UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number 001-40360

Mind Medicine (MindMed) Inc.

(Exact name of Registrant as specified in its Charter)

British Columbia, Canada	**98-1582538**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
One World Trade Center, Suite 8500 New York, New York	**10007**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (212) 220-6633

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Shares, no par value per share	**MNMD**	**The Nasdaq Stock Market LLC** (The Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
As of October 19, 2023, the registrant had 40,094,708 Common Shares outstanding.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- the timing, progress and results of our investigational programs for MM-120, a proprietary, pharmaceutically optimized form of lysergide D-tartrate, and MM-402, also referred to as R(-)-MDMA (together, our “lead product candidates”), MM-110, or zolunicant, and any other product candidates (together with our lead product candidates, our “product candidates”), 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 MM-120 product candidate;
- the timing, scope or likelihood of regulatory filings and approvals and our ability to obtain and maintain regulatory approvals for product candidates for any indication;
- our expectations regarding the size of the eligible patient populations for our lead product candidates;
- our ability to identify third-party treatment sites to conduct our trials and our ability to identify and train appropriate qualified healthcare practitioners ("HCPs") to administer our treatments;
- our ability to implement our business model and our strategic plans for our product candidates;
- our ability to identify new indications for our lead product candidates beyond our current primary focuses;
- our ability to identify, develop or acquire digital technologies to enhance our administration of our product candidates, if they should become approved and commercialized;
- our ability to achieve profitability and then sustain such profitability;
- our commercialization, marketing and manufacturing capabilities and strategy;
- the pricing, coverage and reimbursement of our lead product candidates, if approved and commercialized;
- the rate and degree of market acceptance and clinical utility of our lead product candidates, in particular, and controlled substances, in general;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- our ability to establish or maintain collaborations or strategic relationships or to obtain additional funding;
- our expectations regarding potential benefits of our lead product candidates;
- our ability to maintain effective patent rights and other intellectual property protection for our product candidates or any future product candidates, and to prevent competitors from using technologies we consider important in our successful development and commercialization of our product candidates;
- infringement or alleged infringement on the intellectual property rights of third parties;
- legislative and regulatory developments in the United States, Canada, United Kingdom, and other jurisdictions;
- the effectiveness of our internal control over financial reporting;
- actions of activist shareholders against us have been and could be disruptive and costly and may result in litigation and have an adverse effect on our business and stock price;
- the impact of adverse global economic conditions, including public health crises (such as the COVID-19 pandemic), fluctuations in interest rates, supply-chain disruptions and inflation, on our financial condition and operations;
- our Loan and Security Agreement contains certain covenants that could adversely affect our operations and, if an event of default were to occur, we could be forced to repay any outstanding indebtedness sooner than planned and possibly at a time when we do not have sufficient capital to meet this obligation;

- our expectations regarding our revenue, expenses and other operating results;
- the costs and success of our marketing efforts, and our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit and retain skilled personnel;
- our ability to effectively manage our growth; and
- our ability to compete effectively with existing competitors and new market entrants.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q (this "Quarterly Report") primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” previously disclosed in Part I, Item 1A. in our Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission ("SEC") on March 9, 2023 (the “2022 Annual Report”) and in Part II, Item 1A in this Quarterly Report. Moreover, we operate in a very 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 Quarterly Report. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

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

The forward-looking statements made in this Quarterly Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report to reflect events or circumstances after the date of this Quarterly Report or to reflect new information or the occurrence of unanticipated events, except as required by law. 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. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

We may announce material business and financial information to our investors using our investor relations website (https://mindmed.co/investor-resources/). We therefore encourage investors and others interested in our company to review the information that we make available on our website. Our website and information included in or linked to our website are not part of this Quarterly Report.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Mind Medicine (MindMed) Inc.

Condensed Consolidated Balance Sheets

(In thousands, except share amounts)

	September 30, 2023 (unaudited)	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 117,699	$ 142,142
Prepaid and other current assets	2,387	3,913
Total current assets	120,086	146,055
Goodwill	19,918	19,918
Intangible assets, net	1,317	3,689
Other non-current assets	229	331
Total assets	$ 141,550	$ 169,993
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 7,686	$ 2,111
Accrued expenses	9,957	5,877
2022 USD Financing Warrants	13,511	9,904
Total current liabilities	31,154	17,892
Credit facility, long-term	14,068	—
Other liabilities, long-term	349	1,184
Total liabilities	45,571	19,076
Commitments and contingencies (Note 9)		
Shareholders' Equity:		
Common shares, no par value, unlimited authorized as of September 30, 2023 and December 31, 2022; 40,094,708 and 37,979,136 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	—	—
Additional paid-in capital	361,538	344,758
Accumulated other comprehensive income	777	627
Accumulated deficit	(266,336)	(194,468)
Total shareholders' equity	95,979	150,917
Total liabilities and shareholders' equity	$ 141,550	$ 169,993

See accompanying notes to unaudited condensed consolidated financial statements.

Mind Medicine (MindMed) Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited; in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating expenses:				
Research and development	$ 13,203	$ 7,772	$ 40,578	$ 27,339
General and administrative	8,413	9,211	31,083	25,092
Total operating expenses	21,616	16,983	71,661	52,431
Loss from operations	(21,616)	(16,983)	(71,661)	(52,431)
Other income/(expense):				
Interest income, net	1,163	360	3,759	443
Foreign exchange (loss)/gain, net	(439)	138	(244)	94
Change in fair value of 2022 USD Financing Warrants	3,020	—	(3,671)	—
Other (expense)/income	(51)	—	(51)	1
Total other income/(expense), net	3,693	498	(207)	538
Net loss	(17,923)	(16,485)	(71,868)	(51,893)
Other comprehensive loss				
Gain/(loss) on foreign currency translation	415	(107)	150	(303)
Comprehensive loss	$ (17,508)	$ (16,592)	$ (71,718)	$ (52,196)
Net loss per common share, basic and diluted	$ (0.45)	$ (0.56)	$ (1.85)	$ (1.82)
Weighted-average common shares, basic and diluted	39,720,007	29,296,333	38,798,374	28,566,161

See accompanying notes to unaudited condensed consolidated financial statements.

Mind Medicine (MindMed) Inc.

Condensed Consolidated Statements of Shareholders' Equity

(Unaudited; in thousands, except share amounts)

	Common Shares					
	Shares	Amount	Additional Paid-In Capital	Accumulated OCI	Accumulated Deficit	Total
Balance, December 31, 2022	37,979,136	$ —	$ 344,758	$ 627	$ (194,468)	$ 150,917
Issuance of common shares, net of share issuance costs	1,402,598	—	4,943	—	—	4,943
Vesting of restricted share units	672,641	—	—	—	—	—
Exercise of 2022 USD Financing Warrants	27,000	—	178	—	—	178
Exercise of stock options	13,333	—	49	—	—	49
Stock-based compensation expense	—	—	11,610	—	—	11,610
Net loss and comprehensive loss	—	—	—	150	(71,868)	(71,718)
Balance, September 30, 2023	40,094,708	$ —	$ 361,538	$ 777	$ (266,336)	$ 95,979
Balance, December 31, 2021	28,126,414	$ —	$ 288,290	$ 1,046	$ (137,672)	$ 151,664
Issuance of common shares and warrants, net of share issuance costs	9,014,371	—	41,350	—	—	41,350
Exercise of warrants	76,021	—	708	—	—	708
Exercise of stock options	38,276	—	206	—	—	206
Settlement of restricted share unit awards	286,033	—	—	—	—	—
Withholding taxes paid on vested restricted share units	—	—	(407)	—	—	(407)
Stock-based compensation expense	—	—	12,268	—	—	12,268
Net loss and comprehensive loss	—	—	—	(303)	(51,893)	(52,196)
Balance, September 30, 2022	37,541,115	$ —	$ 342,415	$ 743	$ (189,565)	$ 153,593

	Common Shares					
	Shares	Amount	Additional Paid-In Capital	Accumulated OCI	Accumulated Deficit	Total
Balance, June 30, 2023	38,807,159	$ —	$ 354,023	$ 362	$ (248,413)	$ 105,972
Issuance of common shares, net of share issuance costs	800,700	—	3,086	—	—	3,086
Vesting of restricted share units	446,516	—		—	—	—
Exercise of 2022 USD Financing Warrants	27,000	—	178	—	—	178
Exercise of stock options	13,333	—	49	—	—	49
Stock-based compensation expense	—	—	4,202	—	—	4,202
Net loss and comprehensive loss	—	—	—	415	(17,923)	(17,508)
Balance September 30, 2023	40,094,708	$ —	$ 361,538	$ 777	$ (266,336)	$ 95,979
Balance, June 30, 2022	28,445,948	$ —	$ 296,734	$ 850	$ (173,080)	$ 124,504
Issuance of common shares and warrants, net of share issuance costs	9,014,371	—	41,350	—	—	41,350
Exercise of stock options	8,762	—	42	—	—	42
Settlement of restricted share unit awards	72,034	—	—	—	—	—
Stock-based compensation expense	—	—	4,289	—	—	4,289
Net loss and comprehensive loss	—	—	—	(107)	(16,485)	(16,592)
Balance, September 30, 2022	37,541,115	$ —	$ 342,415	$ 743	$ (189,565)	$ 153,593

See accompanying notes to unaudited condensed consolidated financial statements.

Mind Medicine (MindMed) Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited; in thousands)

	Nine Months Ended September 30,	
	2023	**2022**
Cash flows from operating activities		
Net loss	$ (71,868)	$ (51,893)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	11,818	12,331
Amortization of intangible assets	2,372	2,390
Change in fair value of 2022 USD Financing Warrants	3,671	—
Issuance costs on liability classified warrants	—	1,500
Other non-cash adjustments	128	30
Changes in operating assets and liabilities:		
Prepaid and other current assets	1,575	1,837
Other noncurrent assets	60	—
Accounts payable	5,535	(3,329)
Accrued expenses	3,742	622
Other liabilities, long-term	(835)	(778)
Net cash used in operating activities	(43,802)	(37,290)
Cash flows from financing activities		
Proceeds from credit facility	15,000	—
Payment of credit facility issuance costs	(802)	—
Proceeds from issuance of common shares, net of issuance costs	4,943	41,567
Proceeds from issuance of 2022 USD Financing Warrants	—	17,747
Payment of 2022 USD Financing Warrants issuance costs	—	(1,186)
Proceeds from exercise of warrants	114	708
Proceeds from exercise of options	—	206
Withholding taxes paid on vested restricted share units	—	(407)
Net cash provided by financing activities	19,255	58,635
Effect of exchange rate changes on cash	104	(365)
Net (decrease)/increase in cash and cash equivalents	(24,443)	20,980
Cash and cash equivalents, beginning of year	142,142	133,539
Cash and cash equivalents, end of year	$ 117,699	$ 154,519
Supplemental Noncash Disclosures		
Unpaid issuance costs for credit facility	$ 170	$ -
Conversion of 2022 USD Financing Warrants to common stock upon exercise of warrants	$ 64	$ -
Proceeds from exercise of options in prepaid and other current assets	$ 49	$ -
Unpaid issuance costs for common shares	$ -	$ 217
Unpaid issuance costs for 2022 USD Financing Warrants	$ -	$ 314
Right-of-use assets obtained in exchange of operating lease liabilities	$ -	$ 194

See accompanying notes to unaudited condensed consolidated financial statements.

1.DESCRIPTION OF THE BUSINESS

Mind Medicine (MindMed) Inc. (the "Company" or "MindMed") is incorporated under the laws of the Province of British Columbia. Its wholly owned subsidiaries, Mind Medicine, Inc. ("MindMed US"), HealthMode Inc., MindMed Pty Ltd., and MindMed GmbH are incorporated in Delaware, Delaware, Australia and Switzerland respectively. MindMed US was incorporated on May 30, 2019.

MindMed is a clinical stage biopharmaceutical company developing novel product candidates to treat brain health disorders. The Company's mission is to be the global leader in the development and delivery of treatments for brain health disorders that unlock new opportunities to improve patient outcomes. The Company is developing a pipeline of innovative product candidates, with and without acute perceptual effects, targeting neurotransmitter pathways that play key roles in brain health disorders. This specifically includes pharmaceutically optimized product candidates derived from the psychedelic and empathogen drug classes, including MM-120 and MM-402, the Company's lead product candidates.

As of September 30, 2023, the Company had an accumulated deficit of $266.3 million. Through September 30, 2023, all the Company's financial support has primarily been provided by proceeds from the issuance of the Company's common shares (the "Common Shares") and warrants to purchase Common Shares and the credit facility.

As the Company continues its expansion, it may seek additional financing and/or strategic investments; however, there can be no assurance that any additional financing or strategic investments will be available to the Company on acceptable terms, if at all. If events or circumstances occur such that the Company does not obtain additional funding, it will most likely be required to reduce its plans and/or certain discretionary spending, which could have a material adverse effect on the Company's ability to achieve its intended business objectives. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if it were unable to continue as a going concern. Management believes that it has sufficient working capital on hand to fund operations through at least the next twelve months from the date of the issuance of these financial statements.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use the extended transition period for complying with new or revised accounting standards, and as a result of this election, the condensed consolidated financial statements may not be comparable to companies that comply with public company Financial Accounting Standards Board ("FASB") standards' effective dates. The Company may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of an initial public offering or such earlier time that it is no longer an emerging growth company.

2.BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and the related notes thereto for the year ended December 31, 2022, which are included in the Company's 2022 Annual Report on Form 10-K filed with the SEC on March 9, 2023 (the "2022 Annual Report"). The Company's significant accounting policies are disclosed in the audited financial statements for the periods ended December 31, 2022 and 2021, included in the 2022 Annual Report. Since the date of those financial statements, there have been no changes to the Company's significant accounting policies.

The accompanying condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP, as found in the Accounting Standards Codification and as amended by Accounting Standards Updates of FASB.

The preparation of financial statements in conformity with U.S. GAAP requires management to make a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the

financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates under different assumptions or conditions.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed consolidated financial statements.

Foreign Currency

The Company's reporting currency is the U.S. dollar. The Company's functional currency is the Canadian dollar ("CAD"). The local currency of the Company's foreign affiliates is generally their functional currency. Accordingly, the assets and liabilities of the foreign affiliates and the parent entity are translated from their respective functional currency to U.S. dollars using fiscal year-end exchange rates, income and expense accounts are translated at the average rates in effect during the fiscal year and equity accounts are translated at historical rates. Transactions denominated in currencies other than the functional currency are remeasured to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured at period-end using the period-end exchange rate.

Cash and Cash Equivalents

The Company considers all investments with an original maturity date at the time of purchase of three months or less to be cash and cash equivalents. As of September 30, 2023, the Company's cash equivalents consisted of U.S. government money market funds at a high-credit quality and federally insured financial institution. The Company's accounts, at times, may exceed federally insured limits. The Company had cash equivalents of $115.3 million as of September 30, 2023, and $131.7 million as of December 31, 2022.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on the Company's financial position, results of operations, or cash flows upon adoption.

3.FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of September 30, 2023 and December 31, 2022, and the fair value hierarchy of the valuation techniques utilized. The Company classifies its assets and liabilities as either short- or long-term based on maturity and anticipated realization dates.

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash equivalents	$ 115,339	$ —	$ —	$ 115,339
Financial liabilities:				
Directors' Deferred Share Unit Liability	$ 284	$ —	$ —	$ 284
2022 USD Financing Warrant Liability	$ —	$ —	$ 13,511	$ 13,511

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash equivalents	$ 131,702	$ —	$ —	$ 131,702
Financial liabilities:				
Directors' Deferred Share Unit Liability	$ 124	$ —	$ —	$ 124
2022 USD Financing Warrant Liability	$ —	$ —	$ 9,904	$ 9,904

The Company evaluates transfers between fair value levels at the end of each reporting period. There were no transfers into or out of Level 1, Level 2, or Level 3 during the nine months ended September 30, 2023 and the year ended December 31, 2022.

The fair value of the warrant liability is measured at fair value on a recurring basis. The warrants to purchase 7,058,823 Common Shares issued in our underwritten public offering that closed on September 30, 2022 (the "2022 USD Financing Warrants") are classified as Level 3 in the fair value hierarchy and are determined using the Black-Scholes option pricing model using the following assumptions:

	As of September 30, 2023	As of December 31, 2022
Share price	$3.13	$2.20
Expected volatility	90.84%	97.08%
Risk-free rate	4.59%	3.94%
Expected life	4.00 years	4.75 years

4.GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

During the nine months ended September 30, 2023, the Company made no additions to its outstanding goodwill. There were no triggering events identified, no indication of impairment of the Company's goodwill and long-lived assets, and no impairment charges recorded during the three and nine months ended September 30, 2023 and 2022.

Intangible assets, net

The following table summarizes the carrying value of the Company's intangible assets (in thousands):

		As of September 30, 2023		
	Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Developed technology	3	$ 9,485	$ (8,168)	$ 1,317
Total intangible assets, net		$ 9,485	$ (8,168)	$ 1,317

		As of December 31, 2022		
	Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Developed technology	3	$ 9,485	$ (5,796)	$ 3,689
Total intangible assets, net		$ 9,485	$ (5,796)	$ 3,689

As of September 30, 2023, developed technology has a remaining useful life of 0.4 years. Amortization expense included in research and development expense was $0.8 million for both the three months ended September 30, 2023 and 2022, and $2.4 million for both the nine months ended September 30, 2023 and 2022.

5.ACCRUED EXPENSES

At September 30, 2023 and December 31, 2022, accrued expenses consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Accrued compensation	$ 3,502	$ 3,198
Accrued clinical and manufacturing costs	2,347	605
Contribution payable	2,540	1,566
Professional services	1,132	436
Other accruals	436	72
Total accrued expenses	$ 9,957	$ 5,877

6.SHAREHOLDERS' EQUITY

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, which have no par value. As of September 30, 2023, the Company had issued and outstanding 40,094,708 Common Shares.

At-The-Market Facility

On May 4, 2022, the Company filed a shelf registration statement on Form S-3 (the "Registration Statement"). Pursuant to the Registration Statement, the Company may offer and sell securities having an aggregate public offering price of up to $200.0 million. In connection with the filing of the Registration Statement, the Company also entered into a sales agreement with Cantor Fitzgerald & Co. and Oppenheimer & Co. Inc. as sales agents (together, the "Sales Agents"), pursuant to which the Company may issue and sell Common Shares for an aggregate offering price of up to $100.0 million under an at-the-market offering program (the "ATM"). Pursuant to the ATM, the Company will pay the Sales Agents a commission rate equal to 3.0% of the gross proceeds from the sale of any Common Shares. The Company is not obligated to make any sales of its Common Shares under the ATM. During the three and nine months ended September 30, 2023, the Company sold 800,700 and 1,402,598 Common Shares for net proceeds of $3.1 million and $5.0 million under the ATM, respectively. As of September 30, 2023, the Company had raised an aggregate of $37.2 million under the ATM and may raise up to an additional $62.8 million.

7.WARRANTS

CAD Financing Warrants and CAD Compensation Warrants

Between 2020 through 2021, in conjunction with equity offerings, the Company issued units at varying prices per unit in Canadian dollars ("CAD$"), with each unit comprised of one Common Share and one-half of one Common Share financing warrant (each whole warrant, a "CAD Financing Warrant"), and with each CAD Financing Warrant entitling the holder thereof to purchase a Common Share at a specified CAD$ exercise price. In connection with these equity offerings, the Company also issued compensation warrants to its underwriters (the "CAD Compensation Warrants"), with each Compensation Warrant entitling the holder thereof to purchase one unit at a specified CAD$ price per CAD Compensation Warrant, and with each unit purchased thereunder entitling the holder thereof to one Common Share and one-half CAD Financing Warrant. The outstanding CAD Financing Warrants and the CAD Compensation Warrants expire at various dates through March 9, 2024. There was no activity associated with the Company's outstanding CAD Financing Warrants and CAD Compensation Warrants for the nine months ended September 30, 2023.

2022 USD Financing Warrants

On September 30, 2022, the Company closed an underwritten public offering of 7,058,823 Common Shares and accompanying 2022 USD Financing Warrants to purchase 7,058,823 Common Shares. Each 2022 USD Financing Warrant is immediately exercisable for one Common Share at an exercise price of $4.25 per Common Share, subject to certain adjustments, and will expire on September 30, 2027.

The below table represents the activity associated with the Company's outstanding liability classified 2022 USD Financing Warrants for the nine months ended September 30, 2023:

	2022 USD Financing Warrants
Balance at December 31, 2022	7,058,823
Issued	—
Exercised	(27,000)
Expired	—
Balance at September 30, 2023	7,031,823

The 2022 USD Financing Warrants are liability classified due to being denominated in USD and not the Company's functional currency. Accordingly, the 2022 USD Financing Warrants are recognized at fair value upon issuance and are adjusted to fair value at the end of each reporting period. Any change in fair value is recognized on the condensed consolidated statements of operations and comprehensive loss. The Company recognized a gain relating to the change in fair value of the warrant liability of $3.0 million for the three months ended September 30, 2023, and a loss relating to the change in fair value of the warrant liability of $3.7 million for the nine months ended September 30, 2023.

	As of September 30, 2023
Balance at December 31, 2022	$ 9,904
Warrant exercise	(64)
Change in fair value of the warrant liability	3,671
Balance at September 30, 2023	$ 13,511

8.STOCK-BASED COMPENSATION

Stock Incentive Plans

Effective March 7, 2023, the Company amended the definition of "Market Value" under both the MindMed Stock Option Plan (the “Stock Option Plan”) and the Performance and Restricted Share Unit Plan (the “RSU Plan”) to be based upon the closing price of the Company's Common Shares as traded on the Nasdaq Stock Market (the “Amendments”). This change is only applicable for equity compensation awards granted subsequent to the Amendments. Accordingly, stock options granted after March 7, 2023 ("USD options") are denominated in USD, and the grant date fair value of restricted share units granted after March 7, 2023 ("USD RSUs") is denominated in USD. The fair value of both USD options and USD RSUs is based upon the closing price of the Company's Common Shares as traded on the Nasdaq Stock Market.

Stock Options

On February 27, 2020, the Company adopted the Stock Option Plan to advance the interests of the Company by providing employees, contractors and directors of the Company a performance incentive for continued and improved service with the Company. The Stock Option Plan sets out the framework for determining eligibility as well as the terms of any stock-based compensation granted. The Stock Option Plan was approved by the shareholders as part of the terms of an arrangement agreement (the “Arrangement”) entered into by the Company on October 15, 2019 in connection with the completion of its reverse acquisition, which completed on February 27, 2020 (the “Transaction”). The Company is authorized to issue 15% of the Company’s outstanding Common Shares under the terms of the Stock Option Plan.

The following table summarizes the Company’s stock option activity (excluding 178,006 USD options granted with an average exercise price of $3.38):

	Number of Options	Weighted Average Exercise Price (CAD$)	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (CAD$)
Options outstanding at December 31, 2022	2,190,315	$ 24.29	4.1	$ 4,484
Issued	—	—	—	—
Exercised	(13,333)	4.95	—	7,333
Forfeited	(21,246)	16.39	—	—
Expired	(99,454)	15.51	—	—
Options outstanding at September 30, 2023	2,056,282	$ 24.92	3.5	$ 24,960
Options vested and exercisable at September 30, 2023	1,134,101	$ 25.82	3.1	$ 1,453

The expense recognized related to options was $1.7 million and $2.0 million for the three months ended September 30, 2023 and 2022, respectively, and $5.0 million and $6.0 million for the nine months ended September 30, 2023 and 2022, respectively.

Restricted Share Units

The Company adopted the RSU Plan to advance the interests of the Company by providing employees, contractors and directors of the Company a performance incentive for continued and improved service with the Company. The RSU Plan sets out the framework for determining eligibility as well as the terms of any stock-based compensation granted. The RSU Plan was approved by the shareholders as part of the Arrangement. The fair value has been estimated based on the closing price of the Common Shares on the day prior to the grant.

		(CAD$)		(USD$)	
	Number of RSUs	Number of RSUs	Weighted Average Grant Date Fair Value	Number of RSUs	Weighted Average Grant Date Fair Value
Balance at December 31, 2022	1,522,793	1,522,793	$ 17.75	—	—
Granted	1,644,938	—	—	1,644,938	3.24
Vested, issued and unissued	(634,165)	(412,124)	20.35	(222,041)	3.54
Cancelled	(14,174)	(14,174)	3.20	—	—
Balance at September 30, 2023	2,519,392	1,096,495	$ 16.78	1,422,897	$ 3.20

The expense recognized related to restricted share units was $2.5 million and $2.3 million for the three months ended September 30, 2023 and 2022, respectively, and $6.6 million and $6.2 million for the nine months ended September 30, 2023 and 2022, respectively.

Directors' Deferred Share Unit Plan

On April 16, 2021 the Company adopted the MindMed Director's Deferred Share Unit Plan (the "DDSU Plan"). The DDSU Plan sets out a framework to grant non-executive directors DDSU's which are cash settled awards. Effective June 8, 2023, the Company amended the definition of “Fair Market Value” under the DDSU Plan to be based upon the closing price of the Company’s Common Shares as traded on the Nasdaq Stock Market. This change is only applicable for Directors Deferred Share Units (“DDSUs”) granted subsequent to June 8, 2023. Accordingly, DDSUs granted after June 8, 2023 are denominated in USD. The DDSU Plan states that the fair market value of one DDSU shall be equal to the volume weighted average trading price of a Common Share on the Nasdaq Stock Market for the five business days immediately preceding the valuation date. The DDSU's generally vest ratably over twelve months after grant and are settled within 90 days of the date the director ceases service to the Company.

For the three and nine months ended September 30, 2023, stock-based compensation expense of a nominal amount was recognized relating to the revaluation of the vested DDSUs, recorded in general and administrative expense in the accompanying condensed consolidated statements of operations and comprehensive loss. During the nine months ended September 30, 2023, the Company issued 13,131 DDSUs. There were 64,719 DDSUs vested as of September 30, 2023. The liability associated with the outstanding vested DDSU’s was $0.3 million as of September 30, 2023 and was recorded within accrued expenses in the accompanying condensed consolidated balance sheets.

Stock-based Compensation Expense

Stock-based compensation expense for all equity arrangements for the three and nine months ended September 30, 2023 and 2022 was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Research and development	$ 2,023	$ 1,424	$ 5,600	$ 5,208
General and administrative	2,203	2,862	6,218	7,123
Total stock-based compensation expense	$ 4,226	$ 4,286	$ 11,818	$ 12,331

As of September 30, 2023, there was approximately $11.0 million of total unrecognized stock-based compensation expense, related to unvested options granted to employees under the Stock Option Plan that is expected to be recognized over a weighted average period of 2.0 years for CAD options, and 2.1 years for USD options. As of September 30, 2023, there was approximately $17.3 million of total unrecognized stock-based compensation expense, related to restricted share units granted to employees under the RSU Plan that is expected to be recognized over a weighted average period of 2.0 years for CAD RSUs, and 3.4 years for USD RSUs.

9.COMMITMENTS AND CONTINGENCIES

As of September 30, 2023, the Company had obligations to make future payments, representing significant research and development contracts and other commitments that are known and committed in the amount of approximately $29.4 million. Most of these agreements are cancelable by the Company with notice. These commitments include agreements related to the conduct of the clinical trials, sponsored research, manufacturing and preclinical studies.

The Company enters into research, development and license agreements in the ordinary course of business where the Company receives research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which are uncertain.

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by or on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the condensed consolidated financial statements with respect to these indemnification obligations.

10.CREDIT FACILITY

On August 11, 2023 (the “Closing Date”), the Company entered into a Loan and Security Agreement (the “Loan Agreement”) with K2 HealthVentures LLC (“K2HV”, together with any other lender from time to time, the "Lenders"), as administrative agent and Canadian collateral agent for the Lenders, and Ankura Trust Company, LLC, as collateral trustee for the Lenders. The Loan Agreement provides for up to an aggregate principal amount of $50.0 million in term loans (the “Term Loan”) consisting of a first tranche term loan of $15.0 million funded on the Closing Date, subsequent tranches of term loans totaling $20.0 million to be funded upon the achievement of certain time-based, clinical and regulatory milestones, and an additional tranche term loan of up to $15.0 million upon the Company’s request, subject to review by the Lenders of certain information from the Company and discretionary approval by the Lenders. On the Closing Date, the Company paid a facility fee of $0.3 million to K2HV.

The Term Loan matures on August 1, 2027, and the obligations of the Company under the Loan Agreement are secured by substantially all of the assets of the Company, excluding intellectual property.

The Term Loan bears a variable interest rate equal to the greater of (i) 10.95% and (ii) the sum of (a) the prime rate as reported in The Wall Street Journal plus (b) 2.95%. The Company may prepay, at its option, all, but not less than all, of the outstanding principal balance and all accrued and unpaid interest with respect to the principal balance being prepaid of the Term Loan, subject to certain prepayment notice requirements; provided that such prepayment notice may be conditioned upon the effectiveness of a refinancing or any other transaction, in which case such prepayment notice may be revoked by the Company.

The Lenders may elect at any time following the Closing Date and prior to the full repayment of the Term Loan to convert any portion of the principal amount of the term loans then outstanding, up to an aggregate principal amount of $4.0 million, into the Company’s Common Shares (the “Conversion Shares”), at a conversion price equal to $4.01 per Conversion Share, subject to certain limitations. The embedded conversion option qualifies for a scope exception from derivative accounting because it is both indexed to the Company’s own shares and meets the conditions for equity classification.

The Loan Agreement contains customary representations and warranties and affirmative and negative covenants, including covenants that limit or restrict the Company's ability to, among other things: dispose of assets; make changes to the Company's business, management, ownership or business locations; merge or consolidate; incur additional indebtedness, encumbrances or liens; pay dividends or other distributions or repurchase equity; make investments; and enter into certain transactions with affiliates, in each case subject to certain exceptions. The Company is in compliance with the Loan Agreement as of September 30, 2023.

The Company recorded $0.2 million in interest expense for the three and nine months ended September 30, 2023.

Future expected repayments of principal amount due on the credit facility as of September 30, 2023 are as follows (in thousands):

Remainder of 2023	$	-
2024		-
2025		4,522
2026		6,026
2027		4,452
Total principal repayments	$	15,000
Unamortized debt issuance costs		(932)
Total credit facility, non-current, net	$	14,068

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

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report. This Quarterly Report, including the following sections, contains forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results and events to differ materially from those expressed or implied by such forward-looking statements. For a detailed discussion of these risks and uncertainties, see Item 1A "Risk Factors" in our 2022 Annual Report and this Quarterly Report. See also "Special Note Regarding Forward-Looking Statements." We caution the reader not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this Quarterly Report. We undertake no obligation to update forward-looking statements, which reflect events or circumstances occurring after the date of this Quarterly Report.

Our accounting policies in accordance with generally accepted accounting principles in the United States (U.S. GAAP") are referred to in Note 2 of the Condensed Consolidated Financial Statements in this Quarterly Report as well as the Consolidated Financial Statements included in our 2022 Annual Report. All amounts are in United States dollars, unless otherwise indicated. References to "CAD$" are to Canadian dollars.

Overview

We are a clinical stage biopharmaceutical company developing novel product candidates to treat brain health disorders. Our mission is to be the global leader in the development and delivery of treatments for brain health disorders that unlock new opportunities to improve patient outcomes. We are developing a pipeline of innovative product candidates, with and without acute perceptual effects, targeting neurotransmitter pathways that play key roles in brain health disorders. This specifically includes pharmaceutically optimized product candidates derived from the psychedelic and empathogen drug classes, including MM-120 and MM-402, our lead product candidates.

We were incorporated under the laws of the Province of British Columbia. Our wholly owned subsidiary, Mind Medicine, Inc. ("MindMed US") was incorporated in Delaware. Prior to February 27, 2020, our operations were conducted through MindMed US.

On February 26, 2021, we acquired 100% of the issued and outstanding shares of HealthMode Inc. ("HealthMode"), a digital medicine and therapeutics company that used artificial intelligence enabled digital measurement to increase the precision and speed of clinical research and patient monitoring. The acquisition enabled us to build our digital medicine division. We plan to utilize these technologies in our clinical trials to enhance the quality of the data that is collected during our clinical trials.

Since inception, we have incurred losses while advancing the research and development of our product candidates and processes. Our net losses were $17.9 million and $16.5 million for the three months ended September 30, 2023 and 2022, respectively, and $71.9 million and $51.9 million for the nine months ended September 30, 2023 and 2022, respectively. As of September 30, 2023, we had an accumulated deficit of $266.3 million and cash and cash equivalents of $117.7 million.

During the nine months ended September 30, 2023, we continued to enhance the resources it requires to build our pipeline of opportunities. This included adding personnel and contract resources and ramping up the nonclinical aspects of our activities. In addition, considerable effort was directed towards employing a successful financing strategy.

Research & Development Program Update

In April 2023, our collaborators at the University Hospital Basel released positive topline data from a double-blind, investigator-initiated trial evaluating lysergide in the treatment of major depressive disorder ("MDD"). The topline data demonstrated significant, rapid, durable and beneficial effects of lysergide and its potential to mitigate symptoms of MDD. The high dose lysergide regimen in which patients received 100 µg at their first dosing day and 200 µg at their second dosing day (separated by four weeks) resulted in statistically and clinically significant improvements on the primary endpoint, which was the change in clinician-rated Inventory of Depressive Symptomatology (IDS-C) scores 6 weeks after the first administration as compared to control (whether or not the patient received a second administration). The control group in this study received a lower dose regimen of 25 µg on both treatment days. Patients in the high dose arm (n=28) demonstrated a least square mean change from baseline in IDS-C scores of -12.9 points compared to -3.6 points in the lower dose arm (n=27, p=0.02). The statistically significant benefit as measured by IDS-C was maintained up to 16 weeks after the first administration compared to placebo (p=0.008). Data from the secondary endpoints were also encouraging. The investigational drug was generally well-tolerated, as indicated by reported adverse events, changes in vital signs and laboratory values.

On August 3, 2023. we announced that, based on a review of the Company's statistical assumptions, the target patient enrollment for our Phase 2b study evaluating MM-120 (lysergide D-tartrate) for generalized anxiety disorder ("GAD") has been

lowered from 200 to 180 participants while maintaining the statistical power (approximately 90%) to achieve the study's objectives. However, on September 12, 2023, we announced that we had completed patient enrollment, with 198 patients having been enrolled in the study who received a single administration of 25 µg, 50 µg, 100 µg or 200 µg of MM-120 or placebo. Four-week primary endpoint topline results for the Phase 2b study are expected to be announced in the fourth quarter of 2023, with twelve-week topline results expected to be announced by the end of the first quarter of 2024.

In October 2023, we announced that the enrollment for our Phase 2a study evaluating MM-120 for attention deficit hyperactivity disorder ("ADHD") is completed. This proof-of-concept trial for the treatment of ADHD is designed to assess the safety and efficacy of repeated low-dose MM-120 administration in 53 patients. Topline results for the Phase 2a study are expected to be released by the end of the first quarter of 2024.

Components of Operating Results

Operating Expenses

Research and Development

To date, our resources have focused primarily on the research and development of our product candidates MM-120, MM-402 and MM-110 (prior to when we paused development of MM-110 in the third quarter of 2022) and the commencement of related clinical activities, including funding data and study acquisitions and acquiring the materials required to supply our studies. We completed a Phase 1 trial of MM-110 in late 2021; however, in the third quarter of 2022, we determined that any further clinical development of our MM-110 program will be subject to the pursuit of non-dilutive sources of capital and collaborations with third parties.

Research and development expenses account for a significant portion of our operating expenses. Research and development expenses consist primarily of direct and indirect costs incurred for the development of our product candidates, including:

- payroll, consulting and benefits expenses;
- licensing fees;
- manufacturing costs to produce clinical trial materials;
- clinical research costs associated with discovery, preclinical and clinical testing of our product candidates;
- data and study acquisition cost; and
- allocated operational expenses, which include direct or allocated expenses for information technologies and human resources.

We may also incur in-process research and development expense as we acquire or in-license assets from other parties. Technology acquisitions are expensed or capitalized based upon the asset achieving technological feasibility in accordance with management's assessment regarding the ultimate recoverability of the amounts paid and the potential for alternative future use. Acquired in-process research and development costs that have no alternative future use are immediately expensed.

We expect our research and development expenses to increase for the foreseeable future as we continue the clinical development of our product candidates and other preclinical programs in GAD, ADHD, autism spectrum disorder ("ASD") and other potential or future indications, including initiating additional and larger clinical trials.

General and Administrative

General and administrative expenses consist primarily of compensation costs, including stock-based compensation, for executive management and administrative employees, including finance and accounting, legal, human resources and other administrative functions, professional services fees, advisory and professional service fees in connection with financing transactions, insurance expenses and allocated expenses. We also incurred additional costs related to public relations, printing and professional services fees in connection with the proxy contest in connection with our 2023 annual general meeting of shareholders.

We expect our general and administrative expenses to continue to increase for the foreseeable future as we continue to advance our research and development programs, grow our business and, if any of our product candidates receive marketing approval, commence commercialization activities.

Results of Operations

Comparison of the Three and Nine Months Ended September 30, 2023 and 2022

The following tables summarize our results of operations for the periods presented (in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
Operating expenses:								
Research and development	$ 13,203	$ 7,772	$ 5,431	70 %	$ 40,578	$ 27,339	$ 13,239	48 %
General and administrative	8,413	9,211	(798)	(9)%	31,083	25,092	5,991	24 %
Total operating expenses	21,616	16,983	4,633	27 %	71,661	52,431	19,230	37 %
Loss from operations	(21,616)	(16,983)	(4,633)	27 %	(71,661)	(52,431)	(19,230)	37 %
Other income/(expense):								
Interest income, net	1,163	360	803	223 %	3,759	443	3,316	*
Foreign exchange (loss)/gain, net	(439)	138	(577)	*	(244)	94	(338)	*
Change in fair value of 2022 USD Financing Warrants	3,020	—	3,020	100 %	(3,671)	—	(3,671)	100 %
Other (expense)/income	(51)	—	(51)	100 %	(51)	1	(52)	*
Total other income/(expense), net	3,693	498	3,195	*	(207)	538	(745)	(138)%
Net loss	(17,923)	(16,485)	(1,438)	9 %	(71,868)	(51,893)	(19,975)	38 %
Other comprehensive loss:								
Gain/(loss) on foreign currency translation	415	(107)	522	*	150	(303)	453	150 %
Comprehensive loss	$ (17,508)	$ (16,592)	$ (916)	6 %	$ (71,718)	$ (52,196)	$ (19,522)	37 %

** Represents a change greater than 300%*

Operating Expenses

Research and Development (in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
External Costs								
MM-120 program	$ 7,558	$ 1,175	$ 6,383	*	$ 18,903	$ 5,249	$ 13,654	260 %
MM-402 program	327	775	(448)	(58)%	$ 1,719	1,332	387	29 %
MM-110 program	8	208	(200)	(96)%	$ 38	1,393	(1,355)	(97)%
External R&D collaborations	108	328	(220)	(67)%	$ 693	1,607	(914)	(57)%
Preclinical and other programs	27	494	(467)	(95)%	3,610	3,307	303	9 %
Total external costs	8,028	2,980	5,048	169 %	24,963	12,888	12,075	94 %
Internal Costs	5,175	4,792	383	8 %	15,615	14,451	1,164	8 %
Total research and development expenses	$ 13,203	$ 7,772	$ 5,431	70 %	$ 40,578	$ 27,339	$ 13,239	48 %

** Represents a change greater than 300%*

Research and development expenses increased by $5.4 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The increase was primarily due to increases of $6.4 million in expenses related to clinical research and product development for the MM-120 GAD study and $0.4 million in internal personnel costs as a result of increasing research and development capacities, partially offset by a decrease of $0.4 million in expenses related to our MM-402 program, a decrease of $0.2 million related to our paused MM-110 program, a decrease of $0.5 million in preclinical activities, and $0.2 million in connection with various external research and development collaborations.

Research and development expenses increased by $13.2 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase was primarily due to increases of $13.7 million in expenses related to clinical research and product development for the MM-120 GAD study, $0.4 million in expenses related to our MM-402 program, $1.2 million in internal personnel costs as a result of increasing research and development capacities, and $0.3 million in preclinical activities, offset by a decrease of $1.4 million in expenses related to our paused MM-110 program and a decrease of $0.9 million of expenses in connection with various external research and development collaborations.

General and Administrative

General and administrative expenses decreased by $0.8 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The decrease was primarily related to issuance costs related to the 2022 USD Financing Warrants that were issued as part of the Company's public equity offering which closed on September 30, 2022.

General and administrative expenses increased by $6.0 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase was attributable to professional services fees and expenses related to the proxy contest in connection with our 2023 annual general meeting of shareholders and additional costs to support the growth of our business.

Other Income (Expense)

Interest Income, Net

Interest income, net increased by $0.8 million and $3.3 million for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022, respectively. This was primarily due to interest earned on our cash and cash equivalents as a result of higher interest rates during the three and nine months ended September 30, 2023.

Foreign Exchange Gain/(Loss), Net

Foreign exchange loss increased by $0.6 million and $0.3 million for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022, respectively. The increase was primarily due to unfavorable changes in foreign exchange rates during the three and nine months ended September 30, 2023.

Other Income/(Expense)

Other income for the three and nine months ended September 30, 2023 was consistent with the amount compared to the three and nine months ended September 30, 2022, respectively.

Change in fair value of 2022 USD Financing Warrants

Revaluation gain on the 2022 USD Financing Warrants liability was $3.0 million for the three months ended September 30, 2023, and revaluation loss on the 2022 USD Financing Warrants liability was $3.7 million for the nine months ended September 30, 2023. Gain/loss on revaluation of the 2022 USD Financing Warrants liability consists of the change in the fair value of our 2022 USD Financing Warrants that were issued as part of our public equity offering which closed on September 30, 2022.

Liquidity and Capital Resources

Sources of Liquidity

Since inception, we have financed our operations primarily from the issuance of equity and our Loan Agreement (as defined below). Our primary capital needs are for funds to support our scientific research and development activities including staffing, manufacturing, preclinical studies, clinical trials, administrative costs and for working capital.

We have experienced operating losses and cash outflows from operations since inception and will require ongoing financing in order to continue our research and development activities. We have not earned any revenue or reached successful commercialization of our product candidates. Our future operations are dependent upon our ability to finance our cash requirements which will allow us to continue our research and development activities and the commercialization of our product candidates. There can be no assurance that we will be successful in continuing to finance our operations.

Our cash and cash equivalents and our working capital as of September 30, 2023 were $117.7 million and $88.9 million, respectively.

On August 11, 2023 (the "Closing Date"), we entered into a Loan and Security Agreement (the "Loan Agreement") with K2 HealthVentures LLC ("K2HV"), as administrative agent and Canadian collateral agent for lenders thereunder (K2HV, and any other lender from time to time, the "Lenders"), and Ankura Trust Company, LLC, as collateral trustee for the Lenders. The Loan Agreement provides for up to an aggregate principal amount of $50.0 million in term loans consisting of a first tranche term loan of $15.0 million funded on the Closing Date, subsequent tranches of term loans totaling $20.0 million to be funded upon the achievement of certain time-based, clinical and regulatory milestones, and an additional tranche term loan of up to $15.0 million upon our request, subject to review by the Lenders of certain information from us and discretionary approval by the Lenders.

On September 30, 2022, we closed an underwritten public offering of 7,058,823 common shares and accompanying 2022 USD Financing Warrants to purchase 7,058,823 common shares at a combined offering price of $4.25 per common share, for net proceeds of $27.5 million. Each 2022 USD Financing Warrant is immediately exercisable for one common share at an exercise price of $4.25 per common share, subject to certain adjustments, and will expire on September 30, 2027.

On May 4, 2022, we filed a shelf registration statement on Form S-3 (the "Registration Statement"). Pursuant to the Registration Statement, we may offer and sell securities having an aggregate public offering price of up to $200.0 million. In connection with the filing of the Registration Statement, we also entered into a sales agreement with Cantor Fitzgerald & Co. and Oppenheimer & Co. Inc. as sales agents (together, the "Sales Agents"), pursuant to which we may issue and sell common shares for an aggregate offering price of up to $100.0 million under an at-the-market offering program (the "ATM"). Pursuant to the ATM, we will pay the Sales Agents a commission rate equal to 3.0% of the gross proceeds from the sale of any common shares. We are not obligated to make any sales of its common shares under the ATM. During the three and nine months ended September 30, 2023, we sold 787,500 and 1,389,398 common shares for net proceeds of $3.1 million and $5.0 million, respectively, under the ATM. As of September 30, 2023, we had raised an aggregate of $37.2 million under the ATM and may issue and sell common shares for an aggregate offering price of up to an additional $62.8 million.

Future Funding Requirements

To date, we have not generated any revenue. We do not expect to generate any meaningful revenue unless and until we obtain regulatory approval of and commercialize any of our product candidates, and we do not know when, or if at all, that will occur. We will continue to require substantial additional capital to develop our product candidates and fund operations for the foreseeable future. Moreover, we expect our expenses to increase in connection with our ongoing activities, particularly as we continue the development of and seek regulatory approvals for our product candidates. Further, we are subject to all the risks incident in the development of new pharmaceutical products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may harm our business. Our expenses will increase if, and as, we:

- advance our product candidates through preclinical and clinical development;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- seek to discover and develop additional product candidates;
- establish a sales, marketing, medical affairs and distribution infrastructure to commercialize any product candidates for which we may obtain marketing approval and intend to commercialize on our own or jointly; and
- expand our operational, financial and management systems and increase personnel, including personnel to support our development, manufacturing and commercialization efforts and our operations as a public company;

We expect our current cash and cash equivalents will be sufficient to fund our current operating plans into 2026. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. In order to complete the development of our product candidates and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our product candidates, if approved, we will require substantial additional funding. Until we can generate a sufficient amount of revenue from the commercialization of our product candidates, we may seek to raise any necessary additional capital through the sale of equity, debt financings or other capital sources, which could include income from collaborations, strategic partnerships or marketing, distribution or licensing arrangements with third parties or from grants. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common shareholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, including restricting our operations and limiting our ability to incur liens, issue additional debt, pay dividends, repurchase our Common Shares, make certain investments or engage in merger, consolidation, licensing or asset sale transactions. If we raise funds through collaborations, strategic partnerships and other similar arrangements with third parties, we may be required to grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. We may be unable to raise additional funds or to enter into such agreements or arrangements on favorable terms, or at all. If we are unable to raise additional funds when needed, we may be required to delay, reduce or eliminate our product development or future commercialization efforts. We have based our projections of operating capital requirements on our current operating plan, which is based on several assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development and commercialization of product candidates, we are unable to estimate the exact amount and timing of our working capital requirements. Our future funding requirements will depend on many factors, including:

- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical studies and clinical trials;
- the costs, timing and outcome of regulatory review of our product candidates;

•the costs of future activities, including product sales, medical affairs, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;

•the costs of manufacturing commercial-grade products and sufficient inventory to support commercial launch;

•the revenue, if any, received from commercial sale of our products, should any of our product candidates receive marketing approval;

•the cost and timing of hiring new employees to support our continued growth;

•the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;

•the ability to establish and maintain collaborations on favorable terms, if at all;

•the extent to which we acquire or in-license other product candidates and technologies; and

•the timing, receipt and amount of sales of, or milestone payments related to or royalties on, our current or future product candidates, if any.

Cash Flows

	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Net cash used in operating activities	$ (43,802)	$ (37,290)
Net cash provided by financing activities	19,255	58,635
Foreign exchange impact on cash	104	(365)
Net (decrease)/increase in cash	$ (24,443)	$ 20,980

Cash flows from operating activities

Cash used in operating activities for the nine months ended September 30, 2023 was $43.8 million, which consisted of a net loss of $71.9 million, partially offset by $18.0 million in non-cash charges and a net change of $10.1 million in our net operating assets and liabilities. The non-cash charges primarily consisted of a change in fair value on the 2022 USD Financing Warrants liability of $3.7 million, share-based payments of $11.8 million, and amortization of intangible assets of $2.4 million.

Cash used in operating activities for the nine months ended September 30, 2022 was $37.3 million, which consisted of a net loss of $51.9 million and a net change of $1.6 million in our net operating assets and liabilities, partially offset by $16.3 million in non-cash charges. The non-cash charges consisted of share-based payments of $12.3 million, amortization of intangible assets of $2.4 million, and issuance costs on liability classified warrants of $1.5 million.

Cash flows from financing activities

Cash provided by financing activities for the nine months ended September 30, 2023 was $19.3 million, which consisted of proceeds of $15.0 million from the credit facility partially offset by $0.8 million payment of credit facility issuance costs, $5.0 million of net proceeds from the issuance of common shares under our ATM, net of issuance costs, and $0.1 million of proceeds from the exercise of the 2022 USD Financing Warrants.

Cash provided by financing activities for the nine months ended September 30, 2022 was $58.6 million, which consisted of the net proceeds of $41.6 million from the issuance of common shares, net of issuance costs, proceeds of $17.7 million from the issuance of the 2022 USD Financing Warrants, the proceeds of $0.7 million from exercise of warrants, and proceeds of $0.2 million from exercise of options, partially offset by $1.2 million payment of 2022 USD Financing Warrants issuance costs and $0.4 million of withholding taxes paid on vested RSUs.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited interim condensed consolidated financial statements as of September 30, 2023, which have been prepared in accordance with U.S. GAAP, and on a basis consistent with those accounting principles followed by us and disclosed in Note 2 to our most recent annual audited

consolidated financial statements in the 2022 Annual Report. The preparation of these unaudited interim condensed consolidated financial statements requires our management to make judgments and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be material.

Other than as described under Note 2 of our unaudited interim condensed consolidated financial statements, there have been no material changes to our critical accounting policies from those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our 2022 Annual Report.

Recent Accounting Pronouncements

See Note 2 to our unaudited financial statements located in "Part I – Financial Information, Item 1. Financial Statements" in this Quarterly Report for a description of recent accounting pronouncements applicable to our financial statements.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies.

We have elected to use this extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) 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.

Fully Diluted Share Capital

The number of issued and outstanding common shares on a fully converted basis at September 30, 2023 was as follows:

	Number of Common Share Equivalents
Common Shares	40,094,708
Stock Options	2,234,288
Restricted Share Units	2,524,721
Compensation Warrants	125,890
Financing Warrants	1,286,282
2022 USD Financing Warrants	7,031,823
Total - September 30, 2023	53,297,712

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are permitted to omit information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management including our Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure. As of September 30, 2023, our Chief Executive Officer and Chief Financial Officer carried out an evaluation with the participation of management of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of September 30, 2023.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934 that occurred during the quarter ended September 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Internal Controls

A control system, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. In addition, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II

Item 1. Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings arising in the ordinary course of our business. We are not currently a party to any material litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors.

Scott Freeman and FCM Litigation

Breach of Contract Lawsuit

We are a plaintiff in a lawsuit we filed against Dr. Scott Freeman and FCM MM Holdings, LLC on July 26, 2023, alleging, among other things, breach by Dr. Freeman and FCM MM Holdings, LLC of the non-disparagement and confidentiality provisions of the Separation Agreement dated August 31, 2020, between the Company and Dr. Freeman. This dispute is pending in the U.S., District Court for the District of Nevada. We are seeking permanent injunctive relief, as well as compensatory, punitive, and exemplary damages and attorneys' fees.

Section 14(a) Lawsuit

On September 5, 2023, we filed a lawsuit in the Southern District of New York against Dr. Scott Freeman, Jake Freeman, Chad Boulanger, FCM MM Holdings, LLC and the other three FCM nominees Farzin Farzaneh, Vivek Jain and Alexander Wodka for violations of the federal securities laws governing proxy filings, primarily Section 14(a) of the Securities Exchange Act of 1934, as amended. We are seeking permanent injunctive relief and attorneys' fees, as well as an award of damages sustained by us as a result of defendants' actions, including expenses incurred in connection with the proxy contest caused by defendants' material misstatements and omissions.

Item 1A. Risk Factors.

We operate in a rapidly changing environment that involves a number of risks which could materially affect our business, financial condition or future results, some of which are beyond our control. In addition to the other information set forth in this Quarterly Report, the risks and uncertainties that we believe are most important for you to consider are discussed in Part I-Item 1A under the heading "Risk Factors" in our 2022 Annual Report. The risk factors set forth below are risk factors containing changes, which may be material, from the risk factors previously disclosed in Item 1A of our 2022 Annual Report.

The terms of our loan agreement place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our operating and financial flexibility.

In August 2023, we entered into the Loan Agreement. At closing we borrowed $15.0 million in the first tranche under the Loan Agreement and may borrow an additional $20.0 million based upon the achievement of certain time-based, clinical and regulatory milestones, and an additional $15.0 million upon our request, subject to review by the Lenders of certain information from us and discretionary approval by the Lenders. Our obligations under the Loan Agreement are secured by a security interest in substantially all of our assets, other than certain intellectual property assets. The Loan Agreement includes customary affirmative and negative covenants, as well as standard events of default, including an event of default based on the occurrence of a material adverse event. The negative covenants include, among others, restrictions on us transferring collateral, incurring additional indebtedness, engaging in mergers or acquisitions, paying cash dividends or making other distributions, making investments, creating liens, selling assets and making any payment on subordinated debt, in each case subject to certain exceptions. These restrictive covenants could limit our flexibility in operating our business and our ability to pursue business opportunities that we or our stockholders may consider beneficial. In addition, the Lenders could declare a default upon the occurrence of any event that it interprets could have material adverse effect, subject to the limitations specified in the Loan Agreement. Upon the occurrence and continuance of an event of default, the Lenders may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement. Any declaration of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we are liquidated, the rights of the Lenders to repayment would be senior to the rights of the holders of our common shares to receive any proceeds from the liquidation. We may not have enough available cash or be able to raise additional funds through equity or debt financings to repay these outstanding obligations at the time any event of default occurs. Further, if we raise any additional capital through debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

Actions of activist shareholders against us have been and could be disruptive and costly, may cause uncertainty about the strategic direction of our business, result in litigation, divert management's and the board's attention and resources, and may have an adverse effect on our business and stock price.

From time to time, we may be subject to proposals by activist shareholders urging us to take certain corporate actions or to nominate certain individuals to our board of directors. For example, a group of Company shareholders nominated four director candidates for election to our six-member board of directors at the Company's 2023 annual general meeting of shareholders, and waged a proxy contest in support of their candidates and in opposition to four of our director nominees. Future activist shareholder matters, including a proxy contest and potential related litigation, could have a material adverse effect on us for the following reasons:

- Such shareholders may attempt to effect changes in our governance and strategic direction or to acquire control over the board of directors or the Company.
- While we welcome the opinions of all shareholders, responding to proxy contests and related litigation by shareholders has been, and could be, costly and time-consuming, and could disrupt our operations, and divert the attention of our board of directors, management team and other employees away from their regular duties and the pursuit of business opportunities to enhance shareholder value.
- Perceived uncertainties as to our future direction and control, our ability to execute on our strategy, or changes to the composition of our board of directors or senior management team arising from a proxy contest could lead to the perception of a change in the direction of our business, instability or lack of continuity, which may cause concern to our existing or potential collaboration partners, make it more difficult to pursue our strategic initiatives, or limit our ability to attract and retain qualified personnel and business partners any of which could adversely affect our business and operating results.
- Perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist shareholder initiatives may harm our ability to attract new investors, and could cause our stock price to experience periods of volatility or stagnation based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

If we fail to comply with our obligations under our existing and any future intellectual property licenses with third parties, we could lose license rights that are important to our business.

We are party to a license agreement with Catalent, pursuant to which we were granted an exclusive license to use their Zydis technology in the development of MM-120. We may enter into additional license agreements in the future. Our license agreement with Catalent imposes, and we expect that future license agreements will impose, various diligence, milestone payment, royalty, insurance and other obligations on us. Any uncured, material breach under these license agreements could result in our loss of rights to practice the patent rights and other intellectual property licensed to us under these agreements, and could compromise our development and commercialization efforts for our product candidates.

We are a clinical-stage brain health care company and have incurred significant net losses since our inception, and we expect to continue to incur significant net losses for the foreseeable future.

We incurred net losses of $17.9 million and $16.5 million for the three months ended September 30, 2023 and 2022, respectively, and $71.9 million and $51.9 million for the nine months ended September 30, 2023 and 2022, respectively. As of September 30, 2023, we had an accumulated deficit of $266.3 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 product candidates are in various clinical, preclinical discovery and research stages. As a result, we expect that it will be several years, if ever, before we have a commercialized product and generate revenue from product sales. Even if we succeed in receiving marketing approval for and commercializing one or more of our product candidates, we expect that we will continue to incur substantial research and development and other expenses in order to discover, develop and market additional potential products.

We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. Our expected losses, among other things, may continue to cause our working capital and shareholders' equity to decrease. We anticipate that our expenses will increase substantially if and as we, among other things:

- continue the clinical development of our product candidate(s) and other preclinical programs for the treatment of GAD, including initiating additional and larger clinical trials;

•continue the training of therapists who are qualified to deliver our investigational therapies in our clinical trials;

•establish a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any product candidates for which we may obtain regulatory approval, including our product candidates MM-120 and MM-402;

•seek additional indications for our investigational therapies and discover and develop any future product candidates;

•seek regulatory approvals for any future product candidates that successfully complete clinical trials;

•experience heightened regulatory scrutiny;

•pursue necessary scheduling-related decisions to enable us to commercialize any future product candidates containing controlled substances for which we may obtain regulatory approval, including our LSD and MDMA candidates;

•explore external business development opportunities through acquisitions, partnerships, licensing deals to add future product 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 product 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 COVID-19, which we refer to as the COVID-19 pandemic;

•expand our operations in the United States, Switzerland, the European Union and potential other geographies in the future; and

•incur additional legal, accounting and other expenses associated with operating as a public company listed in the U.S. and Canada.

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 our product candidates or any future product candidates, training a sufficient number of qualified therapists to deliver our investigational product candidates, obtaining regulatory approval for any future product candidates that successfully complete clinical trials, and establishing marketing capabilities. Even if any of the future product candidates that we may develop are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved future product 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 product 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 product candidates or any future 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 Common Shares and could impair our ability to raise capital, expand our business, diversify our product 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.

The net losses we incur may fluctuate significantly from quarter to quarter such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our working capital, our ability to fund the development of our product candidates and our ability to achieve and maintain profitability and the performance of our common shares.

We will require substantial additional capital to finance our operations. If we are unable to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce and/or eliminate one or more of our research and drug development programs or future commercialization efforts.

Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. Our operations have consumed substantial amounts of cash since inception, and we expect our expenses to increase in connection with our ongoing activities, particularly as we conduct clinical trials of, and seek marketing approval for our current product candidates and advance our other programs. Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with sales, marketing, manufacturing and distribution activities. Our expenses could increase beyond expectations if we are required by the FDA, the EMA, the MHRA or other regulatory agencies to perform clinical trials or preclinical studies in addition to those that we currently anticipate. Other unanticipated costs may also arise. Because the design and outcome of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amount of resources and funding that will be necessary to successfully complete the development and commercialization of any product candidate we develop. We are not permitted to market or promote MM-120, MM-402 or any other product candidate before we receive marketing approval from the FDA. Accordingly, we will need to obtain substantial additional funding in order to continue our operations.

As of September 30, 2023, we had $117.7 million in cash and cash equivalents. Based on our current operating plan, we believe that our existing cash will be sufficient to fund our operations into 2026. Our estimate as to how long we expect our existing cash to be able to continue to fund our operations is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Changing circumstances, some of which may be beyond our control, including if the U.S. government shuts down and the impacts of a shut down on the FDA or SEC, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned.

We will be required to obtain further funding through public or private equity offerings, debt financings, collaborations and licensing arrangements or other sources, which may dilute our shareholders or restrict our operating activities. Adequate additional financing may not be available to us on acceptable terms, or at all. 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 and future product candidates;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA, the European Commission, the MHRA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more preclinical studies or clinical trials than those that we currently expect or change their requirements on studies that had previously been agreed to, including any delays as a result of animal toxicology issues or the need to conduct bioequivalence studies;
- the outcome and timing of any scheduling-related decisions by the DEA, individual states, and comparable foreign authorities;
- the number of potential future product 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 product candidates;
- the costs of developing sales and marketing capabilities to target public and private HCPs and clinic networks in major markets;
- the costs of training and certifying HCPs who are supporting or will support our clinical trials;
- generating and collecting data and obtaining intellectual property;
- 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 our product candidates, and any delays we may encounter as a result of evolving regulatory requirements or adverse results with respect to our product candidates (such as MM-120 and MM-402) or any other current or future product candidates;
- selling and marketing activities undertaken in connection with the potential commercialization of our product 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 current product candidates and any future product candidates, if approved; and

•the costs of operating as a public company.

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. For example, a shut down of the U.S. government could impact our ability to raise funds due to either delays or shutdown of the SEC or regulatory delays due to impacts on the FDA. 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 product candidates or any future product candidate, or we may be unable to take advantage of future business opportunities. For example, in the third quarter of 2022, we paused the development of MM-110 subject to our receipt of non-dilutive sources of capital or collaborations with third parties. Changes in general market, economic, and political conditions could also adversely impact our ability to access capital as and when needed.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing may result in imposition of debt covenants, increased fixed payment obligations or other restrictions that may affect our business. For example, in August 2023, we entered into the Loan Agreement, which contains affirmative and negative covenants, including covenants that limit or restrict the Company's ability to, among other things: dispose of assets; make changes to the Company's business, management, ownership or business locations; merge or consolidate; incur additional indebtedness, encumbrances or liens; pay dividends or other distributions or repurchase equity; make investments; and enter into certain transactions with affiliates, in each case subject to certain exceptions. If we raise additional funds through upfront payments or milestone payments pursuant to strategic collaborations with third parties, we may have to relinquish valuable rights to our product candidates, or grant licenses on terms that are not favorable to us. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

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

(a)Recent Sales of Unregistered Equity Securities

None.

(b)Use of Proceeds

None.

(c)Issue Purchase of Equity Securities

None.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description	Incorporated by Reference			
		Form	Exhibit No.	Filing Date	File No.
3.1	Amended and Restated Articles of Mind Medicine (MindMed) Inc., effective as of June 30, 2022.	10-K	3.1	March 9, 2023	001-40360
3.2	Notice of Articles, Incorporated on July 26, 2010, as altered on June 30, 2022.	10-K	3.2	March 9, 2023	001-40360
10.1	K2 HealthVentures LLC Loan and Security Agreement.	8-K	10.1	August 14, 2023	001-40360
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1*+	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2*+	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

* Filed herewith.
# Indicates management contract or compensatory plan.
+These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Mind Medicine (Mindmed) Inc,

Date: November 2, 2023	By:	/s/ Robert Barrow Robert Barrow Chief Executive Officer
Date: November 2, 2023	By:	/s/ Schond L. Greenway Schond L. Greenway Chief Financial Officer
Date: November 2, 2023	By:	/s/ Carrie F. Liao Carrie F. Liao, CPA Chief Accounting Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Barrow, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Mind Medicine (MindMed) Inc., (the "Company") for the period ending September 30, 2023;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023

By: /s/ Robert Barrow

Robert Barrow
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Schond L. Greenway, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Mind Medicine (MindMed) Inc., (the "Company") for the period ending September 30, 2023;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023

By: /s/ Schond L. Greenway

Schond L. Greenway
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Robert Barrow, Chief Executive Officer of Mind Medicine (MindMed), Inc. (the "Company") hereby certifies that, to the best of his knowledge:

(1)The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2023, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

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

Date: November 2, 2023

By: /s/ Robert Barrow

Robert Barrow
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Schond L. Greenway, Chief Financial Officer of Mind Medicine (MindMed), Inc. (the "Company") hereby certifies that, to the best of his knowledge:

(1)The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2023, to which this Certification is attached as Exhibit 32.2 (the "Periodic Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

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

Date: November 2, 2023

By: /s/ Schond L. Greenway

Schond L. Greenway
Chief Financial Officer