on commercial terms.
- 1.2 Without prejudice and in addition to any indemnity to which you may otherwise be entitled pursuant to Article 140 of the Articles you shall be indemnified by the Company against all

liabilities, costs, charges and expenses incurred by you in connection with the Company's activities as a trustee of an occupational pension scheme (as defined by section 750(5) of the Finance Act 2004) established under a trust provided that no such indemnity shall extend to any liability arising out of your fraud or dishonesty or the obtaining by you of any personal profit or advantage to which you were not entitled and you shall be entitled to be indemnified for:

- 1.2.1 any fine imposed in any criminal proceedings;
 - 1.2.2 any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising; and
 - 1.2.3 any amount for which you have become liable in defending any criminal proceedings in which you are convicted and the conviction has become final.
- 1.3 The Company will, upon a reasonable request from you accompanied by actual or estimates of costs from those appointed to defend you, provide funds (either directly or indirectly) to you to meet expenditure incurred or to be incurred by you in any proceedings (whether civil or criminal) brought by any person or in relation to any investigation or action to be taken by a regulatory authority which relate to anything done or omitted or alleged to have been done or omitted by you as a director and/or officer of the Company or any Associated Company of the Company in respect of which it is alleged you have been guilty of negligence, default, breach of duty or breach of trust, provided that you will be obliged to repay any such amount no later than:
- 1.3.1 in the event that you are convicted in proceedings, the date when the conviction becomes final;
 - 1.3.2 in the event that judgment is given against you in proceedings, the date when the judgment becomes final (except that such amount need not be repaid to the extent that such expenditure is recoverable hereunder or under any other valid indemnity given to you by the Company); or
 - 1.3.3 in the event that the court refuses to grant you relief on any application under sections 144(3) or (4) or 727 of the UK Companies Act 1985 or sections 661(3) or (4) or 1157 of the Act, the date when the refusal becomes final.
- 1.4 This indemnity does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 1.5 You agree to give written notice to the Company as soon as reasonably practical after receipt of any demand relating to any claim under this indemnity (or becoming aware of circumstances which are reasonably be expected to give rise to a demand relating to a claim) giving full details and providing copies of all relevant correspondence and you agree to keep the Company fully informed of the progress of any claim, including providing all such information in relation to any claim or losses or any other costs, charges or expenses incurred as the Company may reasonably request, and shall take all such action as the Company may reasonably request to avoid, dispute, resist, appeal, compromise or defend any claim.
- 1.6 For the avoidance of doubt:
- 1.6.1 if a company ceases to be a subsidiary of the Company after the date of this Deed, the Company shall only be liable to indemnify you in respect of liabilities in relation to that company which arose before the date on which that company ceased to be a subsidiary of the Company; and

- 1.6.2 as director or officer of any company which becomes a subsidiary of the Company after the date of this Deed, you shall be indemnified only in respect of liabilities arising after the date on which that company became a subsidiary of the Company.
- 1.7 This Deed shall remain in force until such time as any relevant limitation periods for bringing Claims against you have expired, or for so long as you remain liable for any losses, notwithstanding that you may have ceased to be a director or officer of the Company or any of its subsidiaries.
- 1.8 Any dispute or claim arising out of or in connection with this indemnity and waiver (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).
- 1.9 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or, or enjoy any benefit under, this Deed but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

IN WITNESS WHEREOF, this Deed has been executed as a deed by the Company and you, or such parties' duly authorized attorneys on the day and year first above written.

EXECUTED as a **DEED** and delivered by)
_____ **for and on behalf of**)
COMPASS PATHWAYS PLC)

In the presence of: _____

Witness signature: _____

Name: _____

Address: _____

Occupation: _____

EXECUTED as a **DEED** and delivered by)
[Name of Director or Officer])
)

In the presence of: _____

Witness signature: _____

Name: _____

Address: _____

Occupation: _____

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of COMPASS Pathways plc of our report dated July 2, 2020, except for the effects of the corporate reorganization discussed in Note 1 to the consolidated financial statements, as to which the date is August 28, 2020, relating to the financial statements of COMPASS Pathfinder Holdings Limited, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Reading, United Kingdom
September 14, 2020