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

# FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER**
**PURSUANT TO RULE 13a-16 OR 15d-16**
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the Month of May 2022**

**Commission File Number: 001-38547**

# Autolus Therapeutics plc
**(Translation of registrant's name into English)**

**The MediaWorks**
**191 Wood Lane**
**London W12 7FP**
**United Kingdom**
**(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:
x Form 20-F ☐ Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

## INCORPORATION BY REFERENCE

The Company's Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2022, included as Exhibit 99.1 of this Report on Form 6-K (the "Report") and the Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three Months Ended March 31, 2022, included as Exhibit 99.2 of this Report, and the updated taxation disclosure included as Exhibit 99.3 of this Report shall be deemed to be incorporated by reference into the registration statements on Form S-8 (File No. 333-226457), Form F-3 (File No. 333-232690), Form F-3 (File No. 333-258556), Form F-3 (File No. 333-264304), and Form F-3 (File No. 333-264650) of Autolus Therapeutics plc (the "Company") and any related prospectuses, as such registration statements and prospectuses may be amended from time to time, and to be a part thereof from the date on which this Report is filed, to the extent not superseded by documents or reports subsequently furnished.

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "expect," "plan," "anticipate," "estimate," "intend" and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These forward-looking statements are based on the Company's expectations and assumptions as of the date of this Report. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward-looking statements. For a discussion of risk factors that may cause the Company's actual results to differ from those expressed or implied in the forward-looking statements in this Report, you should refer to the Company's filings with the U.S. Securities and Exchange Commission (the "SEC"), including the "Risk Factors" sections contained therein. Except as required by law, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing the Company's views as of any date subsequent to the date of this Report.

***Taxation Update***

On April 15, 2022, the Company filed with the SEC a preliminary prospectus as part of a registration statement on Form F-3 (File No. 333-264304) (the "Preliminary Prospectus"). The Preliminary Prospectus contains a updated disclosure regarding material tax consequences to U.S. and U.K. shareholders in the section titled "Taxation," which is attached hereto as Exhibit 99.3 and incorporated herein by reference. The Company is filing the updated taxation disclosure for the purpose of supplementing and updating the description of material tax consequences to U.S. and U.K. shareholders and contained in the Company's prior public filings with the SEC, including those discussed under the heading "Item 10.E. Taxation" in the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on March 10, 2022. The updated disclosures are filed herewith as Exhibit 99.3 and are incorporated herein by reference.

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Unaudited Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2022 |
| 99.2 | Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three Months Ended March 31, 2022 |
| 99.3 | Taxation disclosure included in Autolus' Preliminary Prospectus dated April 15, 2022 to the Registration Statement on Form F-3 (File No. 333-264304) |
| 101 | The following materials from this Report on Form 6-K are formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three Months ended March 31, 2022 and 2021 (Unaudited), (ii) Condensed Consolidated Balance Sheets as at March 31, 2022 and December 31, 2021 (Unaudited), (iii) Condensed Consolidated Statements of Changes in Shareholders' Equity for the Three Months ended March 31, 2022 and 2021 (Unaudited), (iv) Condensed Consolidated Statements of Cash Flows for the Three Months ended March 31, 2022 and 2021 (Unaudited), and (v) Notes to Condensed Consolidated Financial Statements (Unaudited). |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Autolus Therapeutics plc**

Date: May 5, 2022

By: /s/ Christian Itin

Name Christian Itin, Ph.D.

Title: Chief Executive Officer

**Exhibit 99.1**

**INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Condensed Consolidated Balance Sheets (Unaudited)**
(In thousands, except share and per share amounts)

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| **Assets** | | |
| **Current assets:** | | |
| Cash | $ 268,558 | $ 310,338 |
| Restricted cash | 334 | 338 |
| Prepaid expenses and other assets, current | 40,571 | 36,276 |
| **Total current assets** | **309,463** | **346,952** |
| Property and equipment, net | 31,017 | 33,541 |
| Prepaid expenses and other non-current assets | 2,119 | 2,362 |
| Operating lease right-of-use assets | 17,366 | 18,775 |
| Long-term deposits | 1,983 | 2,039 |
| Deferred tax asset | 2,000 | 1,826 |
| Intangible assets, net | 46 | 65 |
| **Total assets** | **$ 363,994** | **$ 405,560** |
| **Liabilities and shareholders' equity** | | |
| **Current liabilities:** | | |
| Accounts payable | 153 | 431 |
| Accrued expenses and other liabilities | 24,513 | 23,667 |
| Operating lease liabilities | 4,174 | 4,453 |
| **Total current liabilities** | **28,840** | **28,551** |
| Operating lease liabilities, net of current portion | 15,081 | 16,545 |
| Liability related to sale of future royalties and sales milestones, net | 48,806 | 47,016 |
| Other long-term payables | 124 | 128 |
| **Total liabilities** | **92,851** | **92,240** |
| Commitments and contingencies (Note 11) | | |
| **Shareholders' equity:** | | |
| Ordinary shares, $0.000042 par value; 200,000,000 shares authorized as of March 31, 2022 and December 31, 2021; 90,907,941 and 90,907,830, shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively | 4 | 4 |
| Deferred shares, £0.00001 par value; 34,425 shares authorized, issued and outstanding at March 31, 2022 and December 31, 2021 | — | — |
| Deferred B shares, £0.00099 par value; 88,893,548 shares authorized, issued and outstanding at March 31, 2022 and December 31, 2021 | 118 | 118 |
| Deferred C shares, £0.000008 par value; 1 share authorized, issued and outstanding at March 31, 2022 and December 31, 2021 | — | — |
| Additional paid-in capital | 845,448 | 843,108 |
| Accumulated other comprehensive loss | (16,025) | (8,570) |
| Accumulated deficit | (558,402) | (521,340) |
| **Total shareholders' equity** | **271,143** | **313,320** |
| **Total liabilities and shareholders' equity** | **$ 363,994** | **$ 405,560** |

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

**Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)**

(In thousands, except share and per share amounts)

| | Three Months Ended March 31, | |
|---|---|---|
| | **2022** | **2021** |
| Grant income | $ 166 | $ 269 |
| | | |
| **Operating expenses:** | | |
| Research and development | (33,963) | (30,731) |
| General and administrative | (7,987) | (8,738) |
| Loss on disposal of leasehold improvements | — | (672) |
| **Total operating expenses, net** | **(41,784)** | **(39,872)** |
| **Other income (expense):** | | |
| Interest income | 28 | 44 |
| Other income, net | 860 | 838 |
| Interest expense | (1,790) | — |
| **Total other (expense) income, net** | **(902)** | **882** |
| **Net loss before income tax** | **(42,686)** | **(38,990)** |
| Income tax benefit | 5,624 | 5,724 |
| **Net loss attributable to ordinary shareholders** | **(37,062)** | **(33,266)** |
| **Other comprehensive (loss) income:** | | |
| Foreign currency exchange translation adjustment | (7,455) | 1,273 |
| **Total comprehensive loss** | **$ (44,517)** | **$ (31,993)** |
| | | |
| Basic and diluted net loss per ordinary share | $ (0.41) | $ (0.53) |
| Weighted-average basic and diluted ordinary shares | 90,914,175 | 62,447,606 |

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

## Condensed Consolidated Statements of Shareholders' Equity (Unaudited)

(In thousands, except share amounts)

| | Ordinary Shares | | Deferred Shares | | Deferred B Shares | | Deferred C Shares | | Additional Paid in Capital | Accumulated other comprehensive loss | Accumulated deficit | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | | | | |
| **Balance at December 31, 2021** | **90,907,830** | **$ 4** | **34,425** | **$ —** | **88,893,548** | **$ 118** | **1** | **$ —** | **$ 843,108** | **$ (8,570)** | **$ (521,340)** | **$ 313,320** |
| Share-based compensation expense | — | — | — | — | — | — | — | — | 2,340 | — | — | 2,340 |
| Exercise of share options | 111 | — | — | — | — | — | — | — | — | — | — | — |
| Unrealized loss on foreign currency translation | — | — | — | — | — | — | — | — | — | (7,455) | — | (7,455) |
| Net loss | — | — | — | — | — | — | — | — | — | — | (37,062) | (37,062) |
| **Balance at March 31, 2022** | **90,907,941** | **$ 4** | **34,425** | **$ —** | **88,893,548** | **$ 118** | **1** | **$ —** | **$ 845,448** | **$ (16,025)** | **$ (558,402)** | **$ 271,143** |

| | Ordinary Shares | | Deferred Shares | | Deferred B Shares | | Deferred C Shares | | Additional Paid in Capital | Accumulated other comprehensive loss | Accumulated deficit | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | | | | |
| **Balance at December 31, 2020** | **52,346,231** | **$ 3** | **34,425** | **$ —** | **88,893,548** | **$ 118** | **1** | **$ —** | **$ 595,016** | **$ (5,861)** | **$ (379,244)** | **$ 210,032** |
| Issuance of ordinary shares, net of issuance costs | 18,147,078 | — | — | — | — | — | — | — | 122,198 | — | — | 122,198 |
| Reversal of share-based compensation expense | — | — | — | — | — | — | — | — | (670) | — | — | (670) |
| Vesting of restricted stock | 21,500 | — | — | — | — | — | — | — | — | — | — | — |
| Exercise of share options | 545 | — | — | — | — | — | — | — | — | — | — | — |
| Unrealized loss on foreign currency translation | — | — | — | — | — | — | — | — | — | 1,273 | — | 1,273 |
| Net loss | — | — | — | — | — | — | — | — | — | — | (33,266) | (33,266) |
| **Balance at March 31, 2021** | **70,515,354** | **$ 3** | **34,425** | **$ —** | **88,893,548** | **$ 118** | **1** | **$ —** | **$ 716,544** | **$ (4,588)** | **$ (412,510)** | **$ 299,567** |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

## Condensed Consolidated Statements of Cash Flows (Unaudited)

(In thousands)

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Cash flows from operating activities:** | | |
| Net loss | $ (37,062) | $ (33,266) |
| **Adjustments to reconcile net loss to net cash used in operating activities:** | | |
| Depreciation and amortization | 2,067 | 1,662 |
| Non-cash share-based compensation | 2,340 | (670) |
| Non-cash interest expense | 1,790 | — |
| Loss on termination of operating lease | — | 11 |
| Loss on disposal of fixed assets and intangible assets | — | 672 |
| Deferred income tax | (174) | (280) |
| **Changes in operating assets and liabilities:** | | |
| Prepaid expenses and other current assets | (5,429) | (5,050) |
| Prepaid expenses and other non-current assets | 180 | 163 |
| Long-term deposits | — | 811 |
| Accounts payable | (272) | 1,085 |
| Operating lease right of use assets, net | 904 | (902) |
| Accrued expenses and other liabilities | 1,890 | (1,649) |
| Current and non-current operating lease liabilities | (1,264) | 70 |
| **Net cash used in operating activities** | **(35,030)** | **(37,343)** |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | (771) | (1,900) |
| **Net cash used in investing activities** | **(771)** | **(1,900)** |
| **Cash flows from financing activities:** | | |
| Proceeds of issuance of ordinary shares | — | 130,897 |
| Payments of equity issuance costs | (1) | (7,573) |
| **Net cash (used in) provided by financing activities** | **(1)** | **123,324** |
| Effect of exchange rate changes on cash and restricted cash | (5,982) | 1,632 |
| **Net increase (decrease) in cash and restricted cash** | **(41,784)** | **85,713** |
| **Cash and restricted cash, beginning of period** | **310,676** | **154,085** |
| **Cash and restricted cash, end of period** | **$ 268,892** | **$ 239,798** |
| | | |
| **Supplemental non-cash flow information** | | |
| Property and equipment purchases included in accounts payable and accrued expenses | $ 593 | $ 569 |
| Capitalized implementation costs included in accrued expenses | $ — | $ 190 |
| Issuance costs included in accounts payable and accrued expenses | $ 16 | $ 1,124 |
| Lease assets terminated | $ — | $ 28,517 |
| | | |
| **Reconciliation of cash and restricted cash reported within the condensed consolidated balance sheets:** | | |
| Cash | $ 268,558 | $ 239,012 |
| Restricted cash | 334 | 786 |
| **Total cash and restricted cash** | **$ 268,892** | **$ 239,798** |

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

**Note 1. Nature of the Business**

Autolus Therapeutics plc (the “Company”) is a biopharmaceutical company developing next-generation programmed T cell therapies for the treatment of cancer. Using its broad suite of proprietary and modular T cell programming technologies, the Company is engineering precisely targeted, controlled and highly active T cell therapies that are designed to better recognize cancer cells, break down their defense mechanisms and attack and kill these cells. The Company believes its programmed T cell therapies have the potential to be best-in-class and offer cancer patients substantial benefits over the existing standard of care, including the potential for cure in some patients.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional capital to fund operations. Product candidates currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company’s product development efforts are successful, it is uncertain when, if ever, the Company will realize revenue from its product sales.

The Company has funded its operations primarily with proceeds from the sale of its equity securities and more recently, from strategic financing arrangements and collaborations. The Company has incurred recurring losses since its inception, including net losses of $37.1 million and $33.3 million for the three months ended March 31, 2022 and 2021, respectively. The Company had an accumulated deficit of $558.4 million and $521.3 million as of March 31, 2022 and December 31, 2021, respectively. The Company expects to continue to generate operating losses for the foreseeable future. As of the date these financial statements are issued, the Company expects that its cash on hand at March 31, 2022 of $268.6 million will be sufficient to fund the Company’s operations for at least twelve months from the issuance date of these unaudited condensed consolidated financial statements. The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations. The Company’s inability to raise additional capital as and when needed could have a negative impact on its financial condition and ability to pursue its business strategies. There can be no assurances, however, that the Company's current operating plans will be achieved or that the Company can obtain additional funding on terms acceptable to the Company, or at all.

***Blackstone Agreements***

On November 6, 2021, the Company concurrently entered into the following agreements with BXLS V - Autobahn L.P, ("Blackstone"): (i) Strategic Collaboration and Financing Agreement (the “Blackstone Collaboration Agreement"), (ii) Securities Purchase Agreement (the “Blackstone Securities Purchase Agreement”), (iii) Warrant Agreement (the “Blackstone Warrant”) and (iv) a Registration Rights Agreement (the “Blackstone Registration Rights Agreement”). The Blackstone Collaboration Agreement, the Blackstone Securities Purchase Agreement, the Blackstone Warrant and the Blackstone Registration Rights Agreement are collectively referred to as the "Blackstone Agreements". The Blackstone Agreements were entered into and in contemplation of one another and, accordingly, the Company assessed the accounting for the Blackstone Agreements in the aggregate.

*Blackstone Collaboration Agreement*

Pursuant to the Blackstone Collaboration Agreement, Blackstone agreed to pay the Company up to $150 million to support the continued development of the Company's CD19 CAR T cell investigational therapy product candidate, obecabtagene autoleucel (obe-cel), as well as next generation product therapies of obe-cel in B-cell malignancies. The first $50 million was paid by Blackstone as an upfront payment and the remainder (up to $100 million) will be payable to the Company upon the achievement of certain specified clinical, manufacturing and regulatory milestones (each such payment, a “Blackstone Development Payment” and collectively, the "Blackstone Development Payments"). For further details of the Blackstone Collaboration Agreement, see Note 9, “Liability related to future sale of royalties and sales milestones, net".

*Blackstone Securities Purchase Agreement*

Pursuant to the Blackstone Securities Purchase Agreement, the Company sold 17,985,611 American Depositary Shares, ("ADSs") representing 17,985,611 ordinary shares, at a private placement price of $5.56 per ADS to Blackstone resulting in gross proceeds of $100 million. The Company received aggregate net proceeds of $98.0 million, after deducting its costs and issuance expenses. On April 15, 2022, pursuant to the Blackstone Registration Rights Agreement, the Company filed a registration statement with the Securities and Exchange Commission (the “SEC”) for the purpose of registering the ordinary shares underlying the ADSs issued to Blackstone pursuant to the Blackstone Securities Purchase Agreement and the ordinary shares underlying the ADSs to be issued to Blackstone upon valid exercise of the Blackstone Warrant.

*Blackstone Warrant Agreement*

Pursuant to the Blackstone Warrant, the Company issued Blackstone a warrant to purchase up to 3,265,306 ADSs representing 3,265,306 of the Company's ordinary shares, at an exercise price of $7.35 per ADS. The Blackstone Warrant is exercisable in whole or in part until November 6, 2026.

***Impact of COVID-19 Pandemic***

While the Company has not experienced any significant financial impact to date, as a result of the ongoing coronavirus 2019 ("COVID-19") pandemic, the overall disruption caused by the COVID-19 pandemic on global healthcare systems, and the other risks and uncertainties associated with the pandemic, could cause its business, financial condition, results of operations and growth prospects to be materially adversely affected.

The Company implemented a COVID-19 surveillance testing program available to Company staff who work on-site at the Company's U.K. facility to minimize the spread of COVID-19 pandemic within the Company. The Company continues to track COVID-19 developments in Europe and the United States closely for their potential impact on the Company's clinical trial sites, contract research organizations, logistics and supply chain to ensure it can continue to maintain clinical trial conduct and data integrity. As the patients in the Company's clinical trials are severely immune suppressed as a consequence of their underlying disease and the treatment they receive in the trials, the Company is also monitoring other transmissible infectious diseases, including influenza.

The Company is not aware of any specific event or circumstance that has impacted on its operations in a manner which would require the Company to update its estimates, judgments or revise the carrying value of its assets or liabilities during the three months ended March 31, 2022. However, these estimates may change, as new events occur and additional information is obtained, relating to the COVID-19 pandemic or otherwise. Changes in estimates would be recognized in the unaudited condensed consolidated financial statements as soon as they become known.

**Note 2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements include those of the Company and its wholly owned subsidiaries, Autolus Limited, Autolus Inc. and Autolus GmbH, and have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All intercompany accounts and transactions have been eliminated upon consolidation. The significant accounting policies used in preparation of these unaudited condensed consolidated financial statements are consistent with those discussed in Note 2, "Summary of Significant Accounting Policies" in the Company's Annual Report on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on March 10, 2022 (the "Annual Report").

In the opinion of management, all adjustments considered necessary to present fairly the results of the interim periods have been included and consist only of normal and recurring adjustments. Certain information and footnote disclosures have been condensed or omitted as permitted under U.S. GAAP. The results for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022, any other interim periods, or any future year or period. As such, the information included in these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2021, included in the Annual Report.

***Recent Accounting Pronouncements Not Yet Adopted***

There are no new accounting pronouncements that have been issued by the Financial Accounting Standards Board, "FASB", that are applicable to the Company.

**Note 3. Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following (in thousands):

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| Research and development claims receivable | $ 28,508 | $ 23,678 |
| Prepayments | 7,770 | 8,713 |
| VAT receivable | 2,403 | 1,849 |
| Lease and lease deposit receivable | 54 | 68 |
| Other asset | 83 | 240 |
| Grant income receivable | 487 | 384 |
| Other receivable | 396 | 271 |
| Deferred cost | 870 | 1,073 |
| **Total prepaid expenses and other current assets** | **$ 40,571** | **$ 36,276** |

**Note 4. Property and Equipment, Net**

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

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| Lab equipment | $ 33,267 | $ 34,091 |
| Office equipment | 3,376 | 3,463 |
| Furniture and fixtures | 1,326 | 1,363 |
| Leasehold improvements | 14,500 | 14,904 |
| Assets under construction | 2,632 | 2,436 |
| Less: accumulated depreciation and impairment | (24,084) | (22,716) |
| **Total property and equipment, net** | **$ 31,017** | **$ 33,541** |

Depreciation expense for the three months ended March 31, 2022 and 2021 was $2.0 million and $1.8 million, respectively.

**Note 5. Accrued Expenses and Other Liabilities**

Accrued expenses and other liabilities consisted of the following (in thousands):

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| Compensation and benefits | $ 7,517 | $ 8,747 |
| Research and development costs | 13,712 | 11,311 |
| Professional fees | 3,008 | 3,449 |
| Other liabilities | 277 | 160 |
| **Total accrued expenses and other liabilities** | **$ 24,513** | **$ 23,667** |

**Note 6. Shareholders' Equity**

***Ordinary Shares***

The Company is a public limited company incorporated in England and Wales. On June 22, 2018, the Company completed its initial public offering ("IPO") of ordinary shares in the form of ADSs.

Each holder of ordinary shares is entitled to one vote per ordinary share and to receive dividends when and if such dividends are recommended by the Company's board of directors and declared by the shareholders. As of March 31, 2022, the Company has not declared any dividends.

On February 12, 2021, the Company completed an underwritten public offering of 14,285,715 ADSs, which included the full exercise by the underwriters to purchase an additional 2,142,857 ADSs, at a public offering price of $7.00 per ADS. Aggregate net proceeds to the Company, after deducting underwriting discounts and offering expenses, were $106.9 million.

In November 2021, pursuant to the Blackstone Securities Purchase Agreement, the Company sold 17,985,611 ADSs representing 17,985,611 ordinary shares, in a private placement price at a price of $5.56 per ADS to Blackstone resulting in gross proceeds of $100 million. The Company received aggregate net proceeds of $98.0 million, after deducting issuance expenses.

As of March 31, 2022 the Company's issued and outstanding share capital consisted of (i) 90,907,941 ordinary shares, with a nominal value of $0.000042 per share, (ii) 34,425 deferred shares, with a nominal value of £0.00001 per share, (iii) 88,893,548 B deferred shares, with a nominal value of £0.00099 per share and (iv) 1 C deferred share, with a nominal value of £0.000008. Each issued share has been fully paid. As at March 31, 2022, 62,040 ordinary shares underlying restrictive stock unit awards have vested however, these restricted stock unit awards have not been issued and, as such are not included in the Company's outstanding shares at March 31, 2022.

***Open Market Sale Agreement***

In September 2020, the Company entered into a Sale Agreement ("Sales Agreement") with Jefferies LLC (Jefferies), under which the Company may, at its option, offer and sell ADSs having an aggregate offering price of up to $100 million from time to time through Jefferies, acting as sales agent. Any such sales made through Jefferies can be made by any method that is deemed an "at-the-market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or in other transactions pursuant to an effective shelf registration statement on Form F-3. The Company agreed to pay Jefferies a commission of 3.0% of the gross proceeds of any sales of ADSs sold pursuant to the Sales Agreement. During the three months ended March 31, 2022, the Company did not issue any ADSs under the Sales Agreement.

During the year ended December 31, 2021, the Company issued an aggregate of 3,787,972 ADSs under the Sales Agreement for net proceeds, after deducting underwriting discounts and offering expenses of $29.6 million.

As of March 31, 2022, $69.1 million worth of ADSs remained available for sale under the "at the market" equity offering program.

**Note 7. Share-based Compensation**

As at March 31, 2022, 62,040 ordinary shares underlying restricted stock unit awards have vested; however, the shares underlying these restricted stock unit awards have not been issued and, as such, are not included in the Company's outstanding shares at March 31, 2022.

***Share-based Compensation Expense***

Share-based compensation expense recorded as research and development expenses, general and administrative expenses is as follows (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| Research and development | $ 1,384 | $ (1,654) |
| General and administrative | 956 | 984 |
| **Total share-based compensation** | **$ 2,340** | **$ (670)** |

**Note 8. Net loss per share**

Basic and diluted net loss per share attributable to ordinary shareholders was calculated as follows (in thousands, except share and per share amounts):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| Numerator | | |
| Net loss | $ (37,062) | $ (33,266) |
| Net loss attributable to ordinary shareholders - basic and diluted | **$ (37,062)** | **$ (33,266)** |
| | | |
| Denominator | | |
| Weighted-average number of ordinary shares used in net loss per share - basis and diluted | 90,914,175 | 62,447,606 |
| Net loss per share - basic and diluted | **$ (0.41)** | **$ (0.53)** |

For all periods presented, outstanding but unvested restricted shares and share options have been excluded from the calculation, because their effects would be anti-dilutive. Therefore, the weighted average shares outstanding used to calculate both basic and diluted loss per share are the same for all periods presented.

The following potentially dilutive securities have been excluded from the calculation of diluted net loss per share due to their anti-dilutive effect:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| Unvested restricted incentive shares and units | 1,023,810 | 1,360,159 |
| Share options | 8,407,272 | 6,881,620 |
| Warrants | 3,265,306 | — |
| **Total** | **12,696,388** | **8,241,779** |

**Note 9. Liability related to sales of future royalties and sales milestones, net**

The carrying amount of the Blackstone Collaboration Agreement liability is based on the Company's estimate of the future royalties and sale milestones to be paid to Blackstone over the life of the Blackstone Collaboration Agreement as discounted using an effective interest rate. The excess of future estimated royalty and sale milestone payments over the initial $45.9 million of allocated consideration, less issuance costs, is recognized as non-cash interest expense using the effective interest method. The imputed rate of interest on the unamortized portion of the Blackstone Collaboration Agreement liability was approximately 15.80% as of March 31, 2022.

On a quarterly basis, the Company will assess the amount and timing of expected royalty and sale milestone payments using a combination of internal projections and forecasts from external sources. To the extent such payments are greater or less than its initial estimates or the timing of such payments is materially different than its original estimates, the Company will adjust the amortization of the Blackstone Collaboration Agreement liability and the effective interest rate using the catch-up method.

There are a number of factors that could materially affect the amount and timing of royalty and milestone payments, most of which are not within the Company's control. The Blackstone Collaboration Agreement liability is recognized using significant unobservable inputs. These inputs are derived using internal management estimates developed based on third party data and reflect management's judgements, current market conditions surrounding competing products, and forecasts. The significant unobservable inputs include the estimated patient population, estimated selling price, estimated peak sales and sales ramp, the expected term of the royalty stream, timing of the expected launch and its impact on the royalty rate as well as the overall probability of a success. A significant change in unobservable inputs could result in a material increase or decrease to the effective interest rate of the Blackstone Collaboration Agreement liability.

The following table shows the activity within the liability related to the sale of future royalties and sales milestones for the three month period ended March 31, 2022 (in thousands):

| | | March 31, 2022 |
|---|---|---|
| Balance as of December 31, 2021 | $ | 47,016 |
| Non-cash interest expense on liability related to sale of future royalties and sales milestones | | 1,790 |
| **Balance as of March 31, 2022** | **$** | **48,806** |

**Note 10. Leases**

The Company leases certain office space, laboratory space, and equipment. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present.

***Operating Leases***

In September 2017, the Company executed an arrangement with Catapult Limited to lease a manufacturing suite at the Cell and Gene Therapy Catapult manufacturing center in Stevenage, United Kingdom for a term through May 2021, at which time the Company had the option to renew or terminate the lease. The lease had a six-month rent-free period. In December 2018, the Company executed an additional lease arrangement for additional manufacturing space for a term through September 2023, at which time the Company has the option to renew or terminate the lease.

In October 2018, the Company executed an agreement to sublease office space in Rockville, Maryland for a term through October 2021. The Company then terminated the sublease in February 2020 and immediately entered into a five-year lease for the same space with the landlord. The lease related to this facility is classified as an operating lease.

In January 2019, the Company executed a lease agreement with Whitewood Media Village GP Limited and Whitewood Media Village Nominee Limited to lease the fifth floor of MediaWorks including laboratory space. The Company has the option to terminate the lease in November 2026. In August 2021, MediaWorks became the Company's main corporate headquarters. The lease term is nine years and eleven months with an eighteen-month rent free period at the beginning of the lease term.

In January 2019, the Company executed a lease agreement to lease additional office and manufacturing space in Rockville, Maryland. The lease agreement required the Company to enter into a lease provided that the landlord completed the required leasehold improvements described in the agreement. The lease commenced in August 2020 for a term through June 2036. In March 2021, the Company announced plans to move the site of its global manufacturing headquarters to the United Kingdom from the United States. As a part of this strategy, the Company entered into a termination agreement with the landlord of its Rockville, Maryland property to terminate the lease for office and manufacturing space.

In February 2019 the Company entered into a fifteen-year lease for three manufacturing units in Enfield, United Kingdom with option to terminate the lease in February 2029. In addition to base rent, the Company is obligated to pay its proportionate share of building operating expenses and real estate taxes in excess of base year amounts. In March 2021, the Company surrendered one of the units. Upon the surrender, the Company recognized a $0.1 million gain in other (expense) income after recognizing a termination fee of $0.2 million. The Company has no further obligations for the surrendered unit and the right of use asset and lease liability which were recorded for this unit have been written off in the period. The Company subleased two of the three units to two third parties with lease terms ranging from October, 2021 to February 2029 and October 2026, respectively. The Company is actively seeking to sublease or assign the lease arrangements relating to the final unit to a third party. The Company completed an asset impairment analysis of the right-of-use lease concluding the undiscounted cash flows exceeded the carrying value as of March 31, 2022.

In May 2020, the Company executed an arrangement with Catapult Limited to lease a manufacturing suite at the Cell and Gene Therapy Catapult manufacturing center in Stevenage, United Kingdom for a term through April 2024.

The following table contains a summary of the lease costs recognized under ASU 2016-02 and other information pertaining to the Company's operating leases for the three months ended March 31, 2022 and 2021 (in thousands):

| Lease costs | Statement of Operations Classification | Three Months Ended March 31, 2022 | 2021 |
|---|---|---|---|
| Operating lease costs | Operating expenses: research and development | $ 987 | $ 1,572 |
| Variable costs | Operating expenses: research and development | 119 | 317 |
| Short term lease costs | Operating expenses: research and development | 27 | 41 |
| Operating lease costs | Operating expenses: general and administrative | 272 | 60 |
| Variable costs | Operating expenses: general and administrative | 15 | 250 |
| Short term lease costs | Operating expenses: general and administrative | 10 | 14 |
| **Total lease costs** | | **$ 1,430** | **$ 2,254** |

| Other information | Three Months Ended March 31, 2022 | 2021 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash outflows from operating leases (in thousands) | $ 1,619 | $ 1,034 |
| Right-of-use assets obtained in exchange for new operating lease liabilities (in thousands) | $ — | $ (39,081) |
| Weighted-average remaining lease term - operating leases (in years) | 5.50 years | 5.80 years |
| Weighted-average discount rate - operating leases | 7.15 % | 6.70 % |

Future fixed payments for non-cancellable operating leases in effect as of March 31, 2022 are payable as follows: (in thousands):

| | |
|---|---|
| 2022 | $ |
| 2023 | |
| 2024 | |
| 2025 | |
| 2026 | |
| Thereafter | |
| Total lease payments | **$** |
| Less: imputed interest | $ |
| **Present value of lease liabilities** | **$** |

*Sublease Agreements*

In October 2021, the Company entered into two separate sublease agreements with third parties for two manufacturing units in Enfield, United Kingdom which are currently leased by the Company. The annual lease payments to be received for each of subleased units is $97,000 and $109,000, over lease terms from October 2021 to February 2029 and October 2026, respectively. The Company received $127,000 in rental deposits, arising from the sublease agreements which have been classified as restricted cash as of March 31, 2022. Both subleases have been classified as operating leases. The Company recognize sublease payments on a straight-line basis from the commencement of the sublease agreements.

The following table shows the sublease rental income for the three months ended March 31, 2022 and 2021 (in thousands):

| Sublease rental income | Statement of Operations Classification | Three Months Ended March 31, 2022 | 2021 |
|---|---|---|---|
| Sublease rental income | Other income, net | 65 | — |
| **Total sublease rental income** | | **$ 65** | **$ —** |

Future fixed receipts for non-cancellable operating subleases in effect as of March 31, 2022 are receivable as follows (in thousands):

| | |
|---|---|
| 2022 | $ 203 |
| 2023 | 270 |
| 2024 | 270 |
| 2025 | 270 |
| 2026 | 211 |
| Thereafter | 237 |
| **Total lease payments receivable** | **$ 1,461** |

**Note 11. Commitments and Contingencies**

***License Agreements***

The Company has entered into an exclusive license agreement with UCL Business Ltd, ("UCLB") which has subsequently been amended and restated. In connection with the UCLB license agreement, the Company is required to make annual license payments and may be required to make payments to UCLB upon the achievement of specified milestones.

In November 2019, the Company entered into an exclusive license agreement with Noile-Immune Biotech Inc. ("Noile") under which the Company will have the right to develop CAR T cell therapies incorporating Noile's PRIME (proliferation-inducing and migration-enhancing) technology. The Company may be obligated to make additional payments to Noile upon the achievement of development milestones and receipt of regulatory approvals product sale milestones, as well as royalty payments based on possible future sales resulting from the utilization of the licensed technology.

The Company has estimated the probability of the Company achieving each potential milestone in relation to the UCLB and Niole License Agreements in accordance with ASC 450, *Contingencies*. The Company concluded that, as of March 31, 2022, there were no milestones for which the likelihood of achievement was currently probable.

***Legal Proceedings***

From time to time, the Company may be a party to litigation or subject to claims incident to the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors. The Company was not a party to any litigation and did not have contingency reserves established for any liabilities as of March 31, 2022 and December 31, 2021.

***Blackstone Strategic Collaboration and Financing Agreement***

Refer to Note 9, "Liability related to sales of future royalties and sales milestone, net" for further details to the Blackstone Collaboration Agreement.

***Leases***

Lease payments under operating leases as of March 31, 2022 and information about the Company's lease arrangements are disclosed in Note 10, "Leases".

**Note 12. Employee Benefit Plans and Severance Plan**

During January 2021, there was a restructuring program executed by the Company leading to a reduction in workforce resulting in a corresponding severance charge of $1.2 million which has been presented on proportionate basis with research and development expenses and general and administration expenses.

**Note 13. Related parties**

**Blackstone Agreements**

In November, 2021, the Company concurrently entered into the Blackstone Agreements. Subsequent to the execution of the Blackstone Agreements, Blackstone became a related party of the Company. Blackstone owns more than 10% of the Company's outstanding voting securities and is therefore one of the principal owners of the Company. In addition, Blackstone received the right to nominate one director to the board of directors of the Company. For further details of the Blackstone Collaboration Agreement, see Notes 1 and 9 for further details.

As of March 31, 2022, the carrying amount of the Blackstone Collaboration Agreement liability was $48.8 million which included non-cash interest of $2.9 million. Refer to Note 9, "Liability related to sales of future royalties and sales milestone, net" for further details.

**Syncona Portfolio Limited**

Syncona Portfolio Limited is a related party of the Company as Syncona Portfolio Limited owns more than 10% of the Company's outstanding voting securities and is therefore one of the principal owners of the Company. In addition, the chief executive officer of the ultimate parent company of Syncona Portfolio Limited is also member of the board of directors of the Company.

In the Company's February 2021 follow-on public offering, Syncona Portfolio Limited purchased 3,571,428 ADSs from the underwriters at the public offering price of $7.00 per share, and on the same terms as other investors in the February 2021 follow-on offering. This purchase was made through the underwriters at the public offering price.

**Note 14. Subsequent Events**

The Company evaluated subsequent events through May 5, 2022, the date on which these financial statements were issued. The Company has concluded that no subsequent event has occurred that requires disclosure.

**Exhibit 99.2**

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

*The following discussion and analysis of our financial condition and results of operations should be read together with the unaudited condensed consolidated financial statements and the related notes to those statements included as Exhibit 99.1 to this Report on Form 6-K submitted to the Securities and Exchange Commission, or the SEC, on May 5, 2022. We also recommend that you read our discussion and analysis of financial condition and results of operations together with our audited financial statements and the notes thereto, which appear in our Annual Report on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission, or the SEC on March 10, 2022.*

*We maintain our books and records in pounds sterling, our results are subsequently converted to U.S. dollars and we prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, as issued by the Financial Accounting Standards Board, or FASB. All references in this Report on Form 6-K to "$" are to U.S. dollars and all references to "£" are to pounds sterling. Our consolidated statements of operations for the three months ended March 31, 2022 and 2021 have been translated from pounds sterling into U.S. dollars at the rate of £1.00 to $1.3417 and £1.00 to $1.3787, respectively. Our consolidated statements of cash flows as of March 31, 2022 and 2021 have been translated from pounds sterling into U.S. dollars at the rate of £1.00 to $1.3417 and £1.00 to $1.3787 respectively. Our consolidated balance sheets as of March 31, 2022 and December 31, 2021 have been translated from pounds sterling into U.S. dollars at the rate of £1.00 to $1.3133 and £1.00 to $1.3510, respectively. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or any other exchange rate as of that or any other date.*

*Unless otherwise indicated or the context otherwise requires, all references to "Autolus," the "Company," "we," "our," "us" or similar terms refer to Autolus Therapeutics plc and its consolidated subsidiaries.*

*The statements in this discussion regarding our expectations regarding our future performance, liquidity and capital resources and other non-historical statements are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the risks and uncertainties set forth in the "Risk Factors" section of our Annual Report and any subsequent reports that we file with the SEC.*

### Overview

We are a biopharmaceutical company developing next-generation programmed T cell therapies for the treatment of cancer. Using our broad suite of proprietary and modular T cell programming technologies, we are engineering precisely targeted, controlled and highly active T cell therapies that are designed to better recognize cancer cells, break down their defense mechanisms and attack and kill these cells. We believe our programmed T cell therapies have the potential to be best-in-class and offer cancer patients substantial benefits over the existing standard of care, including the potential for cure in some patients.

Since our inception, we have incurred significant operating losses. For the three months ended March 31, 2022 and 2021, we incurred net losses of $37.1 million and $33.3 million, respectively, and had an accumulated deficit of $558.4 million as of March 31, 2022.

As of March 31, 2022, we had cash on hand of $268.6 million. Based on our current clinical development plans, we believe our existing cash and cash equivalents will be able to fund our current and planned operating expenses and capital expenditure requirements through at least the next 12 months from the date of issuance of our unaudited condensed consolidated financial statements.

### Recent Developments

*Update on Felix Study*

During the quarter ended March 31, 2022, our Phase 2 clinical trial designed to evaluate our lead gene therapy obecabatagene autoleucel (obe-cel), a CD19-directed autologous chimeric antigen receptor (CAR) T therapy in patients with relapsed/refractory adult B-cell acute lymphoblastic leukemia, referred to as the FELIX study, passed its pre-specified futility analysis based on results assessed by an independent response review committee. As previously guided, the morphological cohort is expected to complete patient

enrollment in 2022 with initial data expected to be reported in 2022 and final data in first half of 2023. Assuming positive outcome from the FELIX study, this data is expected to form the basis of a planned Biologics License Application, or BLA, submission by us.

We plan to evaluate a separate cohort of up to 50 additional patients with Minimal Residual Disease (MRD). The additional data aims to establish the profile of obe-cel in patients across all levels of disease burden in adult ALL.

In March 2022, obe-cel was granted Orphan Medical Product Designation by the European Medicines Agency, or EMA, for the treatment of ALL, and obe-cel previously received Orphan Drug Designation by the U.S. Food and Drug Administration, or the FDA, for B-cell acute lymphoblastic leukemia, or B-ALL.

In April 2022, the FDA granted Regenerative Medicine Advanced Therapy, or RMAT, designation to obe-cel. The FDA grants RMAT designation to drug candidates in recognition of the therapy's potential to address significant unmet medical needs in patients with serious or life-threatening conditions. RMAT designation provides important benefits in the drug development process, designed to facilitate and expedite development and regulatory review. Obe-cel has also received PRIME designation from EMA and the Innovative Licensing and Access Pathway from the Medicines and Healthcare products Regulatory Agency in the United Kingdom.

*Upcoming Conferences*

On May 2, 2022, we announced the online publication of three abstracts submitted to the American Society of Gene & Cell Therapy (ASGCT) to be held May 16-19, 2022. The three abstracts focus on Autolus' modular approach to CAR T product development, using innovative technology to improve our pipeline of precise, controlled and highly active products.

*COVID-19 impact on our business*

While we have not experienced any significant financial impact to date, as a result of the ongoing coronavirus 2019 ("COVID-19") pandemic, the overall disruption caused by the COVID-19 pandemic on global healthcare systems, and the other risks and uncertainties associated with the pandemic, could cause our business, financial condition, results of operations and growth prospects to be materially adversely affected.

We implemented a COVID-19 surveillance testing program available to Company staff who work on-site at our U.K. facility to minimize the spread of COVID-19 pandemic within the Company. We continue to track COVID-19 developments in Europe and the United States closely for their potential impact on our clinical trial sites, contract research organizations, logistics and supply chain to ensure we can continue to maintain clinical trial conduct and data integrity. As the patients in our clinical trials are severely immune suppressed as a consequence of their underlying disease and the treatment they receive in the trials, we are also monitoring other transmissible infectious diseases, including influenza.

We are not aware of any specific event or circumstance that has impacted on our operations in a manner which would require us to update our estimates, judgments or revise the carrying value of its assets or liabilities during the three months ended March 31, 2022. However, these estimates may change, as new events occur and additional information is obtained, relating to the COVID-19 pandemic or otherwise. Changes in estimates would be recognized in the unaudited condensed consolidated financial statements as soon as they become known.

**Components of Our Results of Operations**

***Grant Income***

Grant income consists of proceeds from government research grants used to perform specific research and development activities. We recognize grant income over the period in which we recognize the related costs covered under the terms and conditions of the grant. We have received grants from the U.K. government, which are repayable under certain circumstances, including breach or noncompliance with the terms of the grant. For grants with refund provisions, we review the grant to determine the likelihood of repayment. If the likelihood of repayment of the grant is determined to be remote, then the grant is recognized as grant income. We have concluded that the likelihood of any repayment events included in our current grants is remote.

***Operating Expenses***

***Research and Development Expenses***

Research and development expenses consist of costs incurred in connection with the research and development of our product candidates, which are partially offset by U.K. research and development expenditure tax credits provided by Her Majesty's Revenue & Customs, or HMRC. We expense research and development costs as incurred. These expenses include:

- expenses incurred under agreements with contract research organizations, or CROs, as well as investigative sites and consultants that conduct our clinical trials, preclinical studies and other scientific development services;
- manufacturing scale-up expenses and the cost of acquiring and manufacturing preclinical and clinical trial materials;
- employee-related expenses, including salaries, related benefits, travel and share-based compensation expense for employees engaged in research and development functions;
- expenses incurred for outsourced professional scientific development services;
- costs for laboratory materials and supplies used to support our research activities;
- allocated facilities costs, depreciation and other expenses, which include rent and utilities; and
- upfront, milestone and management fees for maintaining licenses under our third-party licensing agreements.

We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers.

Our direct research and development expenses are tracked on a program-by-program basis for our product candidates and consist primarily of external costs, such as fees paid to outside consultants and CROs in connection with our preclinical development, manufacturing and clinical development activities. Our direct research and development expenses by program also include fees incurred under license agreements. We do not allocate employee costs or facility expenses, including depreciation or other indirect costs, to specific programs because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily to oversee research and development as well as for managing our preclinical development, process development, manufacturing and clinical development activities.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. As a result, we expect that our research and development expenses will increase substantially over the next few years as we increase personnel costs, initiate and conduct additional clinical trials, increase manufacturing capabilities and prepare regulatory filings related to our product candidates. We also expect to incur additional expenses related to milestone, royalty payments and maintenance fees payable to third parties with whom we have entered into license agreements to acquire the rights related to our product candidates.

The successful development and commercialization of our product candidates is highly uncertain. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the clinical development of any of our product candidates or when, if ever, material net cash inflows may commence from sales of any of our product candidates. This uncertainty is due to the numerous risks and uncertainties associated with development and commercialization activities, including the uncertainty of:

- the scope, progress, outcome and costs of our clinical trials and other research and development activities, including establishing an appropriate safety profile with IND enabling studies;
- successful patient enrollment in, and the initiation and completion of, clinical trials;
- the timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- development and timely delivery of commercial-grade drug formulations that can be used in our clinical trials and for commercial manufacturing;
- obtaining, maintaining, defending and enforcing patent claims and other intellectual property rights;

- significant and changing government regulation;
- launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others;
- maintaining a continued acceptable safety profile of the product candidates following approval; and
- significant competition and rapidly changing technologies within the biopharmaceutical industry.

We may never succeed in achieving regulatory approval for any of our product candidates. We may obtain unexpected results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of some product candidates or focus on others. Any changes in the outcome of any of these variables with respect to the development of our product candidates in clinical development could mean a significant change in the costs and timing associated with the development of these product candidates. For example, if a regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect or if we experience significant delays in enrollment in any of our planned clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development of that product candidate.

***General and Administrative Expenses***

General and administrative expenses consist primarily of salaries, related benefits, travel and share-based compensation expense for personnel in executive, finance, legal and other administrative functions. General and administrative expenses also include allocated facility-related costs, patent filing and prosecution costs and professional fees for marketing, insurance, legal, consulting, accounting and audit services.

We anticipate that our general and administrative expenses may increase in the future as we increase our headcount to support the planned development of our product candidates. We anticipate continued increased costs associated with being a public company listed in the United States, including accounting, audit, legal, regulatory and compliance expenses associated with maintaining compliance with Nasdaq listing rules and SEC requirements, director and officer insurance premiums, and higher investor and public relations costs.

Additionally, if we believe a regulatory approval of one of our product candidates appears likely, we anticipate an increase in payroll and third party expense as a result of our preparation for commercial operations, especially as it relates to the sales and marketing of our product candidate.

***Other Income, net***

Other income, net consists primarily of foreign currency transaction gains (losses), sublease income, gains recognized on termination of leases, and lease incentives, net.

***Interest Expense***

Interest expense consists primarily of non-cash interest arising from amortization of the liability related to the sale of future royalties and sales milestones using the effective interest rate method.

***Income Tax Benefit***

We are subject to corporate taxation in the United Kingdom and in the United States. Due to the nature of our business, we have generated losses since inception. Our income tax benefit recognized represents the sum of the research and development tax credits recoverable in the United Kingdom and income tax payable in the United States.

As a company that carries out extensive research and development activities, we benefit from the U.K. research and development tax credit regime under the scheme for small or medium-sized enterprises, or SMEs, and also claim a Research and Development Expenditure Credit, or RDEC, to the extent that our projects are grant funded. Under the SME regime, we are able to surrender some of our trading losses that arise from our qualifying research and development activities for a cash rebate of up to 33.35% of such qualifying research and development expenditure. The net tax benefit of the RDEC reflected in our financial statements for the three months ended March 31, 2022 was 10.5%. We currently meet the conditions of the SME regime, but also can make claims under the RDEC regime to the extent that our projects are grant funded.

Un-surrendered U.K. losses may be carried forward indefinitely to be offset against future taxable profits, subject to numerous utilization criteria and restrictions. The amount that can be offset each year is limited to £5.0 million plus an incremental 50% of United Kingdom taxable profits. After accounting for tax credits receivable, we had accumulated tax losses for carry forward in the U.K. of $299.1 million as of March 31, 2022. No deferred tax assets are recognized on our U.K. losses and tax credit carryforwards

because there is currently no indication that we will make sufficient taxable profits to utilize these tax losses and tax credit carryforwards. We carry a $2.0 million deferred tax asset balance related to the U.S. entity. We have recorded a valuation allowance against the net deferred tax asset where the recoverability due to future taxable profits is unknown. On 3 March 2021, the UK government announced that the rate of corporation tax would increase to 25% in 2023, with lower rates and tapered relief to be applied to companies with profits below £250,000.

In the event we generate revenues in the future, we may benefit from the United Kingdom "patent box" regime that allows profits attributable to revenues from patents or patented products to be taxed at an effective rate of 10%.

Value Added Tax, or VAT, is broadly charged on all taxable supplies of goods and services by VAT-registered businesses. Under current rates, an amount of 20% of the value, as determined for VAT purposes, of the goods or services supplied is added to all sales invoices and is payable to HMRC. Similarly, VAT paid on purchase invoices is generally reclaimable from HMRC.

**Results of Operations**

***Comparison of Three Months Ended March 31, 2022 and 2021***

The following table summarizes our results of operations for the three months ended March 31, 2022, and 2021 (in thousands):

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | **2022** | **2021** | **Change** |
| Grant income | $ 166 | $ 269 | $ |
| Operating expenses: | | | |
| Research and development | (33,963) | (30,731) | (3 |
| General and administrative | (7,987) | (8,738) | |
| Loss on disposal of leasehold improvements | — | (672) | |
| Total operating expenses, net | (41,784) | (39,872) | (1 |
| Other income (expense): | | | |
| Interest income | 28 | 44 | |
| Other income, net | 860 | 838 | |
| Interest expense | (1,790) | — | (1 |
| Total other income (expense), net | (902) | 882 | (1 |
| Net loss before income tax | (42,686) | (38,990) | (3 |
| Income tax benefit | 5,624 | 5,724 | |
| Net loss attributable to ordinary shareholders | $ (37,062) | $ (33,266) | $ (3 |

***Grant Income***

Grant income decreased by $0.1 million to $0.2 million for the three months ended March 31, 2022, as compared to $0.3 million for the same period in the prior year. The decrease is due to a corresponding decrease in reimbursable expenditures.

***Research and Development Expenses***

Research and development expenses increased to $34.0 million for the three months ended March 31, 2022, as compared to $30.7 million for the three months ended March 31, 2021.

The following tables provide additional detail on our research and development expenses (in thousands):

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2022 | 2021 | Change |
| **Direct research and development expenses** | | | |
| B cell malignancies (Obe-cel, AUTO1/22 & AUTO3) | $ 10,773 | $ 5,412 | $ 5,361 |
| Other projects (AUTO4, AUTO5, AUTO6, AUTO7 & AUTO8) | 319 | 1,236 | (917) |
| **Total direct research and development expense** | **$ 11,092** | **$ 6,648** | **$ 4,444** |
| | | | |
| **Research and discovery expense and unallocated costs:** | | | |
| Personnel related (including share-based compensation) | 12,831 | 12,548 | 283 |
| Indirect research and development expense | 10,040 | 11,535 | (1,495) |
| **Total research and development expenses** | **$ 33,963** | **$ 30,731** | **$ 3,232** |

Cash costs, which exclude depreciation and amortization as well as share-based compensation, remained relatively the same from 2021 to 2022, and decreased by $0.1 million to $30.6 million from $30.7 million for the quarter ended March 31, 2021. The decrease in research and development cash costs of $0.1 million consisted primarily of (i) $2.8 million decrease in compensation and employment related costs which was due to a combination of lower retention, severance payments and timing and salary mix of new employee hires, (ii) $0.9 million decrease in facilities costs related to the termination and closure of our US manufacturing facility in 2021 and shift in our manufacturing strategy, and (iii) $0.2 million decrease in research and development costs related to cell logistics. This was offset by an increase of (i) $2.9 million in clinical costs and manufacturing costs primarily relating to our obe-cel clinical product candidate, (ii) $0.8 million increase in legal fees and professional consulting fees in relation to our research and development activities, and (iii) $0.1 million increase related to information technology infrastructure and support for information systems related to the conduct of clinical trials and manufacturing operations.

Non-cash costs, which include depreciation and amortization as well as share-based compensation, increased to $3.4 million for the three months ended March 31, 2022 from $36,000 for the three months ended March 31, 2021. The increase is primarily attributable to an increase of $3.1 million in share-based compensation expense included in research and development expenses as a result of retention of employees post the reduction of workforce that was implemented during the three months ended March 31, 2021. In addition, depreciation and amortization expense increased by $0.3 million.

***General and Administrative Expenses***

General and administrative expenses decreased by $0.7 million to $8.0 million for the three months ended March 31, 2022 from $8.7 million for the three months ended March 31, 2021.

Cash costs, which exclude depreciation and amortization as wells as share-based compensation decreased, to $7.0 million from $7.6 million. The decrease in general and administrative cash costs of $0.6 million related to decreases of (i) $0.5 million in facilities costs related to the termination and exit of our lease agreements in the prior year, (ii) $0.4 million of commercial preparation costs due to the timing of related activities and (iii) $0.3 million associated with compensation expense due to fewer contracted staff. These decreases were offset by increases of $0.5 million primarily related to higher directors and officers liability insurance premiums and professional fees in relation to business development opportunities and $0.1 million in costs related to information technology infrastructure and support for information systems.

Non-cash costs, which include depreciation and amortization as well as share-based compensation, decreased by $0.1 million to $1.0 million for the three months ended March 31, 2022 from $1.1 million for the three months ended March 31, 2021. The decrease of $0.1 million primarily related to a decrease in depreciation and amortization expense.

***Loss on Disposal of Leasehold Improvements***

There were no disposals of leasehold improvements for the three month period ended March 31, 2022. For the three months ended March 31, 2021, we incurred a loss on disposal of leasehold improvements of $0.7 million related to the leasehold improvements no longer being utilized in the facility in White City, London.

***Other Income, net***

Other income, net for the three months ended March 31, 2022, was consistent with the three months ended March 31, 2021. During the three months ended March 31, 2022 there was a strengthening of the U.S. dollar exchange rate relative to the pound sterling resulting in a foreign exchange gain of $0.8 million. This compares to the three months ended March 31, 2021 where there was a gain on lease terminations of $2.0 million offset by other expenses of $1.2 million related to a foreign exchange loss.

***Interest expense***

Interest expense increased to $1.8 million for the three months ended March 31, 2022 and relates to the liability related to sales of future royalties and sales milestones which arose upon our entry into the Strategic Collaboration and Financing Agreement and the Collaboration Agreement with BXLS V - Autobahn L.P., or Blackstone, in November 2021. There was no interest expense during the comparable period in 2021.

***Income Tax Benefit***

Income tax benefit decreased by $0.1 million to $5.6 million for the three months ended March 31, 2022 from $5.7 million for the three months ended March 31, 2021 due to a decrease in the research and development expenditures which were qualifying for the quarter. As research and development credits fell at a faster rate than our net loss before income tax, this led to a lower effective tax rate.

**Liquidity and Capital Resources**

Since our inception, we have not generated any product revenue and have incurred operating losses and negative cash flows from our operations. We expect to incur significant expenses and operating losses for the foreseeable future as we advance our product candidates through preclinical and clinical development, and seek regulatory approval and pursue commercialization of any approved product candidates. We expect that our research and development and general and administrative costs may increase in connection with our planned research, clinical development and potential commercialization activities. As a result, we will need additional capital to fund our operations until such time as we can generate significant revenue from product sales.

We do not currently have any approved products and have never generated any revenue from product sales. We have funded our operations to date primarily with proceeds from government grants, sales of our equity securities, through public offerings and sales pursuant to our at-the market-facility, reimbursable U.K. research and development tax credits and receipts from the U.K. RDEC Scheme and out-licensing arrangements. From our inception in 2014 through March 31, 2022, we have raised $821.9 million from these capital sources.

As of March 31, 2022, we had cash on hand of $268.6 million.

***Cash Flows***

The following table summarizes our cash flows for each of the periods presented:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (in thousands) | |
| Net cash used in operating activities | $ (35,030) | $ (37,343) |
| Net cash used in investing activities | (771) | (1,900) |
| Net cash (used in) provided by financing activities | (1) | 123,324 |
| Effect of exchange rate changes on cash and restricted cash | (5,982) | 1,632 |
| Net increase (decrease) in cash and restricted cash | $ (41,784) | $ 85,713 |

***Net Cash Used in Operating Activities***

During the three months ended March 31, 2022, operating activities used $35.0 million of cash, resulting from our net loss of $37.1 million, and net cash used resulting from changes in our operating assets and liabilities of $3.9 million, partially offset by non-cash charges of $6.0 million. Net cash used in operating activities resulting from changes in our operating assets and liabilities for the three months ended March 31, 2022 consisted primarily of a $5.2 million increase in prepaid expenses and other current and non-current assets and an increase in accrued expenses and other liabilities of $1.9 million. This cash used was offset by a decrease in accounts payable of $0.3 million and a $0.4 million decrease in right of use assets from amortization and lease liabilities, net.

During the three months ended March 31, 2021, operating activities used $37.3 million of cash, resulting from our net loss of $33.3 million, and net cash used resulting from changes in our operating assets and liabilities of $5.5 million, partially offset by non-cash charges of $1.4 million. Net cash used resulting from changes in our operating assets and liabilities for the three months ended March 31, 2021 consisted primarily of a $4.9 million increase in prepaid expenses and other current and non-current assets, $2.0 million of which related to the termination fee receivable from landlord for the property at Medical Center Drive, a decrease in accrued expenses and other liabilities of $1.6 million, and a decrease in accounts payable of $0.9 million. This cash used was offset by a decrease in long term deposits of $0.8 million, and a $1.1 million decrease in right of use assets from amortization and lease liabilities, net.

***Net Cash Used in Investing Activities***

During the three months ended March 31, 2022 and 2021, we used $0.8 million and $1.9 million, respectively, of cash in investing activities, all of which consisted of purchases of property and equipment.

***Net Cash (Used in) provided by Financing Activities***

During the three months ended March 31, 2022, net used in financing activities was $1,000 relating to equity payment of issuance costs relating to the prior financial year.

During the three months ended March 31, 2021, net cash provided by financing activities was $123.3 million, consisting primarily of the proceeds from sales pursuant to our ATM facility and our February 2021 follow-on offering, net of issuance costs.

***Funding Requirements***

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the preclinical activities and clinical trials of our product candidates. Our expenses will increase as we:

- seek regulatory approvals for any product candidates that successfully complete preclinical and clinical trials;
- establish a sales, marketing and distribution infrastructure in anticipation of commercializing of any product candidates for which we may obtain marketing approval and intend to commercialize on our own or jointly;
- hire additional clinical, medical and development personnel;
- expand our infrastructure and facilities to accommodate our growing employee base; and
- maintain, expand and protect our intellectual property portfolio.

Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, clinical costs, external research and development services, laboratory and related supplies, legal and other regulatory expenses, and administrative and overhead costs. Our future funding requirements will be heavily determined by the resources needed to support development of our product candidates. We currently have no ongoing material financing commitments, such as lines of credit or guarantees, which are expected to affect our liquidity over the next five years, other than our lease obligations, supplier purchase commitments and strategic financing agreement.

Based on our current clinical development plans, we believe our existing cash of $268.6 million at March 31, 2022 will be sufficient to fund our current and planned operating expenses and capital expenditure requirements for at least the next 12 months from the date of this Report. We have based these estimates on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. If we receive regulatory approval for our other product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize. We may also require additional capital to pursue in-licenses or acquisitions of other product candidates.

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

- the scope, progress, outcome and costs of our clinical trials and other research and development activities;
- the costs, timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- 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 revenue, if any, received from commercial sale of our products, should any of our product candidates receive marketing approval;
- the costs 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; and
- the extent to which we in-license or acquire additional product candidates or technologies.

Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through equity offerings. To the extent that we raise additional capital through the sale of equity, the ownership interest of existing shareholders will be diluted. If we raise additional funds through other third-party funding, collaborations agreements, strategic alliances, licensing arrangements or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

**Critical Accounting Policies and Significant Judgments and Estimates**

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

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 Annual Report..

**JOBS Act**

The Jumpstart Our Business Startups Act, or the JOBS Act, provides that, among other things, an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. As an emerging growth company, we have irrevocably elected not to take advantage of the extended transition period afforded by the JOBS Act for implementation of new or revised accounting standards and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth public companies.

We also currently rely on other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, we are not required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b), (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements

(auditor discussion and analysis), or (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

These exemptions will apply until December 31, 2023, the end of the financial year five years following the completion of our IPO, or until we no longer meet the requirements of being an emerging growth company, whichever is earlier.

***Recent Accounting Pronouncements Not Yet Adopted***

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2, "Summary of Significant Accounting Policies," to our unaudited condensed consolidated financial statements included in Exhibit 99.1 of this Report on Form 6-K.

**Exhibit 99.3**

## TAXATION

*The following summary contains a description of material U.K. and U.S. federal income tax consequences of the acquisition, ownership and disposition of our ADSs. This summary should not be considered a comprehensive description of all the tax considerations that may be relevant to beneficial owners of ADSs*

### Material U.S. Federal Income Tax Considerations for U.S. Holders

The following is a description of the material U.S. federal income tax consequences to the U.S. Holders (as defined below) of owning and disposing of our ADSs. It is not a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire securities. This discussion applies only to a U.S. Holder that holds our ADSs as a capital asset for tax purposes (generally, property held for investment). In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including state and local tax consequences, estate tax consequences, alternative minimum tax consequences, the potential application of the Medicare contribution tax, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- banks, insurance companies, and certain other financial institutions;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding ADSs as part of a hedging transaction, "straddle," wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to ADSs;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. dollar;
- brokers, dealers or traders in securities, commodities or currencies;
- tax-exempt entities or government organizations;
- S corporations, partnerships, or other entities or arrangements classified as partnerships for U.S. federal income tax purposes (and investors therein);
- regulated investment companies or real estate investment trusts;
- persons who acquired ADSs pursuant to the exercise of any employee share option or otherwise as compensation;
- persons that own or are deemed to own 10 percent or more of our shares including shares represented by ADSs (by vote or value); and
- persons holding our ADSs in connection with a trade or business, permanent establishment, or fixed base outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding ADSs and partners in such partnerships are encouraged to consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of ADSs.

U.S. Holders that own (directly, indirectly, or constructively through the application of attribution rules) 10% or more of our total combined voting power or value could be subject to adverse U.S. federal income tax consequences pursuant to the controlled foreign corporation rules due to our ownership of a U.S. subsidiary. Such prospective holders should consult with their tax advisors as to the tax consequences of acquiring, owning and disposing of our ADSs.

The discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury Regulations, and the income tax treaty between the United Kingdom and the United States, or the Treaty, all as of the date hereof, changes to any of which may affect the tax consequences described herein— possibly with retroactive effect.

A "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of ADSs who is eligible for the benefits of the Treaty and is:

(i) a citizen or individual resident of the United States;

(ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;

(iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

(iv) a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

U.S. Holders are encouraged to consult their tax advisers concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of ADSs in their particular circumstances.

**THESE PARAGRAPHS ARE A SUMMARY OF CERTAIN U.S. TAX CONSIDERATIONS AND ARE INTENDED AS A GENERAL GUIDE ONLY. IT IS RECOMMENDED THAT ALL HOLDERS OF ADSs OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE ADSs IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS.**

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. A U.S. Holder of ADSs will generally be treated for U.S. federal income tax purposes as the owner of the underlying ordinary shares that such ADSs represent. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying shares represented by those ADSs. The U.S. Treasury has expressed concern that parties to whom ADSs are released before shares are delivered to the Depositary or intermediaries in the chain of ownership between holders and the issuer of the security underlying the ADSs, may be taking actions that are inconsistent with the claiming of foreign tax credits by U.S. Holders of ADSs. These actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate U.S. Holders. Accordingly, the creditability of non-U.S. withholding taxes (if any), and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, each described below, could be affected by actions taken by such parties or intermediaries.

***Passive Foreign Investment Company Rules***

If we are classified as a passive foreign investment company, or a PFIC in any taxable year, a U.S. Holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income (such as interest income); or
- at least 50% of its gross assets (determined on the basis of a weighted quarterly average) is attributable to assets that produce passive income or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation, the equity of which we own, directly or indirectly, 25% or more (by value).

We do not believe we were a PFIC for our taxable year ended December 31, 2021. Based on our current estimates of expected gross assets and income, we do not believe we will be a PFIC for our taxable year ending December 31, 2022. However, no assurances regarding our PFIC status can be provided for any past, current or future taxable years. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis and the applicable law is subject to varying interpretation. In particular, the characterization of our assets as active or passive may depend in part on our current and intended future business plans, which are subject to change. In addition, for our current and future taxable years, the total value of our assets for PFIC testing purposes may be determined in part by reference to the market price of our ordinary shares or ADSs from time to time, which may fluctuate considerably.

Under the income test, our status as a PFIC depends on the composition of our income which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by how, and how quickly, we spend the cash we raise in any offering. Our U.S. counsel expresses no opinion with respect to our PFIC status for our taxable year ended December 31, 2021, and also expresses no opinion with regard to our expectations regarding our PFIC status in the future.

If we are classified as a PFIC in any year with respect to which a U.S. Holder owns ADSs, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns the ADSs, regardless of whether we continue to meet the tests described above unless (i) we cease to be a PFIC and the U.S. Holder has made a "deemed sale" election under the PFIC rules, (ii) we cease to be a PFIC and the U.S. Holder has a valid mark-to- market election in effect (as described below) or (iii) the U.S. Holder makes a Qualified Electing Fund Election, or QEF Election, with respect to all taxable years during such U.S. Holders holding period in which we are a PFIC. However, a U.S. Holder may make a QEF Election with respect to our ADSs only if we annually provide such U.S. Holder with certain tax information, and we currently do not intend to prepare or provide such information. As a result, the QEF Election is not expected to be available to a U.S. Holder and the remainder of this discussion assumes that such election will not be available. If the "deemed sale" election is made, a U.S. Holder will be deemed to have sold the ADSs the U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. Holder's ADSs with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any "excess distribution" the U.S. Holder receives from us or any gain from an actual sale or other disposition of the ADSs. U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if we cease to be a PFIC and such election becomes available.

For each taxable year we are treated as a PFIC with respect to U.S. Holders, U.S. Holders will be subject to special tax rules with respect to any "excess distribution" such U.S. Holder receives and any gain such U.S. Holder recognizes from a sale or other disposition (including a pledge) of ADSs, unless (i) such U.S. Holder makes a QEF Election with respect to all taxable years of a U.S. Holder's holding period during which we are a PFIC or makes a purging election to cause a deemed sale of the ADSs at their fair market value in conjunction with a QEF election (however, as discussed above, such elections are expected and assumed not to be available) or (ii) our ADSs constitute "marketable" securities, and such U.S. Holder makes a mark-to-market election as discussed below. Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions a U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the ADSs will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder's holding period for the ADSs;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or the year of an "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs cannot be treated as capital, even if a U.S. Holder holds the ADSs as capital assets.

If we are a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the stock of, any of our direct or indirect subsidiaries that also are PFICs, as if such distributions were indirectly received by, and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to our subsidiaries.

U.S. Holders can avoid the interest charge on excess distributions or gain relating to the ADSs by making a mark-to-market election with respect to the ordinary shares, provided that the ADSs are "marketable." ADSs will be marketable if they are "regularly traded" on certain U.S. stock exchanges or on a foreign stock exchange that meets certain conditions. For these purposes, the ordinary shares or ADSs will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Our ADSs are listed on Nasdaq, which is a qualified exchange for these purposes. Consequently, if our ADSs remain listed on Nasdaq and are regularly traded, and you are a holder of ADSs, we expect the mark-to-market election would be available to U.S. Holders if we are a PFIC. Each U.S. Holder should consult its tax advisor as to the whether a mark-to-market election is available or advisable with respect to the ADSs.

A U.S. Holder that makes a mark-to-market election must include as ordinary income for each year an amount equal to the excess, if any, of the fair market value of the ADSs at the close of the taxable year over the U.S. Holder's adjusted tax basis in the ADSs. Accordingly, such mark-to-market election may accelerate the recognition of income without a corresponding receipt of cash. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the ADSs over the fair market value of the ADSs at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the ADSs will be treated as ordinary income, and any losses incurred on a sale or other disposition of the ADSs will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the Internal Revenue Service, or the IRS, unless the ADSs cease to be marketable.

However, a mark-to-market election generally cannot be made for equity interests in any lower- tier PFICs that we own, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. Holder validly makes a mark-to-market election with respect to our ADSs, the U.S. Holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any of our investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. A U.S. Holder's failure to file the annual report will cause the statute of limitations for such U.S. Holder's U.S. federal income tax return to remain open with regard to the items required to be included in such report until three years after the U.S. Holder files the annual report, and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder's entire U.S. federal income tax return will remain open during such period. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules.

***Taxation of Distributions***

Subject to the discussion above under "Passive Foreign Investment Company Rules," distributions paid on ADSs, other than certain pro rata distributions of ADSs, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we may not calculate our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at preferential rates applicable to "qualified dividend income." However, the qualified dividend income treatment will not apply if we are treated as a PFIC with respect to the U.S. Holder for the taxable year in which a dividend is paid or the preceding year. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will generally be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. The amount of any dividend income paid in foreign currency will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt. Such gain or loss would generally be treated as U.S.-source ordinary income or loss. The amount of any distribution of property other than cash (and other than certain pro rata distributions of ADSs or rights to acquire ADSs) will be the fair market value of such property on the date of distribution.

For foreign tax credit limitation purposes, our dividends will generally be treated as passive category income. Because no U.K. income taxes will be withheld from dividends on ADSs, there will be no creditable foreign taxes associated with any dividends that a U.S. Holder will receive.

***Sale or Other Taxable Disposition of ADSs***

Subject to the discussion above under "Passive Foreign Investment Company Rules," gain or loss realized on the sale or other taxable disposition of ADSs will be capital gain or loss, and will be a long-term capital gain or loss if the U.S. Holder held the ADSs for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the ADSs disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

If the consideration received by a U.S. Holder is not paid in U.S. dollars, the amount realized will be the U.S. dollar value of the payment received determined by reference to the spot rate of exchange on the date of the sale or other disposition. However, if the ADSs are treated as traded on an "established securities market" and a U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such U.S. Holder will determine the U.S. dollar value of the amount realized in a non-U.S. dollar currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If a U.S. Holder is an accrual basis taxpayer that is not eligible to or does not elect to determine the amount realized using the spot rate on the settlement date, such U.S. Holder will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of sale or disposition and the U.S. dollar value of the currency received at the spot rate on the settlement date.

**WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISOR REGARDING THE IMPACT OF OUR PFIC STATUS ON YOUR INVESTMENT IN THE ADSs AS WELL AS THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE ADSs.**

***Information Reporting and Backup Withholding***

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding (generally, by providing an IRS Form W-9).

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

***Information with Respect to Foreign Financial Assets***

Certain U.S. Holders who are individuals (and, under regulations, certain entities) may be required to report information relating to the ordinary shares or ADSs, subject to certain exceptions (including an exception for ordinary shares or ADSs held in accounts maintained by certain U.S. financial institutions). Such U.S. Holders who fail to timely furnish the required information may be subject to a penalty. Additionally, if a U.S. Holder does not file the required information, the statute of limitations with respect to tax returns of the U.S. Holder to which the information relates may not close until three years after such information is filed. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to their ownership and disposition of the ADSs.

## U.K. Taxation

The following is intended as a general guide to current U.K. tax law and HM Revenue & Customs, or HMRC, published practice applying as at the date of this report (both of which are subject to change at any time, possibly with retrospective effect) relating to the holding of ADSs. It does not constitute legal or tax advice and does not purport to be a complete analysis of all U.K. tax considerations relating to the holding of ADSs, or all of the circumstances in which holders of ADSs may benefit from an exemption or relief from U.K. taxation. It is written on the basis that we do not (and will not) directly or indirectly derive 75% or more of our qualifying asset value from U.K. land, and that we are and remain solely resident in the United Kingdom for tax purposes and will therefore be subject to the U.K. tax regime and not the U.S. tax regime save as set out above under "Material U.S. Federal Income Tax Considerations for U.S. Holders."

Except to the extent that the position of non-U.K. resident persons is expressly referred to, this guide relates only to persons who are resident (and, in the case of individuals, domiciled or deemed domiciled and to whom split-year treatment does not apply) for tax purposes solely in the United Kingdom and do not have a permanent establishment, branch, agency (or equivalent) or fixed base in any other jurisdiction with which the holding of the ADSs is connected, or U.K. Holders, who are absolute beneficial owners of the ADSs (where the ADSs are not held through an Individual Savings Account or a Self-Invested Personal Pension) and who hold the ADSs as investments.

This guide may not relate to certain classes of U.K. Holders, such as (but not limited to):

- persons who are connected with the company;
- financial institutions;
- insurance companies;
- charities or tax-exempt organizations;
- collective investment schemes;
- pension schemes;
- market makers, intermediaries, brokers or dealers in securities;
- persons who have (or are deemed to have) acquired their ADSs by virtue of an office or employment or who are or have been officers or employees of the company or any of its affiliates; and
- individuals who are subject to U.K. taxation on a remittance basis.

The decision of the First-tier Tribunal (Tax Chamber) in HSBC Holdings PLC and The Bank of New York Mellon Corporation v HMRC (2012) cast some doubt on whether a holder of a depositary receipt is the beneficial owner of the underlying shares. However, based on published HMRC guidance we would expect that HMRC will regard a holder of ADSs as holding the beneficial interest in the underlying shares and therefore these paragraphs assume that a holder of ADSs is the beneficial owner of the underlying ordinary shares and any dividends paid in respect of the underlying ordinary shares (where the dividends are regarded for U.K. purposes as that person's own income) for U.K. direct tax purposes.

**THESE PARAGRAPHS ARE A SUMMARY OF CERTAIN U.K. TAX CONSIDERATIONS AND ARE INTENDED AS A GENERAL GUIDE ONLY. IT IS RECOMMENDED THAT ALL HOLDERS OF ADSs OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE ADSs IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS. IN PARTICULAR, NON-U.K. RESIDENT OR DOMICILED PERSONS ARE ADVISED TO CONSIDER THE POTENTIAL IMPACT OF ANY RELEVANT DOUBLE TAXATION AGREEMENTS.**

***Dividends***

*Withholding Tax*

Dividends paid by us will not be subject to any withholding or deduction for or on account of U.K. tax.

*Income Tax*

An individual U.K. Holder may, depending on his or her particular circumstances, be subject to U.K. tax on dividends received from the company. An individual holder of ADSs who is not resident for tax purposes in the United Kingdom should not be chargeable to U.K. income tax on dividends received from the company unless he or she carries on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency to which the ADSs are attributable. There are certain exceptions for trading in the United Kingdom through independent agents, such as some brokers and investment managers.

All dividends received by an individual U.K. Holder from us or from other sources will form part of that U.K. Holder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £2,000 of taxable dividend income received by the individual U.K. Holder in a tax year. Income within the nil rate band will be taken into account in determining whether income in excess of the £2,000 tax-free allowance falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the tax-free allowance will (subject to the availability of any income tax personal allowance) be taxed at 8.75% to the extent that the excess amount falls within the basic rate tax band, 33.75% to the extent that the excess amount falls within the higher rate tax band and 39.35% to the extent that the excess amount falls within the additional rate tax band.

*Corporation Tax*

A corporate holder of ADSs who is not resident for tax purposes in the United Kingdom should not be chargeable to U.K. corporation tax on dividends received from us unless it carries on (whether solely or in partnership) a trade in the United Kingdom through a permanent establishment to which the ADSs are attributable.

Corporate U.K. Holders should not be subject to U.K. corporation tax on any dividend received from us so long as the dividends qualify for exemption, which should be the case, although certain conditions must be met. If the conditions for the exemption are not satisfied, or such U.K. Holder elects for an otherwise exempt dividend to be taxable, U.K. corporation tax will be chargeable on the amount of any dividends (at the current rate of 19%, but with the main rate announced to increase to 25% with effect from April 1, 2023).

***Chargeable Gains***

A disposal or deemed disposal of ADSs by a U.K. Holder may, depending on the U.K. Holder's circumstances and subject to any available exemptions or reliefs (such as the annual exemption), give rise to a chargeable gain or an allowable loss for the purposes of U.K. capital gains tax and corporation tax on chargeable gains.

If an individual U.K. Holder who is subject to U.K. income tax at either the higher or the additional rate is liable to U.K. capital gains tax on the disposal of ADSs, the current applicable rate will be 20%. For an individual U.K. Holder who is subject to U.K. income tax at the basic rate and liable to U.K. capital gains tax on such disposal, the current applicable rate would be 10%, save to the extent that any capital gains, when aggregated with the U.K. Holder's other taxable income and gains in the relevant tax year, exceed the unused basic rate tax band. In that case, the rate currently applicable to the excess would be 20%.

If a corporate U.K. Holder becomes liable to U.K. corporation tax on the disposal (or deemed disposal) of ADSs, the main rate of U.K. corporation tax (currently 19%, but announced to increase to 25% with effect from April 1, 2023) would apply.

A holder of ADSs which is not resident for tax purposes in the United Kingdom should not normally be liable to U.K. capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of ADSs unless the person is carrying on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a corporate holder of ADSs, through a permanent establishment) to which the ADSs are attributable. However, an individual holder of ADSs who has ceased to be resident for tax purposes in the United Kingdom for a period of less than five years and who disposes of ADSs during that period may be liable on his or her return to the United Kingdom to U.K. tax on any capital gain realized (subject to any available exemption or relief).

***Stamp Duty and Stamp Duty Reserve Tax***

*The discussion below relates to the holders of our ordinary shares or ADSs wherever resident, however it should be noted that special rules may apply to certain persons such as market makers, brokers, dealers or intermediaries.*

*Issue of Ordinary Shares*

No U.K. stamp duty or stamp duty reserve tax, or SDRT, is generally payable on the issue of the underlying ordinary shares in the company.

*Transfers of Ordinary Shares*

An unconditional agreement to transfer ordinary shares in certificated form will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. The purchaser of the shares is liable for the SDRT. Transfers of ordinary shares in certificated form are generally also subject to stamp duty at the rate of 0.5% of the amount or value of the consideration given for the transfer (rounded up to the next £5.00). Stamp duty is normally paid by the purchaser. The charge to SDRT will be canceled or, if already paid, repaid (generally with interest), where a transfer instrument has been duly stamped within six years of the charge arising (either by paying the stamp duty or by claiming an appropriate relief) or if the instrument is otherwise exempt from stamp duty.

An unconditional agreement to transfer ordinary shares to, or to a nominee or agent for, a person whose business is or includes the issue of depositary receipts or the provision of clearance services will generally be subject to SDRT (or, where the transfer is effected by a written instrument, stamp duty) at a higher rate of 1.5% of the amount or value of the consideration given for the transfer unless the clearance service has made and maintained an election under section 97A of the U.K. Finance Act 1986, or a section 97A election. It is understood that HMRC regards the facilities of DTC as a clearance service for these purposes and we are not aware of any section 97A election having been made by DTC.

However, no SDRT is generally payable where the transfer of ordinary shares to a clearance service or depositary receipt system is an integral part of an issue of share capital.

Any stamp duty or SDRT payable on a transfer of ordinary shares to a depositary receipt system or clearance service will in practice generally be paid by the transferors or participants in the clearance service or depositary receipt system.

*Issue of ADSs*

No U.K. stamp duty or SDRT is payable on the issue of ADSs in the company.

*Transfers of ADSs*

No SDRT should be required to be paid on a paperless transfer of ADSs through the clearance service facilities of DTC, provided that no section 97A election has been made by DTC, and such ADSs are held through DTC at the time of any agreement for their transfer.

No U.K. stamp duty will in practice be payable on a written instrument transferring an ADS provided that the instrument of transfer is executed and remains at all times outside the United Kingdom. Where these conditions are not met, the transfer of, or agreement to transfer, an ADS could, depending on the circumstances, attract a charge to U.K. stamp duty at the rate of 0.5% of the amount or value of the consideration. If it is necessary to pay stamp duty, it may also be necessary to pay interest and penalties.