TRYP THERAPEUTICS INC.

Management's Discussion & Analysis

For the Three and Six Months Ended February 28, 2023

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INTRODUCTION

This management discussion and analysis ("**MD&A**") of the operations and financial condition of Tryp Therapeutics Inc. (the "**Company**" or "**Tryp**") is dated as of April 28, 2023 and describes the operating and financial results of the Company for the three and six months ended February 28, 2023. MD&A of financial condition and the results of operations should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended February 28, 2023 (the **"Financial Statements"**) and the audited consolidated financial statements for the year ended August 31, 2022. The Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting and do not include all information required for full annual financial statements. The most recent audited consolidated financial statements of the Company for the fiscal year ended August 31, 2022 and all comparative information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Throughout the MD&A we refer to "Tryp" the "Company", "we", "us", "our" or "its". All these terms are used in respect of Tryp Therapeutics Inc.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "outlook", "prospects", "strategy", "intends", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking information contained in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

The forward-looking information in this MD&A represents our expectations as of the date of this MD&A. The Company does not have any policies to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. Forward-looking information in this MD&A includes, but is not limited to: (i) information relating to clinical Phase 1 pharmacokinetic studies for TRP-8803 IV infused psilocin, including statements regarding the anticipated results of such studies, and (ii) TRP-8803's expected commercialization and use for chronic pain indications such as fibromyalgia and binge eating disorder, among other diseases.

Forward-looking information contained herein is based largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond our control, are based on and include but are not limited to: (i) the Company's ability to obtain positive results of preclinical and clinical studies; (ii) the Company's ability to obtain regulatory approvals;

(iii) general business and economic conditions; (iv) the Company's ability to successfully out-license or sell its current drug candidates and in-license and develop new drug candidates; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; and (ix) the Company's ability to protect patents and proprietary rights.

Additional information concerning some of the risks and uncertainties facing the Company are contained in: this MD&A; in the MD&A for the year ended August 31, 2022; in the Company's continuous disclosure filings; and in the Company's final prospectus dated, December 13, 2020 (the "**Prospectus**"), copies of which are available under the Company's profile on SEDAR at www.sedar.com.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events, or developments, except as required by law.

OVERVIEW

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 24, 2019 under the name "Artos Pharma Corp.". On June 30, 2020, the Company changed its name to "Tryp Therapeutics Inc".

Tryp is a clinical-stage biotechnology company focused on developing psilocybin-related molecules, including TRP-8803 IV infused psilocin for the treatment of diseases with unmet medical needs through accelerated regulatory pathways. Tryp's Psilocybin-For-Neuropsychiatric Disorders (PFN™) program is focused on the development of IV psilocin as a new class of drug for the treatment of binge eating, chronic pain, and other indications. The Company has completed interim analysis of patients in its Phase II trial for the treatment of binge eating disorder at the University of Florida and expects upcoming Phase IIa clinical trial with the University of Michigan to evaluate TRP-8802 for fibromyalgia to commence in second half 2023. TRP-8803 psilocin is the active metabolite of psilocybin administered via an IV infusion, which potentially may improve efficacy, safety and the patient experience.

On December 17, 2020, the Company successfully closed its initial public offering, pursuant to the Company's Prospectus and commenced trading on the Canadian Stock Exchange ("**CSE**") on December 18, 2020 under the symbol "**TRYP**".

On March 16, 2021, Tryp Therapeutics (USA) Inc. ("**Tryp USA**") was incorporated in the State of Delaware, United States of America and is 100% owned by Tryp.

On April 5, 2021, the Company initiated quoting activity on the OTCQB Venture Market under the symbol "**TRYPF**" and is eligible for settlement and transfer of its common shares in the United States with The Depository Trust Company.

The Company's principal address, records office and registered address are located at 301 – 1665 Ellis Street, Kelowna, British Columbia, Canada V1Y 2B3.

HIGHLIGHTS – FY2023 TO DATE

Research and Development – Significant activities and advances included:

On April 4, 2023, the Company announced it has completed the training of psychotherapists for its planned Phase 2a clinical trial investigating the effects of psilocybin-assisted psychotherapy in the treatment of patients aged 21+ suffering from Irritable Bowel Syndrome (IBS) at Massachusetts General Hospital (MGH).

The planned study will evaluate the effect of psilocybin-assisted psychotherapy in patients with treatment-resistant IBS who experience chronic abdominal pain and other debilitating gastrointestinal symptoms. Many of these patients also suffer from fibromyalgia, anxiety and fatigue. The primary efficacy endpoint of the study will be improvement in abdominal pain. The study will also explore changes in brain connectivity and responses to pain at baseline, at four weeks, six months and twelve months, post-the psychedelic session, along with numerous other secondary endpoints.

January 5, 2023 – Tryp announced interim results for its Phase II clinical trial for the treatment of binge eating disorder with psilocybin-assisted psychotherapy. Interim data analysis supports the potential effectiveness of psilocybin-assisted psychotherapy for the treatment of Binge Eating Disorder:

- TRP-8802 demonstrated significant and prolonged improvement in several measures of Binge Eating behavior measures of clinical efficacy for all five patients.
- Across all patients treated with TRP-8802, daily binge eating episodes were reduced by an average of 80.4% from baseline during the four-week post-dosing measurement period, with all patients exhibiting a daily reduction in binge eating episodes of at least 60% from baseline.
- Hospital Anxiety and Depression Scale (HADS) anxiety and depression scores demonstrated improving trends related to patients' baseline levels of anxiety and depression.
- TRP-8802 was well tolerated and showed a favorable safety profile in all patients.
- Interim results were for the first five patients in the clinical trial conducted in collaboration with the University of Florida.

January 3, 2023 - Tryp announced that Tryp Therapeutics and Massachusetts General Hospital signed a Letter of Intent for a Clinical Study Investigating the Use of Psilocybin-Assisted Psychotherapy for the Treatment of Patients Suffering from Irritable Bowel Syndrome (IBS).

January 2, 2023 - Tryp submitted a Provisional Patent Application 63/436,641 for the Treatment of Gut Brain Interaction Disorders including Irritable Bowel Syndrome (IBS) using psilocybin assisted psychotherapy.

October 3, 2022 – Tryp announced that the World Intellectual Property Organization (WIPO) published their international patent application (PCT/IB2022/052347) covering the intravenous administration of psilocybin and psilocin. The PCT application, titled "Improved Methods for The Use of Psychedelics" expands and strengthens the IP related to the Company's development of TRP-8803, an IV formulation of psilocin, which will be administered in conjunction with psychotherapy.

The patent application includes a unique and proprietary formulation and delivery system to enhance the positive effects of psilocybin and in particular psilocin, while markedly reducing the limitations of psilocybin dosed through other routes of administration, including oral, nasal, and sublingual.

September 22, 2022 - The WIPO published Tryp's international patent application titled "Improved Methods for the Use of Psychedelics" covering the intravenous administration of psilocybin and psilocin.

September 13, 2022 - Tryp filed provisional patent application titled "Compositions and Methods for Treating Fibromyalgia" for the use of psilocybin for treatment of patients with fibromyalgia.

September 13, 2022 - Tryp filed provisional patent application titled "Psilocin Crystalline Forms and Cocrystals" for crystalline forms of TRP-8803.

Private Placement of Secured Convertible Debentures

On April 27, 2023, the Company closed a private placement (the "Private Placement") of secured convertible debentures (the "Debentures) for aggregate gross proceeds of AUD$2.4 million Westar Capital Limited ("Westar") acted as lead manager for the Private Placement in accordance with the terms of an engagement letter between Westar and the Company the "Engagement Agreement).

The Debentures are denominated in Australian Dollars, have a term of 18 months from April 26, 2023 (the "Maturity Date"), and are interest free during the initial 8 months following the date of issuance. During the period between the date, that is 8 months from the date of issuance and 18 months from the date of issuance, the Debentures shall pay interest of 20% per annum. The Debentures automatically convert, as to principal and accrued interest, into common shares in the capital of the Company (the "Common Shares") on the earlier of: (i) the Maturity Date, or (ii) the time the Company is completing a liquidity event.

The price at which the Debentures (including any accrued but unpaid interest thereon) shall be converted into Common Shares (the "Conversion Price") will vary depending on various scenarios as set out in the debenture and at a conversion price fixed in accordance with CSE policies. The Debentures are secured by a general security interest over substantially all of the present and after-acquired personal property of the Company. In accordance with the terms of the Engagement Agreement, Westar is entitled to a cash fee of up to 6% of proceeds raised under the Private Placement and will be issued warrants (the "Broker Warrants") equal to 10.05% of the Company's total undiluted issued and outstanding shares on closing of the Private Placement. Each Broker Warrant entitles the holder to acquire one Common Share at an exercise price equal to the greater of: (i) the closing market price of the Common Shares on the date of issuance and (ii) the price implied by an AUD$15 million equity valuation on an undiluted basis, for a period of three years from the date of issuance. The Company retained the ability to cancel up to 60% of the Broker Warrants in certain circumstances.

The securities issued in the Private Placement, including the Common Shares issuable on conversion of the Debentures, will be subject to a hold period of four months and one day from the closing date of the Private Placement in accordance with applicable securities laws.

The Private Placement constituted a "related party transaction" as such term is defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* as a director of the Company participated in the Private Placement, acquiring aggregate principal amount of AUD$100,000 of Debentures on the same basis as other subscribers. In addition, this same director is entitled to receive certain fees from Westar in connection with the Private Placement and the transactions contemplated in the Engagement Agreement.

Prior to the Private Placement, Dr. William Garner beneficially owned or exercised control or direction over 38,420,000 Common Shares and 10,000,000 Warrants, representing approximately 39.85% and 45.50% of the issued and outstanding Common Shares on an undiluted and partially diluted basis, respectively. Dr. Garner acquired an aggregate principal amount of AUD$1,200,000 of Debentures under the Private Placement. Subsequent to the closing of the Private Placement, Dr. Garner beneficially owns or exercises control or direction over 38,420,000 Common Shares, 10,000,000 Warrants and an aggregate principal amount of AUD$1,200,000 of Debentures, representing approximately 39.85% and 51.57% of the issued and outstanding Common Shares on an undiluted and partially diluted basis respectively (assuming that the Debentures convert at a price of CDN$0.09/share).

Management

On September 15, 2022, the Company appointed Jim O'Neill as Chief Financial Officer and granted him 500,000 stock options with an exercise price of $0.17, a term of 10 years, and vesting in equal monthly instalments over a period of three years.

OUTLOOK

Tryp is actively exploring alternative sources for funding its research and development ('R&D') activities as well as general corporate needs. The April 2023 Private Placement provides funding for near term operations, while additional funding is required to significantly advance clinical trials and other R&D activities. The Company plans to continue to reduce expenditures and negotiate extended payment terms while seeking additional funding. The timing and amount of new funding will directly impact the number and nature of R&D activities in 2023.

The Company plans to review and revise, as appropriate, its active and planned studies to optimize the use of present resources and its proprietary formulations. Activities are expected to continue to advance Tryp's intellectual property ('IP') and 'R&D strategies based on TRP-8802 and TRP-8803. The strategies include clinical trial data readouts; three research programs with major worldwide institutions and hospitals; and additional patent applications for proprietary TRP-8803.

RESULTS OF OPERATIONS

During the three and six months ended February 28, 2023 and as at the date of this MD&A, the Company worked with three major institutions and summarized the activities as follows:

University of Florida

On January 5, 2023, the Company announced interim results for its Phase II clinical trial for the treatment of binge eating disorder with psilocybin-assisted psychotherapy, as noted in the 'Highlights' section above. The clinical trial results were from the first five patients. The first patient was enrolled in March 2022 with the other four added at 4-to-10-week intervals.

The study investigated the safety and preliminary effectiveness of psilocybin-assisted therapy among patients with binge eating disorders in collaboration with the University of Florida. Conducted in Gainesville, Florida, the open-label trial targeted a group of up to ten patients. Dr. Jennifer Miller, a Professor of Pediatric Endocrinology at University of Florida who specializes in the care and treatment of individuals with a variety of eating disorders, including binge eating and hypothalamic-induced obesity, will serve as Principal Investigator of the trial. The key objective of this clinical trial is to confirm that the neuroplasticity attributes of psilocybin will help create healthy neural connections that address the unhealthy eating behaviors of patients with binge eating disorders. In addition to evaluating the effectiveness of psilocybin in this patient population, the results will help guide future clinical studies using Tryp's proprietary psilocybin-related molecule (TRP-8803) for our targeted indications.

As noted in the January 5, 2023 news release, the current results demonstrated a significant reduction in the frequency of binge eating behavior for each patient as measured in multiple assessments of efficacy which were discussed with the FDA as acceptable endpoints in advance of this study. Observations included:

- Across all patients, daily binge eating episodes were reduced by an average of 80.4% from baseline during the four-week post-dosing measurement period, with all patients reporting a daily reduction in binge eating episodes of at least 60% from baseline.
- 4 of 5 patients reported at least a 75% reduction in daily binge eating episodes from baseline during the four-week post-dosing measurement period

University of Wisconsin

The Company continued to work with Paul Hutson, PharmD and Christopher Nicholas, PhD from the University of Wisconsin-Madison to support clinical pharmacology studies for the Company's proprietary drug product, TRP-8803. The plan includes the Company minimizing or deferring its financial commitment in the near term, while providing technical support for the studies.

During the latter part of 2022, logistical issues relating to the conduct of the study in the USA led to the study being postponed. Tryp is exploring opportunities outside of the USA to perform a healthy volunteer study to examine the pharmacokinetics of TRP-8803 IV infused psilocin.

University of Michigan

On December 2, 2021, the Company announced that it had received confirmation from the U.S. Food and Drug Administration ("FDA") that its review of Tryp's Investigational New Drug ("IND") application was complete and that the Company could proceed with its clinical study in fibromyalgia. The Phase 2a open label clinical trial is being conducted with Kevin Boehnke, Ph.D. from the University of Michigan and will evaluate the Company's oral formulation of synthetic psilocybin, TRP-8802, in combination with psychotherapy. The trial will enroll up to 20 fibromyalgia patients and includes a variety of secondary and exploratory endpoints given the high prevalence of co-morbidities such as poor sleep quality, depression, anxiety, and other conditions in patients suffering from fibromyalgia. The administration of psilocybin is expected to increase neuroplasticity and to address disrupted neural connections that have been reported for nociplastic pain indications. The clinical trial will be one of the first evaluations of synthetic psilocybin for fibromyalgia in a Phase 2 study.

The Company and the University of Michigan completed the program plan and preliminary budget in September 2022, in anticipation of receiving the related DEA licensing to initiate this study. The State DEA licensing was received in January 2023.

The Company, after considering its financial resources has initiated discussions with its collaborators at the University of Michigan to significantly reduce its near-term financial commitment to the program. Subject to the availability of future funding, the Company may revise its financial contributions to support this program.

Financial Results for the three and six months ended February 28, 2023

The Company had no operating revenues during the three and six months ended February 28, 2023 and relies on external financing to generate capital for its continued operations. As a result of its activities, the Company continues to incur losses.

For the six months ended February 28, 2023, the Company reported a net loss and comprehensive loss of $2,921,057 (February 2022 – $4,575,342) and a basic and diluted loss per share of $0.03 (February 2022 - $0.08). The current period loss was primarily attributed to general and administration costs of $941,855 (February 2022 - $2,949,176) and research and development costs of $1,648,701 (February 2022 - $949,768) as described hereinbelow.

The summary of general and administrative expenditures included:

	Three months ended		Six months ended	
	February 28, 2023	February28, 2022	February 28, 2023	February28, 2022
Directors' fees	40,000	60,000	86,665	120,000
Professional fees	63,711	69,549	115,793	108,667
Consulting fees and salaries	134,983	591,371	219,484	1,134,027
Insurance	97,330	154,086	279,182	204,818
Office and administrative fees	65,093	94,806	127,430	273,659
Regulatory and legal fees	18,873	73,738	27,748	137,364
Investors relations and corporate development	38,602	246,108	85,553	970,642
	458,592	1,349,658	941,855	3,069,177

Directors' fees were lower in the three and six months ended February 28, 2023 ("Q2 FY2023" and "YTD Q2", respectively) compared to the same period in the prior year due to a change in directors and adjustments to fees.

Professional fees in the six months ended February 28, 2023, increased modestly compared to the prior year due to the September 2022 change in the source of accounting services, which resulted in higher costs during the transition period, but lower costs in Q2 FY2023.

Consulting fees and salaries decreased by $456,388 in Q2 FY2023 to $134,983 and decreased by $914,543 in YTD Q2 to $219,484 due to changes in the senior management team implemented in January and February 2022, which resulted in severance payment in the prior year and lower management costs in the current year. The Company also improved the cost management of external consultants to preserve cash in YTD Q2.

Insurance costs changed in the year due to the timing of implementing the directors' and officers' insurance ("D&O Policy") in December 2021 and then obtaining a new lower cost D&O Policy in October 2022. The result was lower ongoing insurance costs similar to the $56,756 savings in Q2 FY2023 compared to same period in the prior year. General liability insurance costs were approximately the same compared to the prior year.

Office and administration fees were lower in Q2 FY2023 due to the change in management and reduction in consulting staff that was implemented in January and February 2022.

Regulatory and legal fees primarily relate to public company compliance support from legal counsel. The higher amounts in the three and six months ended February 28, 2022 relate to updating various corporate governance policies.

Investor relations and corporate development costs decreased in YTD Q2 FY2023 from YTD Q2 FY2022 by $885,089 primarily due to the new management team actively reducing prior commitments and activities to preserve cash to allocate proportionately more funds to research and development activities.

In addition to administration and general expenses incurred as described above the Company incurred the following:

Research and Development expenses of $1,648,701 (February 2022 - $949,768) relate to consulting fees and analytical support in relation to the development of TRP-8802 and TRP-8803. The Company's research and development during YTD Q2 FY2023 included the University of Florida clinical trials using TRP-8802 with five patients and the start-up of the University of Michigan study. TRP-8802 costs in YTD Q2 FY2022 were primarily related to the University of Florida study. Preclinical activities for TRP-8803 relate to toxicity studies initiated in 2021, which have continued through February 2023.

Research and development expenditures for the three and six months ended February 28, 2023:

	Three months ended February 28 2023	**Three months ended February 28 2022**	**Six months ended February 28 2023**	**Six months ended February 28 2022**
Preclinical Activities for TRP-8803	**62,633**	46,862	**115,267**	305,611
Development Activities for TRP-8802	**469,936**	298,099	**1,017,644**	644,157
Staff, consultants and other expenses	**168,810**	-	**515,790**	-
	701,379	344,961	**1,648,701**	949,768

Summary of Quarterly Results

Quarter Ended	**February 28, 2023**	November 30, 2022	August 31, 2022	May 31, 2022
Net loss and comprehensive loss	($1,286,714)	($1,634,343)	($2,185,539)	($749,875)
Basic and diluted loss per share	($0.01)	($0.02)	($0.02)	($0.01)
Weighted average shares outstanding	96,419,347	96,419,347	96,012,754	81,950,440
Quarter Ended	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021
Net loss and comprehensive loss	($1,558,979)	($3,000,483)	($2,770,192)	($2,571,084)
Basic and diluted loss per share	($0.03)	($0.05)	($0.05)	($0.04)
Weighted average shares outstanding	60,650,863	59,358,972	57,512,239	66,372,181

Liquidity and capital resources

	February 28, 2023	**August 31, 2022**
Financial Position:		
Cash and cash equivalents	$43,843	$1,810,137
Working capital (deficit)	($1,649,401)	$980,187
Total assets	$501,068	$2,338,552
Shareholders' equity (deficit)	($1,486,310)	$1,143,278

As of February 28, 2023, the Company's working capital deficit was $1,649,401 compared to positive working capital at August 31, 2022 of $980,187. The decrease primarily relates to the research and development spending of $1,648,701 and routine spending on general and administrative costs in Q2 FY2023.

The Company has cash and cash equivalents on hand as of February 28, 2023 of $43,843 (August 31, 2022 - $1,810,137). Restricted cash of $78,336 (August 31. 2022 $72,048) represents GICs used to secure corporate credit cards.

The Company requires additional funding to meet its near-term obligations and to complete significant research and development objectives as outlined in the Company's Prospectus under heading "*Business Objectives and Milestones"* as filed on www.sedar.com under the Company's profile.

The Company's continuation as a going concern is dependent upon its ability to raise equity capital or secure borrowings sufficient to meet current and future obligations, develop and ultimately achieve profitable operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Contractual Commitments

The Company periodically enters into contractual commitments related to its research studies and clinical trials, including for the supply of psilocin. At February 28, 2023, the Company has total contractual commitments of $237,000 which are expected to become payable, as goods and services are supplied, over the next twelve months.

Key Management and Personnel Compensation

Key management personnel include those people who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation includes amounts paid directly to Company officers, directors, and to private companies controlled by officers and directors. Share-based payments represent the fair value of options granted allocated based on the vesting periods of the options granted.

	Three months ended		Six months ended	
	February 28, 2023	**February28, 2022**	**February 28, 2023**	**February28, 2022**
Key management personnel compensation:				
Compensation [(1)]	140,475	460,372	314,700	631,065
Director fees	40,000	60,000	86,665	120,000
Share-based payments	93,629	(190,811)	257,344	439,372
	274,104	329,561	658,709	1,190437

(1) Compensation includes fees charged by officers or by companies controlled by them and allocated to professional fees, consulting fees and research and development expenses.

Related Party Transactions

As of February 28, 2023, included in trade and other payables are amounts due to officers, directors and private companies controlled by officers and directors for fees and expenses of $70,000 (August 31, 2022 - $46,411). Amounts due to related parties included in trade and other payables are unsecured, non-interest bearing and payable according to normal trade terms.

Related party transactions have occurred in the normal course of operations and are measured at the exchange amount which is established and agreed to by the related parties.

The Private Placement constituted a "related party transaction" as such term is defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* as a director of the Company participated in the Private Placement, acquiring aggregate principal amount of AUD$100,000 of Debentures on the same basis as other subscribers. In addition, this same director is entitled to receive certain fees from Westar in connection with the Private Placement and the transactions contemplated in the Engagement Agreement.

Prior to the Private Placement, Dr. William Garner beneficially owned or exercised control or direction over 38,420,000 Common Shares and 10,000,000 Warrants, representing approximately 39.85% and 45.50% of the issued and outstanding Common Shares on an undiluted and partially diluted basis, respectively. Dr. Garner acquired an aggregate principal amount of AUD$1,200,000 of Debentures under the Private Placement. Subsequent to the closing of the Private Placement, Dr. Garner beneficially owns or exercises control or direction over 38,420,000 Common Shares, 10,000,000 Warrants and an aggregate principal amount of AUD$1,200,000 of Debentures, representing approximately 39.85% and 51.57% of the issued and outstanding Common Shares on an undiluted and partially diluted basis respectively (assuming that the Debentures convert at a price of CDN$0.09/share).

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are disclosed in Note 3 of the Company's annual audited consolidated financial statements for the year ended August 31, 2022.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with IFRS requires that management make judgements, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities, profits, and expenses. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of a change in an accounting estimate is recognized prospectively by including it in income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The accounting policies, including significant judgements made by management applied in the preparation of the Financial Statements, are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended August 31, 2022.

Going concern

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1 of the Financial Statements and audited consolidated financial statements for the year ended August 31, 2022.

Share-based payments

The fair value, at the grant date, of equity-settled share option awards is charged to profit or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Forfeiture rate
- Current market price of the underlying shares
- Risk-free interest rate
- Expected volatility.

Equity settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where this fair value cannot be measured reliably, in which case they are measure at the fair value of the equity instruments grants, as at the date the Company obtains the goods, or the counterparty renders the service. The fair value of the share-based compensation is only re-measured if there is a modification to the terms of the instrument, such as a change in exercise price or legal life. The fair value of the share-based compensation is recognized as an expense over the expected vesting period with a corresponding entry to shareholders' equity.

CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its shareholders' equity. As at February 28, 2023, the Company's shareholders' equity was a deficit of $1,486,310 (shareholders' equity as at August 31, 2022 - $1,143,278). There were no changes in the Company's approach to capital management during the three and six months ended February 28, 2023, and the Company is not subject to any externally imposed capital requirements.

The Company's objective in managing capital is to maintain the entity's ability to continue as a going concern, support the Company's normal operating requirements and to continue the research and development for the treatment of diseases with unmet medical needs. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments to obtain additional financing.

As at February 28, 2023, the Company had a working capital deficit of $1,609,401 (working capital as at August 31, 2022: $980,187) and for the three and six months ended February 28, 2023, cash used in operating activities was $1,760,006 (February 28, 2022: $3,984,233). Working capital is a non-GAAP measure calculated as total current assets less total current liabilities.

OUTSTANDING SHARES at April 27, 2023

The Company's authorized share capital consists of:

- Unlimited Common Shares without par value.
- Unlimited Preferred Shares without par value.

As at the date of this MD&A the Company had 96,419,347 Common Shares issued and outstanding and no Preferred Shares issued and outstanding.

Escrow

In connection with the Company's initial public offering completed on December 17, 2020, as at February 28, 2023, 6,087,720 common shares were held in escrow (August 31, 2022 – 9,131,580) and will be released based on the Company's escrow agreement whereby 3,043,860 common shares will be released every six months until December 17, 2023. As at the date of this MD&A 6,087,720 common shares were held in escrow.

RISK FACTORS

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company. Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: government or regulatory approvals; permits and government regulation; the Company's limited operating history; laws and regulation; uninsured and underinsured risks; public health crises such as the COVID-19 pandemic; the global economy; the environment; social and environmental activism; dependence on management and key personnel; claims and legal proceedings; conflicts of interest; negative cash flow from operating activities; going concern risk; uncertainty of use of available funds; the Company's status as a reporting issuer; risks associated with acquisitions; force majeure; infrastructure; intellectual property risks; the possible lack of established market for the Common Shares; the speculative nature of an investment in the Company; price of the Common Shares may not represent the Company's performance or intrinsic fair value; securities or industry analysts; price volatility of publicly traded securities; dilution; dividends; and conflicts of interest. A more detailed discussion of some of these risks

and uncertainties is set forth below and in the Company's Prospectus dated December 8, 2020 and its continuous disclosure filings which are available under the Company's profile on SEDAR at www.sedar.com.

Going-Concern Risk

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's accompanying consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

Global Economy Risk

The global economy is currently characterized by increased volatility and uncertainty, particularly, in connection with the effects of increased inflation, rising interest rates and the consequential change in investor's perceptions of inflationary expectations and the geopolitical crisis in Ukraine (including the implementation of economic sanctions). Prolonged unfavourable economic conditions may have an adverse effect on the Company's future sales and profitability.

The ongoing economic slowdown and downturn of global capital markets has generally made raising capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact on the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's common shares.

COVID-19 Pandemic Risk

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

The duration and impact of the COVID-19 outbreak is unknown as how it would impact the Company's operations. COVID-19 restrictions have led to temporary site closures and delays in patient screening/enrolment. With recent widespread adoption of vaccination, these restrictions have been lifted.

It is currently not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

If the previous adverse impact of COVID-19 re-emerged or another pandemic developed, Tryp may experience additional disruptions that could severely impact its business and clinical trials, including:

- delays or difficulties in enrolling patients in the Company's clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion of healthcare resources away from the conduct of clinical trials;
- interruption of key clinical trial activities;
- risk that participants enrolled in the Company's clinical trials will acquire COVID-19 while the clinical trial is ongoing;

- limitations in employee resources that would otherwise be focused on conducting the Company's clinical trials;
- delays in receiving authorizations from regulatory authorities to initiate the Company's planned clinical trials;
- delays in clinical sites receiving the supplies and materials needed to conduct the Company's clinical trials;
- changes in local regulations as part of a response to the COVID-19 pandemic which may require the Company's to change the ways in which its clinical trials are conducted, which may result in unexpected costs, or the discontinuation of the clinical trials altogether;
- interruptions or delays in preclinical studies due to restricted or limited operations at research and development laboratory facilities;
- interruptions or delays in efforts to acquire data needed to support patent claims or otherwise expand the Company's intellectual property portfolio;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees; and
- refusal of the FDA or the other regulatory bodies to accept data from clinical trials in affected geographies outside the United States or other relevant local geography.

Any negative impact the COVID-19 pandemic has on patient enrollment or treatment or the development of the Company's drug candidates could cause costly delays to clinical trial activities, which could adversely affect the Company's ability to obtain regulatory approval for and to commercialize the Company's drug candidates, if approved, increase our operating expenses, and have a material adverse effect on the Company's financial results. The COVID-19 pandemic has also caused significant volatility in public equity markets and disruptions to the United States and global economies. This increased volatility and economic dislocation may make it more difficult for the Company's to raise capital on favorable terms, or at all. To the extent the COVID-19 pandemic adversely affects the Company's r business and financial results, it may also heighten many of the other risks described in this ''*Risk Factors*'' section, such as those relating to the timing and completion of our clinical trials and the Company's ability to obtain future financing.

Limited Operating History

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Negative Cash Flow for the Foreseeable Future

The Company has no history of earnings or cash flow from operations. The Company does not expect to generate material revenue or achieve self-sustaining operations for several years, if at all. To the extent that the Company has negative cash flow in future periods, certain of the net proceeds from any offering the company undertakes may be used to fund such negative cash flow from operating activities, if any.

The Company may not be successful in its efforts to identify, license or discover additional product candidates.

The Company's ability to generate future revenue or achieve profitable operations is largely dependent on the ability to attract the experienced management and scientific know-how to develop new drugs and to partner with larger, more established companies in the industry to successfully commercialize products. Successfully developing a new drug into a marketable product may take several years and significant financial resources, and the Company may not achieve those objectives.

Although a substantial amount of the Company's effort will focus on the continued research and pre-clinical and clinical testing, potential approval and commercialization of its existing product candidates, the success of its business also depends in part upon its ability to identify, license or discover additional product candidates. The Company's research programs, or licensing efforts may fail to yield additional product candidates for clinical development for a number of reasons, including but not limited to the following:

- the Company's research or business development methodology or search criteria and process may be unsuccessful in identifying potential product candidates;
- the Company may not be able or willing to assemble sufficient resources to acquire or discover additional product candidates;
- the Company's product candidates may not succeed in pre-clinical or clinical testing;
- the Company's product candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval;
- competitors may develop alternatives that render the Company's product candidates obsolete or less attractive;
- product candidates the Company develops may be covered by third parties' patents or other exclusive rights;
- the market for a product candidate may change during the Company's program so that such a product may become unreasonable to continue to develop;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community, or third-party payors.

If any of these events occurs, the Company may be forced to abandon its development efforts to identify, license or discover additional product candidates, which could have a material adverse effect on its business, prospects, results of operations and financial condition and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

The Company relies on contract research organizations consultants to design, conduct, supervise and monitor research due to a lack of internal resources to perform these functions.

Outsourcing these functions involves risk that third party providers may not perform to the Company's standards, may not produce results in a timely manner or may fail to perform at all. If any contract research organization fails to comply with applicable regulatory requirements, the research and data generated may be deemed unreliable to regulatory authorities. Additional pre-clinical and clinical trials may be required before approval of marketing applications will be given. The Company cannot provide assurance that all third-party providers will meet the regulatory requirements for research and pre-clinical trials. Failure of third-party providers to meet regulatory requirements could result in repeat pre-clinical and clinical trials, which would delay the regulatory approval process or result in termination of pre-clinical and clinical trials. Any of the foregoing could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

Reliance on Third Parties for Research

The Company relies on third parties for the execution of a significant portion of its regulatory, pharmacovigilance medical information, and logistical responsibilities and such third parties may fail to meet their obligations as a result of inadequacies in their systems and processes or execution failure.

The Company also relies on third parties to perform critical services, including preclinical testing, clinical trial management, analysis, and reporting, regulatory, pharmacovigilance, medical information and logistical services.

These third parties may not be available on acceptable terms when needed or, if they are available, may not comply with all regulatory and contractual requirements or may not otherwise perform their services in a timely or acceptable manner. This non-compliance may be due to a number of factors, including inadequacies in third-party systems and processes or execution failure. The Company may also experience unexpected cost increases that are beyond its control. As a result, the Company may need to enter into new arrangements with alternative third parties that may be costly. The time that it takes the Company to find alternative third parties may cause a delay, extension, or termination of its preclinical studies or clinical trials and the Company may incur significant costs to replicate data that may be lost. These third parties may also have relationships with other commercial entities, some of which may compete with Tryp. In addition, if such third parties fail to perform their obligations in compliance with regulatory requirements and the Company's protocols, Tryp's preclinical studies or clinical trials may not meet regulatory requirements or may need to be repeated and its regulatory filings, such as marketing authorizations or new drug submissions, may not be completed correctly or within the applicable deadlines. As a result of Tryp's dependence on third parties, the Company may face delays or failures outside of its direct control in its efforts to develop product candidates.

Regulatory approval risk

Tryp's and its contract research organization's research and development activities and are and will be significantly regulated by a number of governmental entities, including Health Canada and the FDA. Regulatory approvals are required prior to each clinical trial and Company and its contract research organizations may fail to obtain the necessary approvals to commence or continue clinical testing in one or more jurisdictions. The time required to obtain approval by regulatory authorities is unpredictable but typically takes many years following the commencement of clinical trials. Any analysis of data from clinical activities Tryp and its contract research organizations perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit, or prevent regulatory approval. Approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary by jurisdiction. The Company and its contract research organizations could fail to receive regulatory approval for Tryp's planned research for many reasons, including but not limited to:

- disagreement with the design or implementation of its clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with Tryp's interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials to support the submission and filing of a submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of collaborators with whom Tryp contracts for clinical supplies to pass a pre-approval inspection;
- changes in the approval policies or regulations that render Tryp's preclinical and clinical data insufficient for approval.

Psychedelic regulatory risks

Psychedelic therapy is a new and emerging industry with ambiguous existing regulations and uncertainty as to future regulations. Certain psychedelics may be illegal substances other than when used for scientific or medical purposes. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. This industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could make future capital investments or operations uneconomic. The psychedelic therapy industry is also subject to numerous legal challenges,

which may significantly affect the financial condition of market participants, and which cannot be reliably predicted.

Intellectual Property Rights

The Company could be adversely affected if it does not adequately protect its intellectual property rights. The Company regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Company's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Company to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Company's copyrights, trademarks, and similar proprietary rights, or that the Company will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Company believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Company. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

The Company will rely on trade secrets to protect technology where it does not believe patent protection is appropriate or obtainable. Trade secrets are difficult to protect. While commercially reasonable efforts to protect trade secrets will be used, strategic partners, employees, consultants, contractors, or scientific and other advisors may unintentionally or willfully disclose information to competitors.

If the Company is not able to defend patents or trade secrets, then it will not be able to exclude competitors from developing or marketing competing products, and the Company may not generate enough revenue from product sales to justify the cost of development of products and to achieve or maintain profitability.

Pre-clinical and clinical trials, including reliance on third parties to conduct such trials

The Company's clinical trials for each product candidate may fail to adequately demonstrate the safety and efficacy of that candidate, which could force the Company to abandon its product development plans for that product candidate. Before obtaining regulatory approval for the commercial sale of any of its product candidates, the Company must demonstrate, through lengthy, complex, and expensive pre-clinical testing and clinical trials, that each product is both safe and effective for use in each target indication. Clinical trial results are inherently difficult to predict, and the results the Company has obtained or may obtain from third party trials or from its own trials may not be indicative of results from future trials. The Company may also suffer significant setbacks in advanced clinical trials even after obtaining promising results in earlier studies. Although the Company intend to modify any of its protocols in ongoing studies or trials to address any setbacks, there can be no assurance that these modifications will be adequate or that these or other factors will not have a negative effect on the results of its clinical trials. This could significantly disrupt the Company's efforts to obtain regulatory approvals and commercialize its product candidates. Furthermore, the Company may voluntarily suspend or terminate its clinical trials if at any time it believes that they present an unacceptable safety risk to patients, either in the form of undesirable side effects or otherwise. If the Company cannot show that its product candidates are both safe and effective in clinical trials, it may be forced to abandon its business plan.

The Company will rely on third parties to conduct its product development, chemistry activities, as well as pre-clinical and clinical trials. If these third parties do not perform as contractually required or as otherwise expected the Company may not be able to obtain regulatory approval for its product candidates, which may prevent it from becoming profitable.

Pre-clinical and clinical trials will be lengthy and expensive. Delays in clinical trials are common for many reasons and any such delays could result in increased costs to the Company's and jeopardize or delay our ability to obtain regulatory approval and commence product sales as currently contemplated.

As part of the regulatory process, the Company would need to conduct clinical trials for any drug candidate to demonstrate safety and efficacy to the satisfaction of the regulatory authorities, including the FDA for the U.S. and Health Canada for Canada should it decide to seek approval in those jurisdictions. Clinical trials are subject to rigorous regulatory requirements and are expensive and time-consuming to design and implement. The Company may experience delays in clinical trials for any of its drug candidates, and the projected timelines for continued development of the technologies and related drug candidates by the Company may otherwise be subject to delay or suspension. Any planned clinical trials might not begin on time; may be interrupted, delayed, suspended, or terminated once commenced; might need to be redesigned; might not enroll a sufficient number of patients; or might not be completed on schedule, if at all. Clinical trials can be delayed for a variety of reasons, including the following:

- delays in obtaining regulatory approval to commence a trial;
- Imposition of a clinical hold following an inspection of the Company's clinical trial operations or trial sites by the FDA or other regulatory authorities;
- imposition of a clinical hold because of safety or efficacy concerns by the FDA, a data safety monitoring board or committee or by the Company;
- delays in reaching agreement on acceptable terms with prospective contract research organizations and clinical trial sites;
- delays in obtaining required monitoring board approval at each site for clinical trial protocols;
- delays in identifying, recruiting, and training suitable clinical investigators;
- delays in recruiting suitable patients to participate in a trial;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- clinical sites dropping out of a trial to the detriment of enrollment;
- time required to add new sites;
- delays in obtaining sufficient supplies of clinical trial materials, including comparator drugs;
- delays resulting from negative or equivocal findings of a data safety monitoring board for a trial; or
- adverse or inconclusive results from pre-clinical testing or clinical trials.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials, and clinicians' and patients' perceptions as to the potential advantages of the biologic being studied in relation to other available therapies, including any new biologics that may be approved for the indications we are investigating. Any of these delays in completing the Company's clinical trials could increase costs, slow down the product development and approval process, and jeopardize the Company's ability to commence product sales and generate revenue.

The Company may be required to suspend or discontinue clinical trials because of adverse side effects or other safety risks that could preclude approval of its drug candidates.

Clinical trials may be suspended or terminated at any time for a number of reasons. A clinical trial may be suspended or terminated by the Company, its collaborators, the FDA, or other regulatory authorities because of a failure to conduct the clinical trial in accordance with regulatory requirements or the Company's clinical protocols, presentation of unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using the investigational biologic, changes in governmental regulations or administrative actions, lack of adequate funding to continue the clinical trial, or negative or equivocal findings of the data safety monitoring board for a clinical trial. The Company may voluntarily suspend or terminate its clinical trials if at any time it believes that they present an unacceptable risk to participants. If the Company elects or is forced to suspend or terminate any clinical trial of any proposed product that it develops, the commercial prospects of such proposed product will be harmed and the Company's ability to generate product revenue from such proposed product will be delayed or eliminated. Any of these occurrences could have a materials adverse effect on the Company's business, prospects, results of operations and financial condition.

The Company faces product liability exposure, which, if not covered by insurance, could result in significant financial liability.

The risk of product liability is inherent in the research, development, manufacturing, marketing, and use of pharmaceutical products. Product candidates and products that we may commercially market in the future may cause, or may appear to have caused, injury or dangerous drug reactions, and expose the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate collaborators, or others selling such products. If the Company's product candidates during clinical trials were to cause adverse side effects, the Company may be exposed to substantial liabilities. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

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

Insurance coverage may not be sufficient to reimburse the Company for any expenses or losses it may suffer. Insurance coverage is becoming increasingly expensive, and, in the future, the Company, or any of its collaborators, may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts or at all to protect against losses due to liability. Even if the Company's agreements with any future collaborators entitle it to indemnification against product liability losses, such indemnification may not be available or adequate should any claim arise. The Company's inability to obtain sufficient product liability insurance at an acceptable cost to protect against product liability claims could prevent or inhibit the commercialization of its product candidates. If a successful product liability claim or series of claims is brought against the Company for uninsured liabilities or in excess of insured liabilities, its assets may not be sufficient to cover such claims and its business operations could be impaired.

Should any of the events described above occur, this could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

In light of the Company's current resources and limited experience, it may need to establish successful third-party relationships to successfully commercialize its future product candidates.

The long-term viability of the Company's future product candidates may depend, in part, on the Company's ability to successfully establish new strategic collaborations with pharmaceutical and biotechnology companies, non-profit organizations and government agencies. Establishing strategic collaborations and obtaining government funding is difficult and time-consuming. Potential collaborators may reject collaborations based upon their assessment of the Company's financial, regulatory, or intellectual property position or based on their internal pipeline; government agencies may reject contract or grant applications based on their assessment of public need, the public interest, the ability of the Company's products to address these areas, or other reasons beyond our expectations or control. If the Company fails to establish a sufficient number of collaborations or government relationships on acceptable terms, it may not be able to commercialize any future drug candidates or generate sufficient revenue to fund further research and development efforts.

Even if the Company establishes new collaborations or obtains government funding, these relationships may never result in the successful development or commercialization of any drug candidates for several reasons, including the fact that:

- the Company may not have the ability to control the activities of its partners and cannot provide assurance that they will fulfill their obligations to the Company's, including with respect to the license, development, and commercialization of drug candidates, in a timely manner or at all;
- such partners may not devote sufficient resources to the Company's drug candidates or properly maintain or defend the Company's intellectual property rights;
- relationships with collaborators could also be subject to certain fraud and abuse laws if not structured properly to comply with such laws;
- any failure on the part of the Company's partners to perform or satisfy their obligations to the Company could lead to delays in the development or commercialization of drug candidates and affect the Company's ability to realize product revenue; and
- disagreements, including disputes over the ownership of technology developed with such collaborators, could result in litigation, which would be time-consuming and expensive, and may delay or terminate research and development efforts, regulatory approvals, and commercialization activities.

Competition

There is a high potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company.

The Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition. To become and remain competitive, the Company will require research and development, marketing, sales, and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales, and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition, and results of operations of the Company.

Unfavourable publicity or consumer perception

The success of the industry in which the Company operates may be significantly influenced by the public's perception of psychedelic inspired medicinal applications. There is no guarantee that future scientific research, publicity, regulations, medical opinion, and public opinion relating to psychedelic inspired medicine will be favourable. The industry in which the Company operates is in its early stages and is constantly evolving, with no guarantee of viability. The market for psychedelic inspired medicines is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of psychedelic inspired medicines may have a material adverse effect on the Company's operational results, consumer base and financial results. While the Company is undertaking research programs using psychedelic inspired compounds, and does not advocate for the legalization of any psychedelic substances or deal with psychedelic substances except within laboratory and clinical trial settings conducted within approved regulatory frameworks, any unfavourable publicity or consumer perception regarding psychedelic substances (in addition to psychedelic inspired medicines) could also have a material adverse effect on the Company's operational results, consumer base and financial results.

The psychedelic therapy industry is difficult to quantify, and investors will be reliant on their own estimates of the accuracy of market data

Because the psychedelic therapy industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in Tryp and, few, if any, established companies whose business model Tryp can follow or upon whose success Tryp can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in Tryp. There can be no assurance that Tryp's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Failure to follow regulatory requirements

The Company's prospects must be considered in light of the risks, expenses, shifts, changes and difficulties frequently encountered with companies whose businesses are regulated by various federal, state and local governments. The health care, wellness, workers compensation and similar companies are subject to a variety of regulatory requirements and the regulatory environment is ever changing particularly with recent legislation, the full impact of which is not yet understood as regulations have not been issued. Failure to follow applicable regulatory requirements will have a materially negative impact on the business of the Company. Furthermore, future changes in legislation cannot be predicted and could irreparably harm the business of the Company.

Additional financing needs

The Company will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon its business, prospects, results of operations and financial condition.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of holders of common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Because of the early stage of the industry in which the Company will operate, the Company expects to face additional competition from new entrants. To become and remain competitive, the Company will require research and development, marketing, sales, and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales, and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition, and results of operations of the Company.

Rapid Technological Change

The business of the Company is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of the Company. The Company is subject to the risks of companies operating in the medical and healthcare business.

The market in which the Company competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions, and enhancements, and changing customer demands. As a result, an investment in the stocks of the Company is highly speculative and is only suitable for investors who recognize the high risks involved and can afford a total loss of investment.

Financial Risk Exposures

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates and has financial risk exposure towards digital currencies. The level of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

Attracting and keeping senior management and key scientific personnel

The success of the Company depends on the continued ability to attract, retain, and motivate highly qualified management, clinical, and scientific personnel and to develop and maintain important relationships with leading academic institutions, companies, and thought leaders.

Forward-looking information

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, the changing budget priorities of the Company and other factors.

An investment in the Company's common shares involves a certain degree of risk. Any person currently holding or considering the purchase of common shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time, should be aware of these risks and other factors, including those set forth in the Company's final prospectus dated December 8, 2020 and should consult with his, her or its legal, tax and financial advisors prior to making an investment in the common shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time. The common shares and any other securities of the Company that may be offered or that are issued and outstanding from time to time should only be purchased by people who can afford to lose all of their investment.

A more complete discussion of the risks and uncertainties facing the Company are set out under "*Risk Factors*" and the other information noted in the Company's Prospectus dated December 8, 2020 and the Company's continuous disclosure filings which are available under the Company's profile on SEDAR at www.sedar.com.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained under the Company's profile on SEDAR at www.sedar.com.