

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

**FORM 10-K/A
(Amendment No. 1)**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2021**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number **001-40804**

PASITHEA THERAPEUTICS CORP.

(Exact name of registrant as specified in its charter)

Delaware

85-1591963

State or other jurisdiction of
incorporation or organization

(I.R.S. Employer
Identification No.)

**1111 Lincoln Road, Suite 500
Miami Beach, Florida**

33139

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(702) 514-4174**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.0001 per share	KTTA	The Nasdaq Capital Market
Warrants, exercisable for one share of Common Stock	KTTAW	The Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The registrant had 22,858,371 shares of common stock outstanding as of March 23, 2022. The aggregate market value of the common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2021) was \$0, as the registrant had not been publicly-traded as of that such date.

EXPLANATORY NOTE

On March 30, 2022, Pasithea Therapeutics Corp. (the “Company”) filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the “Original Form 10-K”). This Amendment No. 1 to Form 10-K is being filed solely to:

- correct Part III, Item 11. Executive Compensation, to accurately reflect the grants of stock options and restricted stock units to the Company’s CEO, Dr. Tiago Reis Marques, on December 20, 2021, in accordance with his Executive Employment Agreement;
- correct Part III, Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters — *Securities Authorized for Issuance Under Existing Equity Compensation Plans* to accurately reflect the grants of stock options and restricted stock units to the Company’s CEO, Dr. Tiago Reis Marques, on December 20, 2021, in accordance with his Executive Employment Agreement;
- file Dr. Marques’ Executive Employment Agreement, dated as of January 1, 2022, as an exhibit under Item 15 of Part IV hereof;
- file Dr. Marques’ Stock Option Agreement, dated as of December 20, 2021, as an exhibit under Item 15 of Part IV hereof;
- file Dr. Marques’ Restricted Stock Unit Agreement, dated as of December 20, 2021, as an exhibit under Item 15 of Part IV hereof;
- file new certifications of our principal executive officer and principal financial officer as exhibits to this Amendment under Item 15 of Part IV hereof, pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Part III, Item 11. Executive Compensation and Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters and Part IV, Exhibits and Financial Statement Schedules are presented in their entirety, as amended. This Amendment does not otherwise change or update any of the other disclosures set forth in the Original Form 10-K and does not otherwise reflect any events occurring after the filing of the Original Form 10-K.

**PASITHEA THERAPEUTICS CORP.
2021 FORM 10-K ANNUAL REPORT
(AMENDMENT NO. 1)**

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ITEM 11. EXECUTIVE COMPENSATION

The following table shows the total compensation paid or accrued during the last two fiscal years ended December 31, 2021 to our Chief Executive Officer and Chief Financial Officer. As of December 31, 2021, there were no other executive officers who earned more than \$100,000 during the fiscal year ended December 31, 2021 and were serving as executive officers as of such date (the “named executive officers”).

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Non-qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Tiago Reis Marques, Chief Executive Officer	2021	243,750	—	288,000	140,141	—	—	—	671,891
	2020	—	—	—	—	—	—	—	—
Stanley M. Gloss, Chief Financial Officer	2021	67,500	—	60,000	284,665	—	—	—	412,165
	2020	—	—	—	—	—	—	—	—

- (1) In accordance with SEC rules, the amounts in this column reflect the fair value on the grant date of the option awards granted to the named executive, calculated in accordance with ASC Topic 718. Stock options were valued using the Black-Scholes model. The grant-date fair value does not necessarily reflect the value of shares which may be received in the future with respect to these awards. The grant-date fair value of the stock options in this column is a non-cash expense for the Company that reflects the fair value of the stock options on the grant date and therefore does not affect our cash balance. The fair value of the stock options will likely vary from the actual value the holder receives because the actual value depends on the number of options exercised and the market price of our Common Stock on the date of exercise. The fair value of Dr. Marques’ options was determined by the Black-Scholes model with the following assumptions: stock price of \$1.44, exercise price of \$1.44 per share, dividend yield of 0%, expected term of 6 years, volatility of 50.5%, and risk-free interest rate of 1.44%. The fair value of Mr. Gloss’ options was determined by the Black-Scholes model with the following assumptions: stock price of \$6.00 (based on the estimated initial public offering price), exercise price of \$6.00 per share, dividend yield of 0%, expected term of 6.5 years, volatility of 47.1%, and risk-free interest rate of 1.29%.

Outstanding Equity Awards at December 31, 2021

The following table summarizes the outstanding equity awards held by each named executive officer of our company as of December 31, 2021.

Name	Grant Date	Option Awards				Stock Awards	
		Number of Shares Underlying Unexercised Options (#) Exercisable	Number of Shares Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Units of Stock That Have Not Vested	Market Value of Units of Stock That Have Not Vested ⁽³⁾
Tiago Reis Marques, Chief Executive Officer	December 20, 2021 ⁽¹⁾	—	200,000	\$ 1.44	December 20, 2031	200,000	\$ 354,000
Stanley M. Gloss, Chief Financial Officer	April 13, 2021 ⁽²⁾	100,000	—	\$ 5.00	April 13, 2031	—	—

- (1) Under the terms of Dr. Marques’ Executive Employment Agreement, on December 20, 2021, he received 1) a grant of 200,000 stock options at an exercise price equal to the closing price of the Company’s common stock on the grant date and 2) a grant of 200,000 restricted stock units (“RSUs”). Dr. Marques’ stock options and RSUs each vest over three years, with one-third vesting 12 months after the grant date, and the remainder vesting in equal tranches quarterly for two years thereafter.
- (2) Mr. Gloss’ options were fully vested as of December 31, 2021.
- (3) The market value of unvested RSUs is based on the closing market price of the Company’s common stock of \$1.77 per share on December 31, 2021.

There were no option exercises by our named executive officers during our fiscal year ended December 31, 2020 and 2021.

Summary Compensation

Dr. Tiago Reis Marques (the “NEO”) was paid \$243,750 in salary for services rendered during the year ended December 31, 2021. Yassine Bendiabdallah was paid \$20,000 by our U.K. subsidiary for services rendered during the year ended December 31, 2021.

Employment Agreements

Employment Agreement — Dr. Tiago Reis Marques

On July 13, 2020, we entered into an employment agreement with Dr. Tiago Reis Marques to serve as our Chief Executive Officer. The initial term of Dr. Marques’ employment will commence on the closing of our initial business combination and end on the first anniversary of the commencement date. After the initial term, the employment agreement will automatically renew for additional one-year periods, unless we or Dr. Marques provide the other party with at least 60 days’ prior written notice of its desire not to renew. The employment agreement shall automatically terminate without any action on the part of any person and be *void ab initio* if a business combination agreement to be entered into between us and a prospective target is terminated in accordance with its terms, and neither we nor any other person shall have any liability to Dr. Marques under the employment agreement if the closing does not occur. Pursuant to the employment agreement, we agreed to pay Dr. Marques an annual base salary of \$120,000. Upon the completion of our financing of over \$5,000,000, the terms of the employment agreement will be renegotiated. Dr. Marques will also be eligible to receive equity awards, benefits including but not limited to health insurance, retirement, and fringe benefits, and 20 days of vacation per year. We have also agreed to reimburse Dr. Marques for all expenses associated with our business.

In December 2021, we entered into a new executive employment agreement (the “2021 Employment Agreement”) with Dr. Marques to serve as our Chief Executive Officer, effective January 1, 2022. The agreement includes a base salary of \$450,000 per year, Sign-on bonus of \$100,000, paid in a lump sum after January 1, 2022, and eligibility for an annual discretionary bonus of up to 75% of the base salary. The 2021 Employment Agreement also includes an option to purchase 200,000 shares of the Company’s common stock, subject to approval by the Board, which include a three year vesting schedule, under which 33% of the total shares subject to the Option will vest 12 months after the vesting commencement date (which will be grant date), and the remainder shall vest in equal tranches quarterly thereafter until either the Option is fully vested or Executive’s Continuous Service (as defined in the Plan) terminates, whichever occurs first.

Subject to the approval by the Board, Dr. Marques shall be eligible to receive an equity grant of 200,000 Restricted Stock Units (the “RSU’s”) of the Parent, all in accordance with the terms and conditions set forth in the Plan. The RSU’s shall vest over 3 years with 33 and 1/3% vesting on the employees first anniversary and then quarterly then after over the remaining vesting period. The anticipated RSUs will be governed by the terms and conditions of the Plan and Executive’s grant agreement (the “RSU Agreement”), and will include a three year vesting schedule, under which 33% of the RSUs will vest 12 months after the vesting commencement date (which will be grant date), and the remainder shall vest in equal tranches quarterly thereafter until either the RSUs are fully vested or Executive’s Continuous Service (as defined in the Plan) terminates, whichever occurs first.

We may terminate Dr. Marques’ employment under the employment agreement for Cause. “Cause” means any of the following: (i) Dr. Marques engaging in any acts of fraud, theft, or embezzlement involving the Company; (ii) Dr. Marques’ conviction, including any plea of guilty or nolo contendere, of any felony crime which is relevant to Dr. Marques’ position with our Company; and (iii) Dr. Marques’ material violation of the employment agreement which is materially damaging to our reputation or business; provided, however, our board of directors must first provide notice to Dr. Marques specifying in reasonable detail the condition giving rise to Cause for termination no later than the 60th day following the occurrence of that condition; provide Dr. Marques a period of 30 days to remedy the condition, if subject to remedy, and so specify in the notice; and terminate his employment for Cause within 30 days following the expiration of the period to remedy if Dr. Marques fails to remedy the condition. We may also terminate Dr. Marques without Cause by giving Dr. Marques 60 days’ prior written notice.

Dr. Marques may terminate his employment with us for Good Reason (as defined below) by providing notice to us specifying in reasonable detail the condition giving rise to the Good Reason no later than the 60th day following the occurrence of that condition, providing us a period of 30 days to remedy the condition if subject to remedy, and

so specifying in the notice, and terminating his employment for Good Reason within 30 days following the expiration of the period to remedy if we fail to remedy the condition. The following, if occurring without Dr. Marques' consent, shall constitute "Good Reason" for termination by the Mr. Marques: (i) a material diminution in the nature or scope of Dr. Marques' title, authority or responsibilities; (ii) a material adverse change in the Dr. Marques' duties; (iii) a requirement that Dr. Marques report to any person other than the board of directors; (iv) a material reduction in base salary or target bonus opportunity; or (v) our breach of a material provision of the employment agreement.

On December 20, 2021, the Company entered into a new Executive Employment Agreement with Tiago Reis Marques, the Company's Chief Executive Officer.

Pursuant to an Executive Employment Agreement, which is to be effective January 1, 2022, Dr. Marques will receive the following compensation:

- A base salary of \$450,000;
- Sign-on bonus of \$100,000, paid in a lump sum after January 1, 2022;
- Eligibility to receive an annual discretionary bonus of up to seventy-five percent (75%) of Dr. Marques's base salary actually received in any such year;
- Subject to the approval of the Board and pursuant to the Company's Equity Compensation Plan, an equity grant of 200,000 restricted stock unit ("RSU"), which shall vest into common stock of the Company over three years, subject to Dr. Marques remaining employed and in good standing, one-third vesting 12 months after the grant date, and the remainder vesting in equal tranches quarterly for thereafter;
- Subject to the approval of the Board and pursuant to the Company's Equity Compensation Plan, an option to purchase 200,000 shares ("Options") of the Company's common stock, which shall vest over three years, subject to Dr. Marques remaining employed and in good standing, one-third vesting 12 months after the grant date, and the remainder vesting in equal tranches quarterly thereafter;
- Eligibility to participate in all employee benefit programs for which Dr. Marques is eligible under the terms and conditions of the benefit plans, including, at minimum, medical & dental for Dr. Marques and his spouse and dependents and paid time off including twenty-one (21) days of paid vacation as well as other benefits; and
- Severance benefits in the event that the Company terminates Dr. Marques's employment for any reason other than for "cause", as defined in the Executive Employment Agreement, equal to the equivalent of twelve (12) months of Dr. Marques's base salary in effect as of the date of Dr. Marques's employment termination, subject to standard payroll deductions and withholdings and subject to Dr. Marques signing, not revoking, and complying with a separation agreement and release of claims in a form reasonably satisfactory to the Company.

The Executive Employment Agreement defines "cause" as: (a) commission of any felony or crime involving dishonesty or moral turpitude (whether or not a felony); (b) any action by Executive involving fraud, breach of the duty of loyalty, malfeasance, willful misconduct, or negligence, (ii) the failure or refusal by Executive u to perform any material duties hereunder or to follow any lawful and reasonable direction of the Company; (c) intentional damage to any property of the Company; (d) chronic neglect or absenteeism in the performance of Executive's duties; (e) willful misconduct, or other material violation of Company policy or code of conduct that causes an adverse effect upon the Company; (f) breach of any written agreement with the Company (including the Employment Agreement); or (g) any action that in the reasonable belief of the Company shall or potentially shall subject the Company to negative adverse publicity or effects.

In accordance with the provisions of the Executive Employment Agreement, on December 20, 2021, the Board approved equity grants of 200,000 RSUs and Options to purchase 200,000 shares, with an exercise price equal to the closing price of the Company's common stock on December 20, 2021, and that each grant will vest over three years, subject to Dr. Marques remaining employed and in good standing, one-third vesting 12 months after the grant date, and the remainder vesting in equal tranches quarterly thereafter.

Consulting Agreement with U.K. Subsidiary — Yassine Bendiabdallah

Effective November 1, 2021, the Company entered into a Consulting Agreement with Yassine Bendiabdallah to act as the Head of Pasithea Therapeutic U.K., manage all Pasithea U.K. clinics and aid in E.U. expansion. The Consulting Agreement provides an annual salary of \$120,000 to be paid on a monthly basis, includes three weeks of vacation for each year and provides for reimbursement for all reasonable out-of-pocket expenses incurred in connection with the services provided. The Consulting Agreement continues indefinitely until either party decides to terminate the contract.

Incentive Award Plans

2021 Incentive Plan

On July 15, 2021, our board of directors adopted the 2021 Incentive Plan, which plan was approved by our stockholders on July 15, 2021. Under the 2021 Incentive Plan, we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2021 Incentive Plan are summarized below.

Types of Awards. The 2021 Incentive Plan provides for the grant of non-qualified stock options (“NQSOs”), incentive stock options (“ISOs”), restricted stock awards, restricted stock units (“RSUs”), unrestricted stock awards, stock appreciation rights and other forms of stock-based compensation.

Eligibility and Administration. Employees, officers, consultants, directors, and other service providers of the Company and its affiliates are eligible to receive awards under the 2021 Incentive Plan. The 2021 Incentive Plan is administered by the board with respect to awards to non-employee directors and by the Compensation Committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of the company’s directors and/or officers (all such bodies and delegates referred to collectively as the plan administrator), subject to certain limitations that may be imposed under Section 16 of the Exchange Act, and/or other applicable law or stock exchange rules, as applicable. The plan administrator has the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2021 Incentive Plan, subject to its express terms and conditions. The plan administrator also sets the terms and conditions of all awards under the 2021 Incentive Plan, including any vesting and vesting acceleration conditions.

Share Reserve. Pursuant to the 2021 Incentive Plan, we have reserved 1,280,732 shares of the Common Stock for issuance thereunder, which reserve shall be increased annually beginning on January 1, 2022 and ending on and including January 1, 2031, equal to the lesser of (A) 3% of the aggregate number of shares of Common Stock outstanding on the final day of the immediately preceding calendar year or (B) such smaller number of shares as is determined by our board. The share reserve is subject to the following adjustments:

- The share limit is increased by the number of shares subject to awards granted that later are forfeited, expire or otherwise terminate without issuance of shares, or that are settled for cash or otherwise do not result in the issuance of shares.
- Shares that are withheld upon exercise to pay the exercise price of a stock option or satisfy any tax withholding requirements are added back to the share reserve and again are available for issuance under the 2021 Incentive Plan.

Awards issued in substitution for awards previously granted by a company that merges with, or is acquired by, the Company do not reduce the share reserve limit under the 2021 Incentive Plan.

Director Compensation. The 2021 Incentive Plan provides for an annual limit on non-employee director compensation of \$500,000, increased to \$750,000 in the fiscal year of a non-employee director’s initial service as a non-employee member of the board of directors of the Company. This limit applies to the sum of both equity grants that could be awarded to non-employee directors during a fiscal year (based on their value under ASC Topic 718 on the grant date) and cash compensation, such as cash retainers and meeting fees earned during a fiscal year. Notwithstanding the foregoing, the board reserves the right to make an exception to these limits due to extraordinary circumstances without the participation of the affected director receiving the additional compensation.

Stock Options. ISOs may be granted only to employees of the Company, or to employees of a parent or subsidiary of the Company, determined as of the date of grant of such options. An ISO granted to a prospective employee upon the condition that such person becomes an employee shall be deemed granted effective on the date such person commences employment. The exercise price of an ISO shall not be less than 100% of the fair market value of the shares covered by the awards on the date of grant of such option or such other price as may be determined pursuant to the Internal Revenue Code of 1986, as amended from time to time (the “Code”). Notwithstanding the foregoing, an ISO may be granted with an exercise price lower than the minimum exercise price set forth above if such award is granted pursuant to an assumption or substitution for another option in a manner that complies with the provisions of Section 424(a) of the Code. Notwithstanding any other provision of the 2021 Incentive Plan to the contrary, no ISO may be granted under the 2021 Incentive Plan after 10 years from the date that the 2021 Incentive Plan was adopted. No ISO shall be exercisable after the expiration of 10 years after the effective date of grant of such award, subject to the following sentence. In the case of an ISO granted to a ten percent stockholder, (i) the exercise price shall not be less than 110% of the fair market value of a share on the date of grant of such ISO, and (ii) the exercise period shall not exceed 5 years from the effective date of grant of such ISO.

Restricted Stock and Restricted Stock Units. The committee may award restricted stock and RSUs under the 2021 Incentive Plan. Restricted stock awards consist of shares of stock that are transferred to the participant subject to restrictions that may result in forfeiture if specified vesting conditions are not satisfied. RSU awards result in the transfer of shares of stock to the participant only after specified vesting conditions are satisfied. A holder of restricted stock is treated as a current stockholder and shall be entitled to dividend and voting rights, whereas the holder of a restricted stock unit is treated as a stockholder with respect to the award only when the shares are delivered in the future. RSUs may include dividend equivalents. Specified vesting conditions may include performance goals to be achieved during any performance period and the length of the performance period. The committee may, in its discretion, make adjustments to performance goals based on certain changes in the Company’s business operations, corporate or capital structure or other circumstances. When the participant satisfies the conditions of an RSU award, the Company may settle the award (including any related dividend equivalent rights) in shares, cash or other property, as determined by the committee, in its sole discretion.

Other Shares or Share-Based Awards. The committee may grant other forms of equity-based or equity-related awards other than stock options, restricted stock or restricted stock units. The terms and conditions of each stock-based award shall be determined by the committee.

Clawback Rights. Awards granted under the 2021 Incentive Plan will be subject to recoupment or clawback under the Company’s clawback policy or applicable law, both as in effect from time to time.

Sale of the Company. Awards granted under the 2021 Incentive Plan do not automatically accelerate and vest, become exercisable (with respect to stock options), or have performance targets deemed earned at target level if there is a sale of the Company. The Company does not use a “liberal” definition of change in control as defined in Institutional Shareholder Services’ proxy voting guidelines. The 2021 Incentive Plan provides flexibility to the committee to determine how to adjust awards at the time of a sale of the Company.

No Repricing. The 2021 Incentive Plan prohibits the amendment of the terms of any outstanding award, and any other action taken in a manner to achieve (i) the reduction of the exercise price of NQSOs, ISOs or stock appreciation rights (collectively, “Stock Rights”); (ii) the cancellation of outstanding Stock Rights in exchange for cash or other awards with an exercise price that is less than the exercise price or base price of the original award; (iii) the cancellation of outstanding Stock Rights with an exercise price or base price that is less than the then current fair market value of a share of Common Stock in exchange for other awards, cash or other property; or (iv) otherwise effect a transaction that would be considered a “repricing” for the purposes of the stockholder approval rules of the applicable securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted without stockholder approval.

Transferability of Awards. Except as described below, awards under the 2021 Incentive Plan generally are not transferable by the recipient other than by will or the laws of descent and distribution. Any amounts payable or shares issuable pursuant to an award generally will be paid only to the recipient or the recipient’s beneficiary or representative. The committee has discretion, however, to permit certain transfer of awards to other persons or entities.

Adjustments. As is customary in incentive plans of this nature, each share limit and the number and kind of shares available under the 2021 Incentive Plan and any outstanding awards, as well as the exercise price or base price of awards, and performance targets under certain types of performance-based awards, are subject to adjustment in the event of certain reorganizations, mergers, combinations, recapitalizations, stock splits, stock dividends, or other similar events that change the number or kind of shares outstanding, and extraordinary dividends or distributions of property to the stockholders.

Amendment and Termination. The board of directors may amend, modify or terminate the 2021 Incentive Plan without stockholder approval, except that stockholder approval must be obtained for any amendment that, in the reasonable opinion of the board or the committee, constitute a material change requiring stockholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of a stock exchange on which shares of Common Stock are then listed. The 2021 Incentive Plan will terminate upon the earliest of (1) termination of the 2021 Incentive Plan by the board of directors, or (2) the tenth anniversary of the board adoption of the 2021 Incentive Plan. Awards outstanding upon expiration of the 2021 Incentive Plan shall remain in effect until they have been exercised or terminated, or have expired.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us or will require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer. For further information, see "Description of Capital Stock — Limitations on Liability and Indemnification Matters."

Policies and Procedures for Related Person Transactions

Our board has adopted a written related person transaction policy, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved will be the lesser of \$120,000 or 1% of assets the average of our total assets at year-end for the last two completed fiscal years, in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

Limitations on Liability and Indemnification Matters

Our certificate of incorporation limits our directors' liability to the fullest extent permitted under Delaware law, which prohibits our certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended.

Our bylaws provide that we indemnify our directors and officers to the fullest extent permitted under Delaware law and that we shall have the power to indemnify our employees and agents to the fullest extent permitted by law. Our bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in this capacity, regardless of whether we would have the power to indemnify such person against such expense, liability or loss under the DGCL.

We have entered into indemnification agreements with our directors and executive officers, in addition to indemnification provided for in our bylaws. These agreements, among other things, provide for indemnification of our directors and executive officers for expenses, judgments, fines and settlement amounts incurred by such persons in any action or proceeding arising out of this person's services as a director or executive officer or at our request. We believe that these provisions in our certificate of incorporation and bylaws and indemnification agreements are necessary to attract and retain qualified persons as directors and executive officers.

The above description of the limitation of liability and indemnification provisions of our certificate of incorporation, our bylaws and our indemnification agreements is not complete and is qualified in its entirety by reference to these documents, each of which is filed as an exhibit to this Form 10-K.

The limitation of liability and indemnification provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Insofar as indemnification for liabilities under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Director Compensation

The following table sets forth for each non-employee director that served as a director during the year ended December 31, 2021 certain information concerning his or her compensation for the year ended December 31, 2021 and the December 2018 transition period:

Year Ended December 31, 2021

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)⁽¹⁾	Non-equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Professor Lawrence Steinman . . .	72,917	—	47,195 ⁽²⁾	—	—	—	120,112
Simon Dumesnil	60,000	—	47,195 ⁽²⁾	—	—	—	107,195
Dr. Emer Leahy	60,000	—	47,195 ⁽²⁾	—	—	—	107,195

- (1) In accordance with SEC rules, the amounts in this column reflect the fair value on the grant date of the option awards granted to the named executive, calculated in accordance with ASC Topic 718. Stock options were valued using the Black-Scholes model. The grant-date fair value does not necessarily reflect the value of shares which may be received in the future with respect to these awards. The grant-date fair value of the stock options in this column is a non-cash expense for the Company that reflects the fair value of the stock options on the grant date and therefore does not affect our cash balance. The fair value of the stock options will likely vary from the actual value the holder receives because the actual value depends on the number of options exercised and the market price of our common stock on the date of exercise. For a discussion of the assumptions made in the valuation of the stock options, see Note 5 (Stockholders' Equity) to our financial statements, which are included in this 10-K.
- (2) Includes the fair value through December 31, 2021 of stock options to purchase 100,000 shares of common stock granted on August 2, 2021 and which vest as to 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date, exercisable at a \$5.00 per share.

All directors receive reimbursement for reasonable out of pocket expenses in attending Board of Directors meetings and for participating in our business.

All directors receive reimbursement for reasonable out of pocket expenses in attending Board of Directors meetings and for participating in our business.

Compensation Policy for Non-Employee Directors.

No compensation was paid to our non-employee directors for services rendered during the year ended December 31, 2021.

The material terms of the non-employee director compensation program, as it is currently contemplated, are summarized below.

The non-employee director compensation program provides for annual retainer fees and/or long-term equity awards for our non-employee directors. Each non-employee director receives an annual retainer of \$50,000 plus an additional \$10,000 for each board committee that he or she chairs. A non-employee director serving as chairman of the board receives an additional annual retainer of \$100,000. The non-employee directors also receives stock options to purchase 100,000 shares of Common Stock of the Company, with 50% vesting after the first year and 50% vesting after the second year. In addition to the compensation above, Professor Lawrence Steinman also receives an annual retainer of \$90,000 for consulting services.

Compensation under our non-employee director compensation policy is subject to the annual limits on non-employee director compensation set forth in the 2021 Incentive Plan, as described above. Our board of directors or its authorized committee may modify the non-employee director compensation program from time to time in the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, subject to the annual limit on non-employee director compensation set forth in the 2021 Incentive Plan. As provided in the 2021 Incentive Plan, our board of directors or its authorized committee may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the board of directors or its authorized committee may determine in its discretion.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Holders and Management

The following table sets forth information with respect to the beneficial ownership of our Common Stock as of December 31, 2021 by:

- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

The number of shares beneficially owned by each stockholder is determined in accordance with the rules issued by the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. Except as indicated in the footnotes below, we believe, based on the information furnished to us, that the individuals and entities named in the table below have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them, subject to any community property laws.

Percentage ownership of our Common Stock is based on 22,858,371 shares of Common Stock outstanding as of March 23, 2022. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of Common Stock subject to options, restricted units, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days of March 23, 2022 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

To calculate a stockholder's percentage of beneficial ownership of Common Stock, we must include in the numerator and denominator those shares of Common Stock, as well as those shares of Common Stock underlying options, warrants and convertible securities, that such stockholder is considered to beneficially own. Shares of Common Stock, and Common Stock underlying options, warrants and convertible securities, held by other stockholders, however, are disregarded in this calculation. Therefore, the denominator used in calculating beneficial ownership of each of the stockholders may be different.

Unless otherwise indicated, the address of each beneficial owner listed below is c/o Pasithea Therapeutics Corp., 1111 Lincoln Road, Suite 500, Miami Beach, FL 33139. To our knowledge, there is no arrangement, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Name of Beneficial Owner	Beneficial Ownership Common Stock	
	Shares	%
Named Executive Officers and Directors:		
Dr. Tiago Reis Marques	600,000	2.6%
Dr. Yassine Bendiabdallah	300,000	1.3%
Prof. Lawrence Steinman	600,000	2.6%
Simon Dumesnil	—	—
Stanley M. Gloss	—	—
Dr. Emer Leahy	—	—
All officers and directors as a group (6 persons)	1,500,000	6.5%

Securities Authorized for Issuance Under Existing Equity Compensation Plans

The following table summarizes certain information regarding our equity compensation plans as of December 31, 2021:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights	Weighted-Average Exercise Price of Outstanding Options ⁽²⁾	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders ⁽¹⁾	800,000	\$ 3.81	480,732
Equity compensation plans not approved by security holders . . .	—	\$ —	—
Total	800,000	\$ 3.81	480,732

(1) Consists of 600,000 stock options and 200,000 restricted stock units under the 2021 Equity Incentive Plan. For a short description of this plan, see Note 4 to our Consolidated Financial Statements included in the Original Form 10-K for the year ended December 31, 2021.

(2) The weighted average exercise price does not take into account restricted stock units, which have no exercise price.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

a) Financial Statements

Our consolidated financial statements are set forth in Part II, Item 8 of the Original Form 10-K.

b) Financial Statement Schedules

No financial statement schedules have been filed as part of this 10-K because they are not applicable or are not required or because the information is otherwise included in the consolidated financial statements or the accompanying notes.

c) Exhibits required by Regulation S-K

Exhibit Number	Description of Exhibit
3.1	Amended & Restated Certificate of Incorporation of Pasithea Therapeutics Corp. (incorporated by reference to exhibit 3.1 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
3.2	Bylaws of Pasithea Therapeutics Corp. (incorporated by reference to exhibit 3.2 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
4.1	Specimen Common Stock Certificate evidencing the shares of Common Stock (incorporated by reference to exhibit 4.1 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
4.2	Form of Warrant Agent Agreement, including Form of Warrant Certificate (incorporated by reference to exhibit 4.2 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
4.3	Form of Representative Warrant (incorporated by reference to exhibit 4.3 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
4.4**	Description of Securities Registered Under Section 12
10.1	Amended and Restated Zen Knightsbridge Collaboration Agreement (incorporated by reference to exhibit 10.1 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.2	Amended and Restated Zen Baker Street Collaboration Agreement (incorporated by reference to exhibit 10.2 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.3	Form of Professional Corporation Agreement (incorporated by reference to exhibit 10.3 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.4	IV Docs Subcontract Agreement (incorporated by reference to exhibit 10.4 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.5+	Employment Agreement between Pasithea Therapeutics Corp. and Dr. Tiago Reis Marques (incorporated by reference to exhibit 10.5 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.6	Brio Financial Group Consulting Agreement (incorporated by reference to exhibit 10.6 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.7+	2021 Incentive Plan (incorporated by reference to exhibit 10.7 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.8	Form of Indemnification Agreement for Officers and Directors (incorporated by reference to exhibit 10.8 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.9	Stock Option Grant Notice and Agreement between Pasithea Therapeutics Corp. and Stanley M. Gloss (incorporated by reference to exhibit 10.9 of the Company's Form S-1 (File No. 333-255205), filed with the Commission on April 13, 2021, as amended).
10.10	Placement Agent Agreement, dated November 24, 2021 (incorporated by reference to exhibit 10.1 of the Company's Form 8-K, filed with the Commission on November 29, 2021).

Exhibit Number	Description of Exhibit
10.11	Form of Securities Purchase Agreement (incorporated by reference to exhibit 10.2 of the Company's Form 8-K, filed with the Commission on November 29, 2021).
10.12	Form of Warrants (incorporated by reference to exhibit 10.3 of the Company's Form 8-K, filed with the Commission on November 29, 2021).
10.13	Form of Registration Rights Agreement (incorporated by reference to exhibit 10.4 of the Company's Form 8-K, filed with the Commission on November 29, 2021).
10.14+**	Yassine Bendiabdallah Consulting Agreement with Pasithea Therapeutics Limited (incorporated by reference to exhibit 10.14 of the Company's Form 10-K, filed with the Commission on March 30, 2022).
10.15+*	Executive Employment Agreement, dated as of January 1, 2022, between Pasithea Therapeutics Corp. and Dr. Tiago Reis Marques.
10.16+*	Stock Option Agreement, dated December 20, 2021, between Pasithea Therapeutics Corp. and Dr. Tiago Reis Marques
10.17+*	Restricted Stock Unit Agreement, dated December 20, 2021, between Pasithea Therapeutics Corp. and Dr. Tiago Reis Marques
21.1**	Subsidiaries of the Registrant (incorporated by reference to exhibit 21.1 of the Company's Form 10-K, filed with the Commission on March 30, 2022).
23.1**	Consent of Independent Registered Public Accounting Firm (Marcum LLP) (incorporated by reference to exhibit 23.1 of the Company's Form 10-K, filed with the Commission on March 30, 2022)
31.1**	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended (incorporated by reference to exhibit 31.1 of the Company's Form 10-K, filed with the Commission on March 30, 2022)
31.2**	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended (incorporated by reference to exhibit 31.2 of the Company's Form 10-K, filed with the Commission on March 30, 2022)
31.3*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended
31.4*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to exhibit 32.1 of the Company's Form 10-K, filed with the Commission on March 30, 2022)
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to exhibit 32.2 of the Company's Form 10-K, filed with the Commission on March 30, 2022)
101.INS**	Inline XBRL Instance Document (incorporated by reference to exhibit 101.INS of the Company's Form 10-K, filed with the Commission on March 30, 2022).
101.SCH**	Inline XBRL Taxonomy Extension Schema Document (incorporated by reference to exhibit 101.SCH of the Company's Form 10-K, filed with the Commission on March 30, 2022).
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document (incorporated by reference to exhibit 101.CAL of the Company's Form 10-K, filed with the Commission on March 30, 2022).
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document (incorporated by reference to exhibit 101.DEF of the Company's Form 10-K, filed with the Commission on March 30, 2022).
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document (incorporated by reference to exhibit 101.LAB of the Company's Form 10-K, filed with the Commission on March 30, 2022).
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document (incorporated by reference to exhibit 101.PRE of the Company's Form 10-K, filed with the Commission on March 30, 2022).
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) (incorporated by reference to exhibit 104 of the Company's Form 10-K, filed with the Commission on March 30, 2022).

* Filed herewith.

** Previously filed or furnished, as applicable, with the Original Form 10-K.

+ Indicates a management contract or any compensatory plan, contract or arrangement.

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.

PASITHEA THERAPEUTICS CORP.

By: /s/ Dr. Tiago Reis Marques

Dr. Tiago Reis Marques
Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 12, 2022

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