



TRYP THERAPEUTICS INC.

Condensed interim consolidated financial statements

(Expressed in Canadian dollars)

For the Three Months Ended November 30, 2023

Notice to Reader of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements



TRYP THERAPEUTICS INC.

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TRYP THERAPEUTICS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at November 30, 2023 and August 31, 2023

(Expressed in Canadian dollars)

	Notes	November 30, 2023	August 31, 2023
ASSETS (Note 7)			
Current			
Cash and cash equivalents	3	\$ 2,064,213	\$ 359,187
Restricted cash	3	32,137	38,832
Prepays and advances		36,541	54,285
Other receivables		48,456	29,488
Total current assets		2,181,347	481,792
Non-Current			
Intangible assets	5	171,259	171,259
Total Assets		\$ 2,352,606	\$ 653,051
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current			
Trade payables and accrued liabilities	6,13	\$ 1,956,090	\$ 1,971,457
Convertible debentures	7	5,012,890	-
Total current liabilities		6,968,980	1,971,457
Non-current			
Convertible debentures	7	-	2,102,880
Derivative liability	7	276,345	339,160
Total non-current liabilities		276,345	2,442,040
Total liabilities		7,245,325	4,413,497
Shareholders' equity (deficiency)			
Share capital	8	13,497,123	13,497,123
Warrants	7,8	655,000	655,000
Contributed surplus	9	3,555,133	3,526,796
Accumulated deficit		(22,599,975)	(21,439,365)
Total shareholders' equity (deficiency)		(4,892,719)	(3,760,446)
Total Liabilities and Shareholders' Equity (Deficiency)		\$ 2,352,606	\$ 653,051

Nature of operations (Note 1) and going concern (Note 2)

Approved on behalf of the Board of Directors:

"Gage Jull"

Director

"Peter Molloy"

Director

The accompanying notes are an integral part of these Condensed Interim consolidated financial statements

TRYP THERAPEUTICS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended November 30, 2023

(Expressed in Canadian dollars)

	Notes	Three months ended November 30, 2023	Three months ended November 30, 2022
Convertible debt expense	7	\$ 179,873	\$ -
General and administration	10	662,378	483,263
Research and development	11	260,248	947,322
Share-based payments	9,12	28,337	185,790
Total expenses		1,130,836	1,616,375
Other income and expenses			
Interest income		2,744	826
Foreign exchange loss		(32,518)	(18,794)
Net loss and comprehensive loss for the year		\$ (1,160,610)	\$ (1,634,343)
Loss per share for the year - basic and diluted		\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding		96,419,347	94,419,347

The accompanying notes are an integral part of these Condensed Interim consolidated financial statements

TRYP THERAPEUTICS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

For the three months ended November 30, 2023

(Expressed in Canadian dollars)

	Notes	Number	Share Capital	Warrants	Contributed Surplus	Accumulated Deficit	Total
Balance August 31, 2022		96,419,347	\$ 13,497,123	655,000	\$ 3,163,447	\$ (16,172,292)	\$ 1,143,278
Net loss for the year		-	-	-	-	(1,634,343)	(1,634,343)
Share-based payments	7, 11	-	-	-	185,790	-	185,790
Balance November 30, 2022		96,419,347	\$ 13,497,123	655,000	\$ 3,349,237	\$ (17,806,635)	\$ (305,275)
Balance August 31, 2023		96,416,347	13,497,123	655,000	3,526,796	(21,439,365)	(3,760,446)
Net loss for the year		-	-	-	-	(1,160,610)	(1,160,610)
Share-based payments	11	-	-	-	28,337	-	28,337
Balance November 30, 2023		96,419,347	\$ 13,497,123	\$ 655,000	\$ 3,555,133	\$ (22,599,975)	\$ (4,892,719)

The accompanying notes are an integral part of these Condensed Interim consolidated financial statements

TRYP THERAPEUTICS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended November 30, 2023

(Expressed in Canadian dollars)

	Notes	Three months ended November 30, 2023	Three Months ended November 30, 2022
OPERATING ACTIVITIES			
Net loss and comprehensive loss		\$ (1,160,610)	\$ (1,634,343)
Items not affecting cash:			
Share-based payments	9,12	28,337	185,790
Accretion expenses	7	179,873	-
Changes in non-cash working capital			
Other receivables		(18,968)	(957)
Prepays and advances		17,744	107,522
Trade payables and accrued liabilities	6	(15,367)	371,392
Cash used in operating activities		\$ (968,991)	\$ (970,596)
FINANCING ACTIVITIES			
Proceeds from private placement - Debentures	7	2,667,322	-
Cash provided by financing activities		\$ 2,667,322	\$ -
Increase (decrease) in cash, cash equivalents and restricted cash for three months		\$ 1,698,331	\$ (970,596)
Cash, cash equivalents and restricted cash, beginning of the year		398,019	1,882,185
Cash, cash equivalents and restricted cash, end for the three months		\$ 2,096,350	\$ 911,589
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents		\$ 2,064,213	\$ 833,918
Restricted cash		32,137	77,671
Total cash, cash equivalents and restricted cash		\$ 2,096,350	\$ 911,589

The accompanying notes are an integral part of these Condensed Interim consolidated financial statements

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

1. COMPANY INFORMATION

Nature of Operations

Tryp Therapeutics Inc. (the “Company” or “Tryp”) was incorporated under the *BC Business Corporations Act* on September 24, 2019 under the name “Artos Pharma Corp.” (“Artos”). On June 30, 2020, Artos changed its name to “Tryp Therapeutics Inc.”

Tryp is a clinical-stage biotechnology company focused on developing psilocybin-related molecules, including TRP-8803, for the treatment of diseases with unmet medical needs through accelerated regulatory pathways. Tryp's program is focused on the development of synthetic psilocybin-related molecules as a new class of drug for the treatment of binge eating, chronic pain, and other indications.

On December 17, 2020, the Company completed its initial public offering (“IPO”) of the Company's shares pursuant to a final prospectus dated December 8, 2020 (the “Prospectus”). The Common Shares of Tryp commenced trading on the Canadian Securities Exchange under the symbol “TRYP” on December 18, 2020. On April 5, 2021, the Company commenced trading on the OTCQB Venture Market under the symbol “TRYPF”.

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 Therapeutics Inc.

On October 24, 2023, the Company acquired Tryptamine Therapeutics Australia PTY LTD, an Australian private company incorporated on September 28, 2023 by the Company's CEO. The Company's acquisition cost was limited to the reimbursement of the original incorporation expenses.

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

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

These Financial Statements have been prepared in accordance and comply with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). They do not include all information required for annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended August 31, 2023. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes to the Company's financial position and performance since the last audited annual consolidated financial statements.

The Financial Statements were approved by the Board of Directors on January 29, 2024.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency is measured using the currency of the primary economic environment which the entity operates. The functional currency of Tryp Therapeutics Inc. is Canadian dollars ("CAD" or \$). The functional currency of Tryp USA is U.S. dollars ("USD" or "US\$") and certain transactions are incurred in Australian dollars ("AUD").

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Tryp USA. The Company consolidates this subsidiary on the basis that it controls the subsidiary. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balance have been eliminated on consolidation.

Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results could differ from these estimates, and as such, the estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

Going concern

The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. The Company had a net loss and comprehensive loss of \$1,160,610 for the three months ended November 30, 2023 (November 30, 2023 – 1,634,343) and a negative cash flow from operating activities of \$968,991 for the three months ended November 30, 2023 (November 30, 2022 - \$970,596). The Company has accumulated a deficit of \$22,599,975 (2023 - \$21,439,307) since inception. The operations of the Company have primarily been funded by the issuance of common shares and convertible debt. The Company has a working capital deficit at November 30, 2023 of \$4,787,633 (August 31, 2023 - \$1,489,665). The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations, development, and ultimately achieve profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash in the bank held at financial institutions and cash held in trust. As at November 30, 2023, the balance consists of \$2,064,213 (2023 - \$345,100) in cash held at financial institutions and \$14,087 (2023 - \$14,087) in cash held in trust.

Restricted cash

Restricted cash consists of short-term guaranteed investment certificates ("GICs") used to secure corporate credit cards. As at November 30, 2023, the balance consists of \$32,137 (2022 - \$38,832) in a short-term US\$28,500 GIC that bears interest at 2%.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at fair value. Following initial recognition, intangible assets with finite useful lives are stated at cost less accumulated amortization (Note 5). The Company has capitalized costs that were directly attributable to the acquisition of its intellectual property and patents. Those capitalized direct costs include costs incurred during the application and prosecution of its patents. As at August 31, 2023, the Company has capitalized legal and filing fees of \$171,259 (2023 - \$171,259) related to patent applications.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization periods and the amortization methods for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the remaining amortization periods or methods, as appropriate, and are treated as changes in accounting estimates.

The amortization period for the patents will be straight-line over the life of the patent upon the approval of the patents.

Research and development expenditures

Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical and economic feasibility. Development costs are capitalized only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. As at November 30, 2023, the Company has not capitalized any development costs.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's cash and cash equivalents, restricted cash, and trade and other payables are classified as amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss.

Financial assets at FVTOCI

Financial assets at FVTOCI are initially recorded at fair value adjusted for transaction costs. Dividends are recognized as income in the consolidated statements of loss and comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of FVTOCI investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

Financial liability

The Company derecognizes financial liabilities when the obligation is discharged, cancelled, or expired.

Impairment of non-financial assets

Impairment tests of non-financial assets are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issued date. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as contributed surplus.

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

Share-based compensation

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 measured at the fair value of the equity instruments granted, 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 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 contributed surplus.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed surplus

Contributed surplus consists of the fair value of stock options granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire or are forfeited, no reversal of contributed surplus is recognized.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average common shares outstanding are increased to include additional shares for the assumed exercise of share options and share purchase warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Convertible debenture

The convertible debenture denominated in AUD will be settled in the Company's common shares. Therefore, the conversion feature is a derivative liability, and the hybrid contract is measured at fair value through profit or loss.

Derivative liabilities

The Company values derivative liabilities by reference to their fair value at the date at which the instrument is granted and each reporting period. Estimating fair value requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life and volatility and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Foreign currency transactions and translations

Foreign currency accounts of the Company are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue, and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date.

At the year end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net loss. Exchange gains and losses on non-monetary financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

The Company translates the accounts of Tryp Therapeutics (USA) Inc. into Canadian dollars using the closing rate of exchange for both monetary and non-monetary assets and liabilities and the average exchange rate for revenues and expenses. The Company records the exchange differences on the translation of net assets whose functional currency is the USD in unrealized foreign exchange gain (loss) on translation of foreign subsidiary in the consolidated statements of comprehensive loss. This amount is reflected on the consolidated statements of financial position as part of shareholders' equity. For the years ended August 31, 2023 and 2022, there was no activity in Tryp Therapeutics (USA) Inc.; therefore, there is no adjustment to equity.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. 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. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in loss/income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
(continued)

Critical accounting estimates:

Recoverability of the carrying value of intangible assets

Recoverability of the carrying value of intangible assets requires management to determine whether future economic benefits from sale or otherwise are likely. Evaluation may be more complex where activities have not reached a stage that permits a reasonable assessment of the viability of the asset. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of research results, as well as the Company's financial ability to continue its research and development programs. Refer to Note 5.

Useful lives of intangible assets

Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense. As at August 31, 2023 and 2022, the Company has not amortized the intangible assets as amortization begins when the intangible assets are available for use.

Share-based payments and warrants

The fair value of share-based compensation expense and warrants is estimated using the Black-Scholes option pricing model and relies on a number of estimates, such as the expected life of the option or warrant, the volatility of the underlying share price, the risk-free rate of return, the estimated rate of forfeiture of options granted, future exercise behaviors, and corporate performance. Such estimates and assumptions are inherently uncertain, and any changes in these assumptions affect the fair value estimates of share-based compensation expense and warrants.

The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further non-market-based information indicates actual forfeitures may vary from the original estimate. Any revisions are recognized in the consolidated statements of loss and comprehensive loss such that the cumulative expense reflects the revised estimate.

The measurement of deferred income tax assets and liabilities

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows.

In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

TRYP THERAPEUTICS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2023

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
(continued)

Critical accounting estimates: (continued)

The measurement of derivative liabilities

The measurement of the broker warrants is estimated using the Black-Scholes option pricing model and relies on a number of estimates, such as the expected life of the warrant, the volatility of the underlying share price, the risk-free rate of return, future exercise behaviors, and corporate performance. Such estimates and assumptions are inherently uncertain, and any changes in these assumptions affect the fair value estimates of the broker warrants. These broker warrants are revalued at each reporting period and recorded in the consolidated statements of loss and comprehensive loss.

The measurement of convertible debentures

The fair value of the convertible debentures was determined using a probability weighted expected return model based on the scenarios in accordance with the agreements. The timing and probability for each scenario is based on management's best estimate. Where the actual outcome is different from the estimate, such difference will impact the carrying value of convertible debenture.

Critical accounting judgments:

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 2.

Research and development

Management monitors the progress of its research and development activities. Significant judgment is required to distinguish between the research and development phases and if development cost capitalization criteria are met. Development costs are recognized as an asset when the following criteria are met: (i) technical feasibility; (ii) intention to complete the project; (iii) the ability to generate future economic benefits; (iv) availability of technical and financial resources; and (v) the ability to measure the expenditures reliably. Research costs are expensed as incurred. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. As at August 31, 2023, the Company has not capitalized any development costs.

Treatment of acquired intangible assets

Consideration paid in the acquisition of intangible assets is capitalized to the extent that the definition of an intangible asset and the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the intangible asset be identifiable, the Company must have control over it, and it must provide future economic benefits. Management considers these factors in aggregate and applies significant judgment to determine whether the intangible asset should be recognized in the consolidated statements of financial position.

At each reporting date, the Company assesses if the intangible assets have indicators of impairment. In determining whether the intangible assets are impaired, the Company assesses certain criteria, including observable decreases in value, significant changes with adverse effects on the entity, evidence of technological obsolescence, and future plans. There were no indicators of impairment at August 31, 2023 and 2022.

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4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
(continued)

Deferred taxes

Significant estimates are required in determining the Company's income tax provision. Some estimates are based on interpretations of existing tax laws or regulations. Various internal and external factors may have favorable or unfavorable effects on the Company's future effective tax rate. These include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, and results of tax audits by tax authorities.

Future Accounting Changes

IAS 1 Classification of Liabilities as Current or Non-Current

In January 2021, the International Accounting Standards Board ("IASB") issued a narrow scope amendment to IAS 1 – Classification of Liabilities as Current or Non-Current, which affects only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendment clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduces a definition of settlement to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued an amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendment introduces the definition of an accounting estimate and sets criteria to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendment is effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

5. INTANGIBLE ASSETS

During the years ended August 31, 2023 and 2022, the Company invested \$8,168 (2022 - \$138,127) in intellectual property to secure patents as follows:

Costs	Intellectual Property
Balance August 31, 2022	\$ 163,091
Additions	8,168
Impairment	-
Balance August 31, 2023	171,259
Additions	-
Balance November 30, 2023	\$ 171,259

The balance as at November 30, 2023 relates to patent applications. The intangible assets are not yet available for their intended use and no amortization has been recorded for the three months ended November 30, 2023 and 2022. The Company performed an annual impairment test and determined that no impairment to the intangible assets were incurred.

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6. TRADE AND OTHER PAYABLES

	November 30, 2023	August 31, 2023
Trade payables	\$ 1,925,328	1,881,288
Due to related party - Note 12	30,762	90,168
Total	\$ 1,956,090	1,971,456

7. CONVERTIBLE DEBENTURES

	November 30, 2023	August 31, 2023
Debentures	\$ 2,077,882	\$ -
Notes-Oct	151,512	-
Notes-Nov	2,783,496	-
Debentures - Current	\$ 5,012,890	-
Debentures - Non-current	-	\$ 2,145,759
Total	\$ 5,012,890	\$ 2,145,759

On April 26, 2023, the Company issued secured convertible debentures at a price of AUD\$1,000 each (the "Debentures") for gross proceeds of AUD\$2,400,000 (\$2,145,759). The Debentures are denominated in Australian Dollars, with a term of 18 months (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 shall 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. The Debentures and the underlying Common Shares will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

The Company engaged Westar Capital Limited ("Westar") and paid a cash fee of 6% of gross proceeds in the amount of \$128,745 (AUD\$144,000) and were issued warrants (the "Broker Warrants") equal to 10.05% of the Company's total undiluted issued and outstanding shares on closing in the amount of 9,690,144 Broker Warrants. Each Broker Warrant shall entitle 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 shall retain the ability to cancel up to 60% of the Broker Warrants in certain circumstances.

The fair value of the liability is at the face amount of the convertible debt. The broker warrants are recorded as a derivative liability and revalued at each period end.

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7. CONVERTIBLE DEBENTURES (continued)

The Company recognized \$599,000 as Debenture issuance costs related to the broker warrants, which were valued using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 3.69%, annualized volatility of 99.32%, an expected life of 3 years, nil dividend yield, \$0.106 exercise price, and a \$0.08 share price. In addition, the Company incurred other Debenture issuance costs of \$54,340. The costs associated with issuing the convertible debt totaled \$782,085 and was recognized as convertible debt expense.

The Company revalued the Broker Warrants at November 30, 2023 using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 4.18%, annualized volatility of 130.39%, an expected life of 2.41 years, nil dividend yield, \$0.102 exercise price, and a \$0.050 share price resulting in a reduction of the derivative liability of \$276,345 and was recognized as a reduction to convertible debt expense.

On October 11, 2023, the Company closed a private placement of unsecured convertible debentures to Tryp's Chief Executive Officer for aggregate gross proceeds of AUD\$175,000 (\$145,170) ("Notes-Oct"). The Notes are denominated in Australian Dollars, have a term of 12 months, and are interest free. The Notes shall automatically convert into Common Shares on the earlier of: (i) October 11, 2024; or (ii) the time the Company is completing a liquidity event. The price at which the Notes-Oct will be converted into Common Shares will vary depending on various scenarios as set out in the Notes-Oct and at a conversion price fixed in accordance with CSE policies.

On November 20, 2023, the Company closed private placement of Notes for aggregate gross proceeds of AUD\$3,125,000 (\$2,891,893) ("Notes-Nov"). Tryp's Chief Executive Officer participated in Notes-Nov for gross proceeds of AUD\$325,000 (\$292,338) on the same basis as other subscribers. The Notes-Nov are denominated in Australian Dollars, have a term of 12 months, and are interest free. The Notes shall automatically convert into Common Shares on the earlier of: (i) November 20, 2024; or (ii) the time the Company is completing a liquidity event. The price at which the Notes-Nov will be converted into Common Shares will vary depending on various scenarios as set out in the Notes-Nov and at a conversion price fixed in accordance with CSE policies.

In connection with Notes, the Company has entered into an engagement agreement (the "Engagement Agreement") with ACNS Capital Markets Pty Ltd trading as Alto Capital ("Alto Capital") pursuant to which Alto Capital is entitled to a cash fee of 6% of proceeds raised under the Private Placement and will be issued such number of warrants as equals to 4.0% of the Common Shares issuable on conversion of Notes-1 and Notes-2.

8. SHARE CAPITAL AND WARRANTS

Authorized share capital

The Company's authorized share capital consists of:

- a) Unlimited common shares without par value.
- b) Unlimited preferred shares without par value. As at November 30, 2023, there were no preferred shares issued.

Common Shares

The following is a summary of changes in share capital from August 31, 2022 to November 30, 2023:

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8. SHARE CAPITAL AND WARRANTS (continued)

Share Issuance

	Number	Share Capital
Balance August 31, 2022	96,419,347	\$ 13,497,123
Changes in year	-	-
Balance August 31, 2023	96,419,347	\$ 13,497,123
Change in period	-	-
Balance November 30, 2023	96,419,347	\$ 13,497,123

2022:

On February 22, 2022, the Company completed the first tranche of a non-brokered private placement issuing 5,000,000 common shares at a price of \$0.20 per common share for gross proceeds of \$1,000,000 to the controlling shareholder and former director of the Company. Share issue costs during the year ended November 30, 2023 in connection with the placement included legal and filing fees of \$23,320.

Placement Closing Date	February 22, 2021
Issue price per unit	\$0.20
Common shares issued	5,000,000
Warrants issued	-
Warrant exercise price	-
Cash Proceeds Summary	
Gross proceeds	\$ 1,000,000
Share issuance costs	(23,320)
Net cash proceeds on issuance	976,680

On April 22, 2022, the Company issued an aggregate of 3,570,588 common shares at a fair value of \$0.085 per common share in settlement of \$303,500 owed to a consultant and former interim CFO for past services.

On April 22, 2022, the Company completed the second tranche of a non-brokered private placement issuing 20,000,000 units (the "Units") at a price of \$0.15 per Unit, for gross proceeds of \$3,000,000 to the controlling shareholder and former director of the Company. Each individual unit consists of one common share and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at a price of \$0.20 per common share until April 22, 2024. As part of the unit offering, the Company issued 10,000,000 warrants valued at \$650,000 using the residual method. Share issue costs during the year ended August 31, 2022 in connection with the placement included legal and filing fees in the amount of \$10,217.

Placement Closing Date	April 22, 2022
Issue price per unit	\$ 0.15
Common shares issued	20,000,000
Warrants issued	10,000,000
Warrant exercise price	\$ 0.20
Cash proceeds summary	
Gross proceeds	3,000,000
Share issuance costs	(10,217)
Net cash proceeds on issuance	\$ 2,989,783

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8. SHARE CAPITAL AND WARRANTS (continued)

Share Issuance (continued)

2022: (continued)

On July 8, 2022, the Company completed a third tranche of the non-brokered private placement issuing 1,000,000 units (the "Units") at a price of \$0.15 per Unit, for gross proceeds of \$150,000 to a third party. Each individual unit consists of one common share and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at a price of \$0.20 per Common Share until July 8, 2024. As part of the unit offering, the Company issued 500,000 warrants valued at \$5,000 using the residual method. Share issue costs during the year ended August 31, 2022 in connection with the placement included legal and filing fees of \$5,100.

	July 8, 2022
Placement Closing Date	
Issue price per unit	\$ 0.15
Common shares issued	1,000,000
Warrants issued	500,000
Warrant exercise price	\$ 0.20
Cash proceeds summary	
Gross proceeds	150,000
Share issuance costs	(5,100)
Net cash proceeds on issuance	\$ 144,900

Warrants Continuity

As at November 30, 2023, the following share purchase warrants were outstanding:

Issue Date	Expiry Date	Number of Warrants	Exercise Price
April 22, 2022	April 22, 2024	10,000,000	\$0.20
July 8, 2022	July 8, 2024	500,000	\$0.20
Balance at August 31, 2022		10,500,000	\$0.20
Changes in the year		-	-
April 22, 2022 ⁽ⁱ⁾	April 22, 2027	10,000,000	\$0.10
July 8, 2022	July 8, 2024	500,000	\$0.20
Balance at August 31, 2023		10,500,000	\$0.10

(i) Effective July 27, 2023, the Company reduced the exercise price of 10,000,000 warrants to \$0.10 per common shares and extended the expiry date to April 22, 2027. The warrants were originally issued to the controlling shareholder as part of a \$3,000,000 non-brokered private placement on April 22, 2022, which entitled the holder to acquire one additional common share at a price of \$0.20 per common share until April 22, 2024.

As at November 30, 2023, 10,500,000 share purchase warrants were outstanding and exercisable (August 31, 2023 - 10,500,000) with a weighted average remaining contractual life of 3.26 (August 31, 2023 – 3.51) years.

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8. SHARE CAPITAL AND WARRANTS (continued)

The following is a summary of changes in broker warrants:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance August 31, 2022	-	-
Issued	9,690,144	0.106
Balance August 31, 2022	-	-
Issued in the year	-	-
Balance November 30, 2023	9,690,144	\$0.106

On April 26, 2023, the Company issued 9,690,144 Broker Warrants. Each Broker Warrant shall entitle 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 shall retain the ability to cancel up to 60% of the Broker Warrants in certain circumstances.

Agent Compensation Units outstanding at August 31, 2021 expired on December 17, 2021.

Escrow Shares

In connection with the Company's initial public offering completed on December 17, 2020, as at August 31, 2023, 3,043,860 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.

9. SHARE-BASED PAYMENTS

Option Plan Details

On January 9, 2020, the Company implemented an Incentive Stock Option Plan that was further amended on April 1, 2021 and on October 30, 2023 (the "Stock Option Plan"). Pursuant to the Stock Option Plan, the Company may grant stock options to directors, officers, employees, and consultants for services, provided that the number of common shares reserved for issuance shall not exceed 15% of the issued and outstanding common shares with options exercisable for a period of up to 10 years, other than common shares issuable upon the exercise of Special Consultant Options. Special Consultant Options relate to the 5,269,684 options granted to consultants of the Company on November 2, 2020. The amendment to the Stock Option Plan on October 30, 2023 increased the allowable Special Consultant Options by 7,713,548 options, which were granted to the Company's Chief Executive Officer on October 30, 2023 pursuant to an agreement dated July 29, 2023.

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9. SHARE-BASED PAYMENTS (continued)

Options

The following is the summary of changes in options from August 31, 2023 to November 30, 2023:

	Number of Options	Weighted Average Exercise Price
Balance August 31, 2022	15,989,684	\$ 0.17
Granted	500,000	\$ 0.17
Balance November 30, 2022	16,489,684	\$ 0.17
August 31, 2023	14,584,127	\$ 0.17
Granted	10,463,548	\$ 0.108
Forfeited	(794,443)	\$ (0.17)
November 30, 2023	24,253,232	\$ 0.146

As at November 30, 2023, the following options were outstanding:

Expiry Date	Exercise Price	Number of Options	Vested and Exercisable	Unvested
December 27, 2023	\$0.15	320,000	320,000	-
September 29, 2025	\$0.15	800,000	800,000	-
November 2, 2025	\$0.15	500,000	500,000	-
October 30, 2028	\$0.106	10,463,548	-	10,463,548
November 2, 2030	\$0.15	3,769,684	3,664,971	104,713
March 31, 2031	\$0.68	100,000	100,000	-
April 22, 2032	\$0.17	5,000,000	5,000,000	-
May 22, 2032	\$0.17	2,000,000	2,000,000	-
June 14, 2032	\$0.17	1,594,443	1,594,443	-
September 15, 2032	\$0.17	500,000	500,000	-
		24,253,232	13,662,193	10,568,261

On October 18, 2021, 200,000 options were granted to an employee. The options have an exercise price of \$0.40, a term of 10 years, with one-sixth vesting in April 2022 and the remaining options vesting in equal monthly instalments thereafter. These options were subsequently cancelled on April 22, 2022 and 200,000 options were reissued to the employee on May 22, 2022 as described below.

On October 22, 2021, 180,000 vested options that were originally issued on November 2, 2020 were exercised for shares at \$0.15. The Company's stock price on the date of exercise was \$0.37 per common share.

On January 31 and February 3, 2022, 2,400,000 and 4,500,000 options were forfeited, respectively.

On April 22, 2022, the Company granted 5,000,000 options to officers, employees, and directors at an exercise price of \$0.17, a term of 10 years, and vest in equal monthly instalments over a period of 12 months.

On April 22, 2022, the Company cancelled an aggregate of 2,000,000 options held by certain officers, employees, and directors with exercise prices ranging from \$0.40 to \$0.75 and re-granted the same number of options to such individuals on May 22, 2022 at an exercise price of \$0.17 and a term of 10 years, subject to vesting restrictions. The stock option grant was accounted for as replacement and

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9. SHARE-BASED PAYMENTS (continued)

Options (continued)

modification of stock options previously granted. This modification of options has been treated as a repricing of options, where the remaining incremental fair value of the cancelled options was immediately expensed, and a new fair value is used in determining share-based payment expense over the new vesting period of the regranted options.

On June 14, 2022, 800,000 options were granted to a director of the Company. The options have an exercise price of \$0.17, a term of 10 years, and vest in equal monthly instalments over a period of 12 months.

On June 14, 2022, the Company granted 2,200,000 options to an officer of the Company. The options have an exercise price of \$0.17, a term of 10 years, and vest in equal monthly instalments over a period of three years.

On September 15, 2022, the Company granted 500,000 options to an officer at an exercise price of \$0.17, a term of 10 years, and vesting in equal monthly instalments over a period of 36 months. On October 30, 2023, the vesting period was accelerated, and all unvested options were vested effective October 30, 2023.

The fair value of the options was determined using the Black-Scholes option pricing model assumptions in the table below for the nine months ended August 31, 2023.

	September 15, 2022	October 18, 2021
Options granted	500,000	200,000
Share price	\$0.17	\$0.40
Exercise price	\$0.17	\$0.40
Expected life	10 years	10 years
Volatility	96.3%	81.4%
Risk-free Rate	3.03%	1.66%
Fair value of options grant	\$ 75,694	\$ 65,383

The total fair value of options vested during the twelve months ended August 31, 2023 was \$363,349 (August 31, 2022 - \$274,915) has been recorded to share-based payments in the consolidated statements of loss and comprehensive loss with a corresponding increase in contributed surplus.

On October 30, 2023, the Company accelerated the vesting periods of options granted on March 31, 2021 and September 30, 2022, resulting in 363,889 unvested options at August 31, 2023 becoming fully vested.

On October 30, 2023, the Company granted 10,463,548 options to three officers of the Company. The options have an exercise price of \$0.108, a term of 5 years. The options vest based on the following share price performance metrics:

- 25% of such Options allocated to each individual will vest and become exercisable on the achievement of a 30-day VWAP that is equal to or above 150% of the initial listing price of the Company's Shares or CHES Depository Interests (CDIs), as applicable, on the ASX.
- 25% of such Options allocated to each individual will vest and become exercisable on the achievement of a 30-day VWAP that is equal to or above 200% of the initial listing price of the Company's Shares or CHES Depository Interests (CDIs), as applicable, on the ASX .

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9 SHARE-BASED PAYMENTS (continued)

Options (continued)

- 25% of such Options allocated to each individual will vest and become exercisable on the achievement of a 30-day VWAP that is equal to or above 250% of the initial listing price of the Company's Shares or CHES Depository Interests (CDIs), as applicable, on the ASX
- 25% of such Options allocated to each individual will vest and become exercisable on the achievement of a 30-day VWAP that is equal to or above 300% of the initial listing price of the Company's Shares or CHES Depository Interests (CDIs), as applicable, on the ASX

The fair value of the options was determined using the Black-Scholes option pricing model assumptions in the table below at October 30, 2023.

	October 30, 2023
Options granted	10,463,548
Share price	\$0.05
Exercise price	\$0.106
Expected life	5 years
Volatility	114.14%
Risk-free Rate	4.23%
Fair value of options grant	\$ 386,700

10. GENERAL AND ADMINISTRATION EXPENSES

	November 30, 2023	November 30, 2022
Directors' fees	\$ -	\$ 40,000
Professional fees	96,399	52,082
Consulting fees and salaries	158,930	91,166
Insurance	133,220	181,852
Office and administration fees	43,147	62,338
Regulatory and legal fees	192,938	8,875
Investor relations and corporate development	37,744	46,950
	\$ 662,378	\$ 483,263

11. RESEARCH AND DEVELOPMENT EXPENSES

	November 30, 2023	November 30, 2022
Preclinical activities for TRP-8803	\$ -	\$ 52,634
Development activities for TRP-8802	760	547,708
Staff, consultants, and other expenses	261,008	346,980
	\$ 260,248	\$ 947,322

12. KEY MANAGEMENT AND PERSONNEL COMPENSATION

Key management personnel include those persons having 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 for the period payable

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12 KEY MANAGEMENT AND PERSONNEL COMPENSATION

to Company officers, directors, and private companies controlled by officers and directors, was as follows:

	November 30, 2023	November 30, 2022
Key management personnel compensation comprised:		
Compensation	\$ 214,163	\$ 124,609
Director fees	-	50,000
Share-based payments	26,760	163,715
	\$ 240,923	\$ 338,324

13 RELATED PARTY TRANSACTIONS

Share-based payments to key management personnel are the fair value of options granted and vested in the period

As of November 30, 2023, included in trade and other payables are amounts due to officers and directors for fees and expenses of \$30,762 (2023 - \$90,168). Amounts due to related parties included in trade and other payables are unsecured, non-interest bearing and are without fixed terms of repayment.

Related party transactions have occurred in the normal course of operations and are measured at their fair values.

A major shareholder acquired, on April 26, 2023, an aggregate principal amount of AUD\$1,200,000 of Debentures on the same basis as other subscribers (Note 7).

A director of the Company, on April 26, 2023, acquired AUD\$100,000 of the Debentures on the same basis as other subscribers. In addition, this same director received certain fees from the broker in connection with the Debentures, including 4,845,072 Broker Warrants (Note 7).

On October 11, 2023, the Company closed a private placement of unsecured convertible debentures to Tryp's Chief Executive Officer for aggregate gross proceeds of AUD\$175,000 (\$145,170) ("Notes-Oct"). The Notes are denominated in Australian Dollars, have a term of 12 months, and are interest free.

On November 20, 2023, Tryp's Chief Executive Officer participated in Notes-Nov for gross proceeds of AUD\$325,000 (\$292,338) on the same basis as other subscribers.

13. CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its shareholders' equity. As at November 30, 2023, the Company's shareholders' equity was a deficit of \$4,892,719 (shareholders' equity as at August 31, 2023 - \$3,760,443). There were no changes in the Company's approach to capital management during the three months ended November 30, 2022 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

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13 CAPITAL MANAGEMENT (continued)

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 makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments to obtain additional financing.

As at November 30, 2023, the Company had a working capital deficit of \$4,787,633 (working capital deficit as at August 31, 2023: \$1,489,665) and for the three months ended November 30, 2023, cash used in operating activities of \$968,991 (November 30, 2022: \$970,596). The working capital deficit relates primarily to the convertible debentures used to finance operations until such time an equity financing may be completed, which would trigger their conversion into share capital. Working capital is a non-GAAP measure calculated as total current assets less total current liabilities.

15 SEGMENTED DISCLOSURES

The Company is a Canadian clinical stage pharmaceutical development company that operates in two reportable operating segments: the development of repurposed therapeutic drugs in Canada, and the facilitation of the Company's lead drug candidates into off-label phase II clinical trials (humans) in the United States. All of the Company's expenditures are incurred in both Canada and the United States. As at November 30, 2023 and 2022, all of the Company's long-term assets are located in Canada.

17. SUBSEQUENT EVENTS

On December 8, 2023, the Company entered into an arrangement agreement (the "Arrangement Agreement") with Exopharm Limited ACN 163,765,991 ("Exopharm" or the "Purchaser"), pursuant to which Exopharm has agreed to acquire all of the issued and outstanding common shares in the capital of Tryp (the "Tryp Shares") in consideration of the issuance of 4.52 ordinary shares in the capital of Exopharm (the "Exopharm Shares") for each one (1) Tryp Share. The arm's length transaction will be completed by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement").

Key Transaction Highlights:

- The purchase price of CAD\$0.08 represents a 78% premium to the closing price of \$0.045 and a 112% premium to the 20-day volume weighted price of \$0.0378 per Tryp Share on December 8, 2023;
- Tryp shareholders expected to receive 4.52 Exopharm Shares for each one (1) Tryp Share held, representing an aggregate transaction value of approximately \$12.8 million;
- The combined entity is expected to relist on the Australian Securities Exchange (the "ASX") in Q1 2024 subject to, among other conditions, receipt of the requisite approval of Exopharm shareholders and raising a minimum of AUD\$6,000,000 under a public offering; and
- The Arrangement is subject to customary closing conditions, including approvals from Tryp securityholders and Exopharm shareholders, from the ASX and the Supreme Court of British Columbia (the "Court").

On December 17, 2023, the final 3,043,860 common shares remaining in escrow in connection with the Company's initial public offering completed on December 17, 2020 were released from escrow.