

Mindbio Therapeutics Corp

Consolidated Financial Statements

For the six months ending 31 December, 2023

(In Australian dollars)

Mindbio Therapeutics Corp
Contents
31 December 2023

Statement of profit or loss and other comprehensive income	Error! Bookmark not defined.
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	13

General information

The financial statements cover the combined entities described in Note 1 to the financial statements (together, the group) and are presented in Australian dollars.,

The financial statements were authorised for issue, in accordance with a resolution of the directors of each of the combined entities, on February 2024. The directors have the power to amend and reissue the financial statements.

Mindbio Therapeutics Corp
Statements of profit or loss and other comprehensive income
For the six months ended 31 December 2023

ended	Three month period ended	Six month period ended	Three month period ended	Six month period
December	31 December	31 December	31 December	31
	2023	2023	2022	2022
	\$	\$	\$	\$
Revenue				
Other revenue	197,424	197,424	-	-
Total Revenue	197,424	197,424	-	-
Expenses				
Amortisation expense	(48,401)	(48,401)	(24,201)	(48,401)
Director fees			-	-
Audit fees			(25,000)	(45,027)
Clinical Trials			-	-
Research and development			-	-
Legal fees	(2,523)	(65,480)	(2,525)	(53,686)
Consulting and advisory fees	(80,000)	(80,000)	(10,000)	(10,000)
Consulting and accounting fees	(19,176)	(42,967)	(871)	(8,662)
Investor relations		(9,244)	-	-
Marketing	(16,729)	(35,118)	(21,833)	(62,398)
Dilutive transaction cost			-	-
Administration	(5,185)	(53,539)	(12,589)	(51,843)
Foreign exchange gain (loss)	34,102	65,272	72,932	115,631
Loan costs - fair value movement in bonus shares			(282,197)	(282,197)
Trust fees	(9,002)	(9,002)		

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Mindbio Therapeutics Australia and NZ Group
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

		6 months ending		
	Note	31 December 2022 \$	31 December 2021 \$	
Listing fees	(11,367)	(11,367)		
Finance costs	(79,262)	(135,470)	(69,218)	(139,189)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mindbio Therapeutics Corp
Statement of profit or loss and other comprehensive income
For the six months ended 31 December 2023

ended	Three month period ended	Six month period ended	Three month period ended	Six month period
December	31 December	31 December	31 December	31
	2023	2023	2022	2022
Loss before income tax expense	(40,119)	(227,892)	(375,502)	(585,772)
Income tax expense	-	-	-	-
Loss after income tax expense for the half-year	(40,119)	(227,892)	(375,502)	(585,772)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	(40,119)	(227,892)	(375,502)	(585,772)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mindbio Therapeutics Corp
Statement of financial position
As at 31 December, 2023

	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents		101,863	319,175
Goods and services tax input credits		31,829	54,029
SAFE investment	3	14,890	14,890
Receivables		-	-
Prepaid interest		-	-
Monies held in trust	6	-	284,832
Total current assets		<u>148,582</u>	<u>672,926</u>
Total assets		<u>148,582</u>	<u>672,926</u>
Liabilities			
Current liabilities			
Trade and other payables	4	500,528	654,496
Investor Loans	5	1,057,621	2,155,661
Deferred Grant Income		-	115,649
Total current liabilities		<u>1,558,149</u>	<u>2,925,806</u>
Non-current liabilities			
Trade and other payables	4	350,000	350,000
Investor loans	5	3,945,892	2,816,812
Total non-current liabilities		<u>4,295,892</u>	<u>3,166,812</u>
Total liabilities		<u>5,854,041</u>	<u>6,092,618</u>
Net liabilities		<u>(5,705,459)</u>	<u>(5,419,692)</u>
Equity			
Issued capital	6	5,372,815	5,372,815
Options Reserve		1,398,199	1,398,199
Warrants		75,845	75,845
Accumulated other comprehensive income		179,658	175,174
Accumulated losses		<u>(12,669,618)</u>	<u>(12,379,679)</u>
Deficit attributable to the Group		(5,643,101)	(5,357,646)
Non-controlling interests		(62,358)	(62,046)
Total deficit		<u>(5,705,459)</u>	<u>(5,419,692)</u>
Total liabilities and deficit		<u>148,582</u>	<u>672,926</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Mindbio Therapeutics Corp
Statement of changes in equity
For the Six months ended 31 December 2023

	Issued Capital	Option reserve	Accumulated losses	FX Reserve	Outside Equity Int	Warrants	Total
	\$		\$	\$		\$	\$
As at at June 30 2021	1,000		(476,925)	-		-	(476,925)
Comprehensive loss for the year ended June 30 2022			(7,474,955)				(7,474,955)
Conversion of convertible notes	2,689,998						2,689,998
Dilutive transaction cost	1,600,142		-				1,600,142
Issue of founder shares	422						422
Private Placement	220,981		-				220,981
Payment of dividend			(786,940)				(786,940)
							-
As at at June 30 2022	4,512,543		(8,738,820)	-	-	-	(4,226,277)
Comprehensive loss for the twelve months ended June 30, 2023			(4,279,639)		(7,081)		(4,286,720)
Issue of bonus shares	308,478						308,478
Private Placement	1,135,609					75,845	1,211,454
Issue to acquire DMT	743,208						743,208
Elimination re Purchase of DMT	(1,327,023)		583,815				(743,208)
Share based payments		1,398,199					1,398,199
Outside Equity interest			54,965		(54,965)		-
FX Reserve				175,174			175,174
As at June 30, 2023	5,372,815	1,398,199	(12,379,679)	175,174	(62,046)	75,845	(5,419,692)
Loss for the period			(227,892)		(312)		(228,204)
Outside Equity Interest			(62,047)				(62,047)
FX Reserve				4,484			4,484
							0
as at 31 December, 2023	5,372,815	1,398,199	(12,669,618)	179,658	(62,358)	75,845	(5,705,459)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Mindbio Therapeutics Group
Statement of cash flows
For the Six months ended 31 December 2023

Note	6 months ending	
	31 Dec 2023	31 Dec 2022
	\$	\$
Cash flows from operating activities		
Loss for period	(227,892)	(585,772)
Finance costs and unrealised foreign exchange loss and amortisation of borrowings	(16,871)	30,062
Fair value movement in bonus shares	-	282,197
Revenue in advance	(115,649)	-
Movement in prepayments	-	56,431
Movement in trade and other receivables	22,695	17,671
Movement in trade and other payables	(163,933)	(1,001,348)
Net cash used in operating activities	(502,144)	(1,200,759)
Investment in SAFE investments	-	-
Net cash from investing activities	-	-
Cash flows from financing activities		
Proceeds from borrowings		40,000
Trust funds	284,832	
Dividends paid	-	
Net cash from financing activities	284,832	40,000
Net increase/(decrease) in cash and cash equivalents	(217,312)	(1,160,759)
Cash and cash equivalents at the beginning of the financial half-year	319,175	1,314,793
Cash and cash equivalents at the end of the financial half-year	101,863	154,034

The above statement of cash flows should be read in conjunction with the accompanying notes

Mindbio Therapeutics Corp
Notes to the financial statements
31 December 2023

Note 1. Incorporation and Nature of operations.

MindBio Therapeutics Corp (formally 1286409 B.C. Ltd) (“MindBio Corp”) is a Canadian based company that is listed on the Canadian Securities Exchange (“CSE”), trading under the symbol of “MBIO”. MindBio Corp. was incorporated on 21 January 2021. MindBio Corp. has 2 subsidiary companies (and one sub subsidiary company) which operate in Australia and New Zealand. Together, these companies form the MindBio Group (“Group”). The Group’s core business is researching, developing, and testing psychedelic substances as a potential treatment for the management of a broad range of mental health conditions. MindBio Corp has its head office at 1055 West Georgia Street, Vancouver, BC, Canada.

Going concern

These combined consolidated financial statements have been prepared on a going concern basis, which contemplates that the Group will be able to realize its assets and discharge its liabilities in the normal course of business.

For the six months ended 31 December 2023 the Group incurred a loss from operations of \$227,892 (31 December 2023 – \$585,772) and incurred cash outflows from operations of \$ 502,144 (31 December 2022 – \$1,200,759).

As 31 December 2023, it has negative working capital of approximately \$1,409,567 (31 December 2022 – \$2,252,880);

The directors also have the ability to scale back expenditures relating to the research and development program, together with corporate and administrative overheads. It has largely completed the majority of its expenditure commitments with the University of Auckland, and;

The counterparties to the non-current payables set out in note 4 have written to the Group stating the intention and ability to not call upon amounts payable and owing to them in the event that this payment would jeopardize the Group’s ability to pay its debts as and when they fall due and payable.

While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. These events represent material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern

Statement of compliance

These general-purpose financial statements for the interim Six-month period ending 31 December 2023 have been prepared in accordance with International Accounting Standard IAS 34 ‘Interim Financial Reporting’, as appropriate for for-profit orientated entities.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the financial statements for the year ended 30 June 2022 of the Group and any public announcements made by the Group during the interim reporting period.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Note 2. Significant accounting policies

These general-purpose financial statements for the interim six-month period ending December 31, 2023 have been prepared in accordance with International Accounting Standard IAS 134 ‘Interim Financial Reporting’, as appropriate for-profit orientated entities.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the financial statements for the year ended June 30, 2023 of the Group and any public announcements made by the Group during the interim reporting period.

The Mindbio Therapeutics Australia and NZ Group
Notes to the financial statements
31 December 2022

Note 3. SAFE investments

The group has invested in technology growth company, Quantified Citizen Technologies Inc (incorporated in Canada, Quantified Citizen) through a simple agreement for future equity (SAFE). Under this agreement, the SAFE will convert to common shares in Quantified Citizen either on the occurrence of two events:

- Qualified Financing – when the company issues preference shares to investors. The SAFE holders will be issued preference shares at a price contingent on the future preference share price; or
- Liquidity event – when the company lists on a stock exchange. The safe holder will participate in ordinary share issue at a price contingent on the price per share listed.

Note 4. Trade and other payables

	31 Dec 2023	30 June 2023
	\$	\$
<i>Current</i>		
Accounts payable and accruals - third parties	456,274	572,417
Accrued directors' fees	-	-
Accrued fees - audit	44,254	73,746
Accrued fees - consulting and advisory	-	8,333
Total current	<u>500,528</u>	<u>654,496</u>
<i>Non-current</i>		
Accrued fees - 958 consulting*	<u>350,000</u>	<u>350,000</u>
Total current and non-current	<u><u>850,528</u></u>	<u><u>1,004,496</u></u>

*958 Consulting is a wholly controlled entity of a director of the group companies. Amounts are payable in-respect of successfully completing contractually agreed performance and transactional milestones. In December 2021, some of the amounts which were payable at call under the terms of the original agreement were deferred for payment in December 2024.

The Mindbio Therapeutics Australia and NZ Group
Notes to the financial statements
31 December 2022

Note 5. Investor loans

During March to May 2022, MindBio Aust issued loans to investors with gross principal amount of \$1,394,984. The terms of the debt are as follows:

- The unsecured loans attract interest of 10% per annum;
- They are repayable after 18 months of MindBio Aust, or its designated listed company vehicle, being listed as a public company, or after 18 months of a designated listing event not being successful; and
- The holders of the loans are subject to receive bonus shares at a price of \$0.08 Canadian Dollars per share. The number of bonus shares issuable equals to 20% of the principal amount of the loan.

As the terms of the loan will result in Mind Aust, or its designated listed company vehicle, to issue a variable number of common shares of MindBio Aust or its designated listed company vehicle, the loan has been classified as a FVTPL liability.

On 20 December 2022 the bonus shares were issued by MindBio Corp. as MindBio Aust's designated listed company vehicle in accordance with the loan agreement. MindBio Corp. issued a total of 3,135,509 shares. See Note 10.

Upon the issuance of the bonus shares, the terms of the loan have been modified to remove the bonus shares structure. The amendment has been assessed as a loan modification. The Group recognized \$nil loan modification gain or loss in the combined consolidated financial statements of loss and other comprehensive loss. After the amendment, the loan has been classified as amortized cost with an effective interest rate of 11.17% per annum. The fair value of the loan on the date of the amendment has been assessed to be \$1,394,503. For the six months ended 31 December 2023, the Group recognized a total of \$- (2022 - \$nil) of accretion expense and a total of \$70,322 of interest expense (2022 - \$69,948) on the loan which has been included in finance costs in the combined consolidated financial statements of loss and other comprehensive loss.

DMT loan

During June to August 2021, DMT issued loans to investors with gross principal amount of \$1,405,000. The terms of the debt are as follows:

- The unsecured loans attracted an upfront interest payment of 10%;
- They are repayable within 30 business days of a successful listing of the Group or in the event of the listing of the Group being unsuccessful;
- On 10 March 2022, the terms of the loan were amended. Under the amended terms, the loans are repayable on 1 August 2024, if not repaid earlier.

The loan has been classified as amortized cost. The Group has assessed that the loan amendment on 10 March 2022 is classified as a loan modification and there has been \$nil loan modification gain or loss.

During the six months ended 31 December 2023, the Group recognized a total finance cost of \$42,093 (2022 \$68,826 which has been included in the combined consolidated statements of loss and comprehensive loss).

Mind NZ loan

On 31 January 2022, Mind NZ signed a CAD 1,700,000 unsecured loan with Blackhawk. This loan had a term of 24 months and has no interest payable. An upfront facilitation fee of CAD 205,000 was been paid as per the agreement. This fee is capitalized to the loan and amortized over the term of the loan.

The loan has been classified as amortized cost.

On 25 October 2022, the loan was amended to include an option for the holder to convert the loan into equity of MindBio Aust. The common shares will be issued at a deemed price equivalent to, in the event the common share of MindBio Aust is publicly listed on a stock exchange, the volume-weighted average closing price of the common shares of MindBio Aust on the senior stock exchange in which MindBio Aust is listed in the preceding twenty trading dates, or in the event the common share of MindBio Aust is not publicly listed on a stock exchange, the most recent equity financing completed by MindBio Aust for gross proceeds in excess of \$250,000 Canadian Dollars. In the event that public listing of MindBio Aust is achieved through the listing of another entity which controls MindBio Aust, then the holder of the loan will be deemed to include the right to receive an equivalent number of common shares in the listed entity. An amendment fee of \$200,000 CAD was applied for this amendment. This fee increased the principal amount of the loan to CAD \$1,900,000.

The Mindbio Therapeutics Australia and NZ Group
Notes to the financial statements
31 December 2022

Note 5. Investor loans (continued)

On October 5, 2023, the Company entered into an agreement where the loan was assigned from Blackhawk Growth Corporation to Riverfort Global Opportunities. The loan is now fixed at CAD 1,900,000 with zero interest to be paid. The repayment schedule of the loan is now as follows:

Repayment date	Amount CAD
30 March, 2024	237,500
30 June, 2024	237,500
30 September 2024	237,500
31 December 2024	237,500
30 March 2025	950,000
<hr/> Total	<hr/> 1,900,000

The Mindbio Therapeutics Australia and NZ Group
Notes to the financial statements
31 December 2022

Note 6. Issued capital

The following table summarizes the issuances of the Group's common shares as at 31 December 2023:

	Date	Share capital		
		Shares ⁽¹⁾	Cents ⁽¹⁾	\$
Balance at 30 June 2022		94,688,316		4,512,543
Placement round ⁽²⁾		2,107,890	1.54	32,397
Issue of bonus shares as part of the Blackhawk Loan arrangement with Mind Therapeutics Pty Ltd	20/12/2022	8,183,239	3.77	308,478
Placement round	20/12/2022	12,689,128	3.89	493,974
Placement round	05/05/2023	17,397,477	3.50	609,328
Issue to acquire DMT	05/05/2023	20,586,690	3.61	743,207
Elimination of DMT upon acquisition	05/05/2023	(22,604,754)	-	(1,327,023)
As at 31 December 2023		133,047,305		5,372,815

Options issued

Options outstanding	Number of options	Exercise price	Expiry date
Granted on 1 May 2023	26,593,250	\$0.10 CAD	1 May 2026

As of 31 December 2023, there were a total of 26,593,250 options exercisable. The weighted average remaining life for the options is 2.84 years. The weighted average exercise price of the options is \$0.10 CAD.

Warrants issued

Options outstanding	Number of warrants	Exercise price	Expiry date
Granted on 5 May 2023	3,378,4618	\$0.14 CAD	5 May 2024

As at 31 December 2023, there were a total of 3,378,461 warrants (17,398,422 warrants on a post share split basis) exercisable. The weight average remaining life of the warrants is 1.43 years. The weighted average exercise price of the warrants is \$0.14 CAD.

Note 8. Events after the reporting period

With the exception of the matters discussed in the Going Concern (note 2), there has been no event or transaction subsequent to 31 December 2023 that materially impacts these financial statements.

Mindbio Therapeutics Corp
Directors' declaration
31 December 2023

In the directors' opinion:

- the group is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of The Mindbio Therapeutics Australia and NZ Group;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to the Corporations Act 2001.

On behalf of the directors



February 8, 2024

