April 12, 2024

Form 51-102F4
Business Acquisition Report

This Business Acquisition Report has been prepared by Aion Therapeutic Inc. (the "**Company**" or "**Aion**") regarding its acquisition of all of the issued and outstanding common shares of Toppen Health Inc. ("**Toppen**") on December 15, 2023 (the "**Acquisition**"). The Acquisition was completed pursuant to a definitive share purchase agreement dated October 10, 2023 (the "**Purchase Agreement**") with Toppen and shareholders holding a majority of the issued and outstanding shares of Toppen and a separate share purchase agreement with the remaining Toppen shareholders, entered into on the closing of the Acquisition (the "**Closing Purchase Agreement**").

ITEM 1 – IDENTITY OF COMPANY

1.1 Name and Address of Company

Aion Therapeutic Inc.
700 West Georgia Street, Suite 2200
Vancouver, British Columbia, V7Y 1K8, Canada

1.2 Executive Officer

Graham Simmonds
Executive Vice Chair & CEO
(416) 843-2881

ITEM 2 – DETAILS OF ACQUISITION

2.1 Nature of Business Acquired

The purchase price for the Acquisition was CAD $10,000,000, satisfied through the issuance of 200,000,000 common shares in the capital of the Company, issued at a deemed price of $0.05 per share (the "**Consideration Shares**"). The Vendors agreed to allocate 45,000,000 Consideration Shares to an advisor of Toppen in connection with certain M&A services relating to the Acquisition.

The Company may also be required to pay contingent consideration of US $2,000,000 (the "**Earn-Out Payment**") if Toppen achieves revenue equal to or greater than US $5,000,000 for the period from October 18, 2023 to April 30, 2025. Eligible revenue for the purposes of the earn-out calculation must exceed forty percent gross margins.

The Consideration Shares are subject to a statutory resale restriction of four months and a day from the date of issuance and such further restrictions as may be apply under foreign securities laws. In addition, the Consideration Shares are subject to an escrow period of three years pursuant to the requirements of the Canadian Securities Exchange ("**CSE**"), with the first release of 10% of the Consideration Shares to take place ten days following the filing of the Company's BAR and modified CSE Form 2A – *Listing Statement*, and the balance of the consideration shares in equal tranches of 15% every six months following the initial release date.

Toppen is a private company organized and existing in the State of Wisconsin. Co-founded in 2019 by Owen Boyd, Bill Roche, and Al Dubé, Sanford, Florida-based Toppen is a developer water filtration solutions.

Toppen's team has engineered a water filtration system that incorporates mechanical filtration, membrane filtration, adsorption, silver infection control, ion exchange, and chemical additions into a three-stage water purification solution. Toppen’s flagship product, the UltraSafe series water filtration system with its proprietary MicronGuard™, is a three-stage water filtration system that employs proprietary filters that deliver comprehensive water solutions for homes, offices, medical clinics, and industrial/agricultural facilities. The system is designed to eliminate an extensive range of contaminants, including bacteria, viruses, cysts, spores, pharmaceuticals, pesticides, heavy metals, and PFAS/PFOS/PFOA that has been independently certified verifying its capacity to remove 99.99% of PFAS from drinking water. Toppen’s 7,500 sq-ft manufacturing facility is based in Sanford, Florida, and Toppen currently has eight employees.

2.2 Acquisition Date

The Company acquired Toppen on December 15, 2023.

2.3 Consideration

The purchase price for the Acquisition was CAD $10,000,000, satisfied through the issuance of 200,000,000 Consideration Shares. The Vendors agreed to allocate 45,000,000 Consideration Shares to an advisor of Toppen in connection with certain M&A services relating to the Acquisition. The Company may also be required to pay the Earn-Out Payment if Toppen achieves revenue equal to or greater than US $5,000,000 for the period from October 18, 2023 to April 30, 2025. Eligible revenue for the purposes of the earn-out calculation must exceed forty percent gross margins.

Immediately prior to the Acquisition, the Company had 211,549,269 common shares issued and outstanding and immediately following the closing, upon issuance of the Consideration Shares, the Company had 411,549,269 common shares issued and outstanding.

Further information about the Acquisition can be found in the Purchase Agreement and Company’s news releases dated October 23, 2023 and December 15, 2023, which documents are filed under the Company’s profile on SEDAR+ at www.sedarplus.ca.

2.4 Effect on Financial Position

There are no plans or proposals for material changes to the business affairs of the Company, or the business affairs of Toppen, that may have a significant effect on the results of operations and financial position of the Company.

2.5 Prior Valuations

No valuation was required to be obtained in accordance with applicable securities laws or the policies of the CSE to support the consideration paid by the Company in connection with the Acquisition.

2.6 Parties to acquisition

This acquisition is an arm's length acquisition and the terms were negotiated between arm's length parties and did not involve an informed person, associate, or affiliate of Aion as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**").

2.7 Date of Report

April 12, 2024.

ITEM 3 – FINANCIAL STATEMENTS AND OTHER INFORMATION

As required by Part 8 of NI 51-102, the following financial statements are included in this Business Acquisition Report and are attached hereto as Schedule "A":

(a) Toppen's audited annual financial statements for the year ended November 30, 2023, together with the notes thereto and the auditor's report thereon; and

(b) Toppen's unaudited annual financial statements for the year ended November 30, 2022 together with the notes thereto, which have been included as comparatives on Toppen's November 30, 2023 audited annual financial statements.

SCHEDULE "A"

[See attached]

Toppen Health Inc.

Financial Statements

For the Years Ended November 30, 2023 and 2022

(Expressed in United States Dollars)

Toppen Health Inc.

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DNTW TORONTO LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

7100 Woodbine Ave, Suite 219
Markham, Ontario Canada L3R 5J2
Tel: 905-415-9666
Fax: 647-930-7939
dntw.audit@dntw.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Toppen Health Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Toppen Health Inc. (the "Company"), which comprise the statement of financial position as at November 30, 2023, and the statement of operations and comprehensive loss, statement of changes in deficiency, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended November 30, 2023. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described in note 1, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

The financial statements of the Company for the year ended November 30, 2022 were not audited.

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Other Information

Management is responsible for the other information. The other information comprises the Business Acquisition Report dated April 12, 2024, which we obtained prior to the issuance of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

dntw
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override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

DNTW Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants

April 12, 2024
Markham, Ontario

Toppen Health Inc.
Statements of Financial Position
As at November 30, 2023 and 2022
(Expressed in United States Dollars)

As at	Note	**November 30, 2023** $	November 30, 2022 *(Unaudited)* $
ASSETS			
Current			
Cash		**981**	3,467
Accounts receivable		**62,467**	83,693
Prepaid expenses and deposits		**17,518**	12,277
Inventory	*4*	**255,495**	298,354
Total current assets		**336,461**	397,791
Property and equipment, net	*5*	**82,281**	97,547
Right-of-use assets	*6*	**66,107**	122,770
Total assets		**484,849**	618,108
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**163,294**	136,851
Lease liabilities - current portion	*7*	**67,719**	58,686
Loans payable	*8*	**855,138**	477,524
Customer deposit		**38,927**	10,284
Total current liabilities		**1,125,078**	683,345
Lease liabilities	*7*	**12,293**	75,142
Total liabilities		**1,137,371**	758,487
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Common stock	*10*	**990**	945
Accumulated deficit		**(653,512)**	(141,324)
Total deficiency		**(652,522)**	(140,379)
Total liabilities and shareholders' deficiency		**484,849**	618,108

Nature of Operations and Going Concern 1

Approved on behalf of the Board:

"Owen Boyd", Director (signed)

"Al Dube", Director (signed)

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

Toppen Health Inc.

Statements of Operations and Comprehensive Loss
For the Years Ended November 30, 2023 and 2022
(Expressed in United States Dollars)

	Note	**November 30, 2023**	November 30, 2022 *(Unaudited)*
		$	$
Revenue		**420,033**	954,057
Cost of sales		**(286,404)**	(543,461)
Gross profit		**133,629**	410,596
Operating expenses			
Salaries and wages		**184,878**	133,107
Contractors		**79,517**	76,759
Bad debt expense		**68,034**	14,700
Office and general		**58,433**	137,029
Amortization of right-of-use assets	*6*	**56,663**	47,220
Interest expense		**50,707**	12,174
Professional fees		**41,225**	43,056
Consulting fees and other fees		**36,067**	-
Amortization expense	*5*	**26,486**	14,070
Insurance		**16,726**	36,062
Rent and utilities		**13,866**	19,329
Interest on lease liability	*7*	**13,215**	15,401
Impairment of property and equipmen	*5*	**-**	150,752
		645,817	699,659
Net loss and comprehensive loss		**(512,188)**	(289,063)

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

Toppen Health Inc.

Statements of Changes in Deficiency

For the Years Ended November 30, 2023 and 2022

(Expressed in United States Dollars)

	Number of Common Shares	Share Capital	Accumulated Deficit	Total
	#	$	$	$
Balance, November 30, 2021	**900**	**900**	**147,739**	**148,639**
Issuance of common shares *(Note 10)*	45	45	**-**	45
Net loss for the year	-	-	(289,063)	(289,063)
Balance, November 30, 2022	**945**	**945**	**(141,324)**	**(140,379)**
Issuance of common shares *(Note 10)*	**45**	**45**	**-**	45
Net loss for the year	-	-	(512,188)	(512,188)
Balance, November 30, 2023	**990**	**990**	**(653,512)**	**(652,522)**

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

Toppen Health Inc.

Statements of Cash Flows

For the Years Ended November 30, 2023 and 2022

(Expressed in United States Dollars)

	November 30, 2023	November 30, 2022 *(Unaudited)*
	$	$
Cash Flows from (used in) Operating Activities		
Net loss	**(512,188)**	(289,063)
Add-back (deduct) non-cash items		
Depreciation	**26,486**	14,070
Amortization of right-of-use assets	**56,663**	47,220
Interest	**50,707**	12,174
Interest on lease liability	**13,215**	15,401
Changes in non-cash working capital:		
Accounts receivable	**21,226**	(83,693)
Prepaid expenses and deposits	**(5,241)**	(9,232)
Inventory	**42,859**	66,036
Accounts payable and accrued liabilities	**26,488**	(167,899)
Deferred revenue	**28,643**	58
Cash flows used in operating activities	**(251,142)**	(394,928)
Cash Flows from (used in) Financing Activities		
Lease payments	**(67,031)**	(51,563)
Interest paid	**(15,506)**	(8,147)
Proceeds from loans	**342,413**	537,524
Cash flows from financing activities	**259,876**	477,814
Cash Flows from (used in) Investing Activities		
Issuance of common shares	**45**	45
Purchase of equipment	**(11,220)**	(82,605)
Cash flows used in investing activities	**(11,220)**	(82,605)
Increase (decrease) in cash	**(2,486)**	281
Cash, beginning of year	**3,467**	3,186
Cash, end of year	**981**	3,467

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Toppen Health Inc. ("Toppen" or the "Company") was incorporated on April 1st, 2020 pursuant to section 180.0821 (Wisconsin Statutes). Toppen is a US-based innovative health and wellness company, dedicated to delivering state-of-the art water filtration solutions.

These financial statements of the Company have been prepared on a going concern basis which presumes the Company will continue in operation and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company incurred a net loss and comprehensive loss of $512,188 during the year ended November 30, 2023 (November 30, 2022 – $289,063) and has a total accumulated deficit of $653,512 as at November 30, 2023 (November 30, 2022 – $141,324). The Company's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. To this point, all operational activities and overhead costs have been funded through related party advances.

The Company believes that narrowing losses and continued funding from equity and debt issuances will provide sufficient cash flow for it to continue as a going concern in its present form. However, there can be no assurances that the Company will continue to have the required funding for its operations. These material uncertainties cast significant doubt as to the Company's ability to continue as a going concern. As at November 30, 2023 and 2022 the financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information. These financial statements are presented in United States dollars. The functional currency of the Company, as determined by management, is the United States dollar.

Statement of compliance

These financial statements of the Company were prepared using accounting polices consistent with International Financial Reporting Standards ("IFRS") as issued by the Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below were consistently applied to all the periods presented.

These financial statements were authorized for issuance by the Board of Directors on April 12, 2024.

Significant accounting judgments and estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity (deficiency) and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Functional presentation and currency

In determining the functional currency of the parent and its subsidiary, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction Company's subsidiary operates in. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Impairment of tangible assets

The Company assesses the carrying value of its tangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that the carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current net income (loss). Recoverability is dependent upon assumptions and judgements regarding market conditions, costs of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash and cash equivalents

The Company considers all highly liquid securities with an original maturity of three months or less to be cash equivalents. Cash equivalent balances consist of bankers' acceptances and bank accounts with variable market rates of interest. The financial risks associated with these instruments are minimal and the Company has not experienced any losses from investments in these securities. The carrying amount of cash approximates its fair value due to its short-term nature.

Inventory

Inventory for water-filtration products are initially valued at cost, and subsequently at the lower of cost and net realizable value. Cost is determined using the weighted average costing method. Net realizable value is determined as the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The Company reviews inventory for obsolete, redundant, and slow-moving goods and any such inventories identified are written down to net realizable value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers

The Company records revenue in accordance with the five steps in IFRS 15 – Revenue from Contracts with Customers, as follows:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price, which is the amount the Company expects to be entitled to;
4. Allocate the transaction price among the performance obligations in the contract based on their relative stand-alone selling prices; and
5. Recognize revenue when or as the goods are transferred to the customer.

The Company's principal sources of revenue are from the sale of water filtration systems and products. Revenue from the sale of products is recognized when the significant risks and rewards of ownership have been transferred, generally at the date of transfer of ownership title. Revenue from the sale of goods is measured at the fair value of consideration received.

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. The gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of operations. Expenditures to replace a component of an item of equipment that is accounted for separately are capitalized and the existing carrying amount of the component written off. Other subsequent expenditures are capitalized if future economic benefits will arise from the expenditure. All other expenditures, including repair and maintenance, are recognized in the statement of operations as incurred.

Depreciation is charged to the income statement based on the cost, less estimated residual value, of the asset on a straight-line basis over the estimated useful life. Depreciation commences when the assets are available for use. The estimated useful lives are as follows:

Assets	**Rate**
Machinery and equipment	Straight line over five years
Furniture and fixtures	Straight line over five years
Computer Equipment	Straight line over five years

Property and equipment, excluding land, not yet ready for use are not amortized until they are available for use.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

Long-lived assets are reviewed for impairment when events or circumstances indicate that the carrying value of an asset may not be recoverable. For assets that are to be held and used, impairment is recognized when the sum of estimated undiscounted cash flows associated with the asset or group of assets is less than its carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss equal to the amount by which the carrying amount exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Financial instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9, such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial assets

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) at fair value through profit or loss ("FVTPL").

Amortized cost - Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

Fair value through other comprehensive income - Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

FVTPL - Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities

Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company's accounting policy for each category is as follows.

FVTPL - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception.

Amortized cost - Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

The following table summarizes the classification of the Company's financial instruments

Financial assets	
Cash	Amortized cost
Accounts receivable	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

IFRS 9 uses an expected credit loss impairment model which is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. For accounts receivable excluding taxes receivable, the Company utilized a provision matrix, as permitted under the simplified approach, and has measured the expected credit losses based on lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to the debtors and other factors. The carrying amount of trade receivables is reduced for any expected credit losses through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of comprehensive income. At the point when the Company is satisfied that no recovery of the amount owing is possible, the amount is considered not recoverable and the financial asset is written off.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Right-of use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset of a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Lease obligations

Lease obligations are measured at the present value of the remaining lease payments on the date the lease contract is entered into, discounted using the interest rate implicit in the lease terms. If that rate cannot be readily determined, the Company will use its incremental borrowing rate.

Lease payments included in the measurement of the lease obligation are comprised of the following:

- Fixed lease payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price of purchase options that the Company is reasonably certain to exercise;
- Lease payments in an option renewal period if the Company is reasonably certain to exercise the extension option;
- Penalties for early termination of the lease unless the Company is reasonably certain not to terminate early; and
- Less any lease incentives receivable.

Variable payments for leases that do not depend on an index or rate are not included in the measurement of the lease obligations. The variable payments are recognized as an expense in the period in which they are incurred. The Company accounts for any leases and associated non-lease components separately, as opposed to a single arrangement, which is permitted under IFRS 16. The Company records non-lease components such as an expense in the period in which they are incurred.

Interest on the lease obligations is calculated using the effective interest method and increases the lease obligation while rent payments reduce the obligation. The lease obligation is remeasured whenever a lease contract is modified, and the lease modification is not accounted for as a separate lease, or there is a change in the assessment of the exercise of an extension option. The lease obligation is remeasured by discounting the revised lease payments using a revised discount rate resulting in a corresponding adjustment to the right-of-use asset or is recorded in gain or loss if the carrying amount of the right-of-use asset has been reduced to zero or the modification results in a reduction in the scope of the lease.

For short-term leases that have a lease term of 12 months or less and low-value assets, the Company has elected to not recognize a lease obligation and right-of-use asset and instead will recognize a lease expense as permitted under IFRS 16.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

The following IFRS standards have been recently issued by the IASB. Pronouncements that are irrelevant or not expected to have a significant impact have been excluded.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2023. The Company is currently evaluating the potential impact of these amendments on the Company's financial statements.

Significant accounting judgements and estimates

Revenue recognition
Application of the accounting principles related to the measurement and recognition of revenue requires the Company to make judgments and estimates. Revenue arrangements may be comprised of multiple performance obligations. Judgment is required in determining the performance obligations that exist in an arrangement and the nature of these deliverables. Management also applies judgement in the calculation of the estimated life of a contract, the value of amounts recoverable on contracts and the timing of revenue recognition.

Leases
Management applies judgment in reviewing each of its contractual arrangements to determine whether the arrangement contains a lease. Leases that are recognized are subject to further management judgment and estimation in various areas specific to the arrangement, including lease term and discount rate. In determining the lease term to be recognized, Management considers all facts and circumstances that create an economic incentive to exercise an extension operation, or not to exercise a termination option. Where the rate implicit in a lease is not readily determinable, the discount rate of lease obligations are estimated using a discount rate that estimates the Company's specific incremental borrowing rate. The incremental borrowing rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security, in a similar economic environment.

Provisions and contingencies
The amount recognized as provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, the assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes
The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of these financial statements.

Impairment of long-lived assets
Assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. If an impairment assessment is required, the assessment of fair value often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, rehabilitation and restoration costs, future capital requirements and future operating performance. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

Useful lives of depreciable assets
The Company estimates the useful lives for an item of depreciable assets to its significant parts and depreciates separately each such part. Management reviews the useful lives of depreciable assets and their significant parts at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to a variety of factors including technical obsolescence.

Amortization and impairment of non-financial assets
The Company reviews amortized non-financial assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may be impaired. It also reviews annually non-financial assets with indefinite life for impairment. If the recoverable amount of the respective non-financial asset is less than its carrying amount, it is considered to be impaired. In the process of measuring the recoverable amount, management makes assumptions about future events and circumstances. The actual results may vary and may cause significant adjustments. The amortization expense related to intangible assets and depreciation related to equipment are determined using estimates relating to the useful life of the related assets.

4. INVENTORY

The Company's inventory is comprised of water filtration systems and products. The Company's inventory as at November 30, 2023 amounted to $255,495 (November 30, 2022 – $298,354).

(Expressed in United States Dollars)

5. PROPERTY AND EQUIPMENT

The Company's property and equipment are comprised of the following:

	Machinery and Equipment	Furniture and Fixtures	Computer Equipment	Total
	$	$	$	$
Cost				
As at November 30, 2021	**29,416**	**3,157**	**8,352**	**40,925**
Additions	82,604	-	-	82,604
As at November 30, 2022	**112,020**	**3,157**	**8,352**	**123,529**
Additions	8,517	2,703	-	11,220
As at November 30, 2023	**120,537**	**5,860**	**8,352**	**134,749**
Accumulated Depreciation:				
As at November 30, 2021	**8,661**	**967**	**2,284**	**11,912**
Depreciation for the year	11,769	631	1,670	14,070
As at November 30, 2022	**20,430**	**1,598**	**3,954**	**25,982**
Depreciation for the year	24,038	778	1,670	26,486
As at November 30, 2023	**44,468**	**2,376**	**5,624**	**26,486**
Net Book Value:				
As at November 30, 2021	20,755	2,190	6,068	29,013
As at November 30, 2022	91,590	1,559	4,398	97,547
As at November 30, 2023	**76,069**	**3,484**	**2,728**	**82,281**

During the year ended November 30, 2022, the Company recorded an impairment expense related to certain assets acquired from WFMC Technologies, LLC in the amount of $150,752 as a result of them not qualifying for recognition as property and equipment. There was no such impairment recorded during the year ended November 30, 2023.

6. RIGHT-OF-USE ASSET

The Company's right-of-use assets were comprised of the following:

	$
Balance, November 30, 2021	**-**
Additions during the year	169,990
Depreciation for the year	(47,220)
Balance, November 30, 2022	**122,770**
Additions during the year	-
Depreciation for the year	(56,663)
Balance, November 30, 2023	**66,107**

Leased properties are amortized over the terms of their respective leases.

(Expressed in United States Dollars)

7. LEASE LIABILITIES

The following is a reconciliation of the Company's lease liabilities as at November 30, 2023 and 2022:

	$
Balance, November 30, 2021	**-**
Additions during the year	169,990
Interest expense	15,401
Lease payments	(51,563)
Balance, November 30, 2022	**133,828**
Additions during the year	-
Interest expense	13,215
Lease payments	(67,031)
Balance, November 30, 2023	**80,012**

Allocated as:

	November 30, 2023	November 30, 2022
	$	$
Current	**67,719**	58,686
Long-term	**12,293**	75,142
Total	**80,012**	133,828

The following table presents the contractual undiscounted cash flows for lease obligations as at November 30, 2023:

	November 30, 2023
	$
Less than one year	73,734
One to five years	12,478
More than five years	-
Total undiscounted lease obligation	86,212

8. LOANS PAYABLE

The Company's loans payable were comprised of the following:

	November 30, 2023	November 30, 2022
	$	$
Line of credit	**300,000**	300,000
Promissory note	**217,500**	-
Shareholder loans	**304,279**	173,434
Accrued interest	**33,359**	4,090
Total	**855,138**	477,524

8. LOANS PAYABLE (continued)

Line of Credit

The Company has a line of credit with an arms-length party in the principal amount of $300,000 (2022 – $300,000) as at November 30, 2023. This loans payable is interest-bearing at prime plus three percent, compounded monthly, secured by a general security interest on the Company, and matures on May 31, 2024.

Promissory Note

The Company has promissory notes from Aion Therapeutic Inc. in the principal amount of $217,500 (2022 – $nil) as at November 30, 2023. This promissory note is unsecured, bears interest at 10% per annum, compounded annually, with no set terms of repayment. The Company was acquired by Aion Therapeutic Inc. subsequent to year-end (Note 15).

Shareholder Loans

The Company had loans from shareholders of the Toppen of $304,279 (2022 – $173,434) as at November 30, 2023. The shareholder loans are unsecured, non-interest bearing, with no set terms of repayment.

Interest expense in the amount of $50,707 (2022 – $12,174) was recorded for year ended November 30, 2023.

9. RELATED PARTY TRANSACTIONS

Related party transactions as at and for the year ended November 30, 2023 and 2022, and the balances as at those dates, not disclosed elsewhere in these financial statements are as follows:

a) Shareholder loans were outstanding in the amount of $304,279 (2022 - $173,434) as at November 30, 2023 (Note 8);
b) A director and shareholder of the Company received commissions of $9,976 and a salary of $116,000 during the year ended November 30, 2023; and
c) The Company had a loans payable to Aion Therapeutic Inc. as at November 30, 2023. Subsequent to year-end, Aion Therapeutic Inc. became a non-arms length party as a result of acquiring all of the issued and outstanding shares of Toppen (Note 15).

10. SHARE CAPITAL

The Company is authorized to issue 9,000 common shares with a par value of $1.00 per share.

As at November 30, 2023, the Company had 990 (November 30, 2022 – 945) common shares issued and outstanding.

a) Common Shares

- During the year ended November 30, 2023, the Company issued 45 common shares of the Company at a price of $1 per share; and
- During the year ended November 30, 2022, the Company issued 45 common shares of the Company at a price of $1 per share.

10. SHARE CAPITAL (continued)

b) Stock-based compensation plan

During the years ended November 30, 2023 and 2022, the Company did not issue any stock options or have any outstanding stock options.

c) Warrants

During the years ended November 30, 2023 and 2022, the Company did not grant any share purchase warrants or have any outstanding share purchase warrants.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and loan payable.

The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The fair value of the Company's loans payable, accounts payable and loans payable approximate their fair values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and price risk.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and market risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due within one year. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As at November 30, 2023, there is substantial doubt about the Company's ability to continue as a going concern primarily due to its history of losses and negative working capital. Liquidity risk continues to be a key concern in the development of future operations.

11. FINANCIAL INSTRUMENTS (continued)

Financial risk management and objectives (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on one of its line of credit that is based on a variable interest rate.

(b) Price risk

The Company is exposed to significant price risk via its equity investment (Note 10), as this is based on the price in the quoted market.

(c) Currency risk

The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at November 30, 2023 and 2022, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

12. CAPITAL MANAGEMENT

The Company includes equity comprised of issued share capital, deficit and cash and cash equivalents in the definition of capital. As at November 30, 2023, the Company's shareholders' deficiency amounted to $652,522 (November 30, 2022 – $140,379). The Company's objectives when managing capital are as follows:

(i) to safeguard the Company's ability to continue as a going concern; and

(ii) to raise sufficient capital to meet its business objectives.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions and the Company's long-term and short-term capital requirements. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or debt.

13. CONTINGENCIES

In the course of normal business, the Company may become involved in certain legal proceedings. In management's opinion, there are no current legal proceedings which would result in claims against the Company that would have a material adverse effect on the Company's overall financial position, results of operations, or cash flows.

14. INCOME TAXES

The Company is organized as an S-Corporation under the laws of the United States. This designation allows the Company to pass income, losses, deductions, and credits through to its shareholders for federal tax purposes. Shareholders of the Company report the flow-through of income and losses on their personal tax returns and are taxed at individual income tax rates, thereby avoiding double taxation on corporate income. As a result, the Company itself is not subject to income tax at the corporate level. Consequently, the Company does not record any income tax provisions or disclosures related to corporate income taxes.

15. SUBSEQUENT EVENTS

On December 15, 2023, all of the Company’s issued and outstanding shares were acquired by Aion Therapeutic Inc., a public company listed on the Canadian Securities Exchange (the "Acquisition"). The Acquisition was completed pursuant to a definitive share purchase agreement dated October 10, 2023 (the "Purchase Agreement") with Toppen and shareholders holding a majority of the issued and outstanding shares of Toppen (the "Toppen Shares") and a separate share purchase agreement with the remaining Toppen shareholders, entered into on the closing of the Acquisition.