



**Cybin Inc.**

Consolidated Financial Statements

March 31, 2024 and 2023

## **Responsibility for Consolidated Financial Statements**

The Company's management is responsible for the integrity and fairness of presentation of these consolidated financial statements. The consolidated financial statements have been prepared by management, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, for approval by the Board of Directors.

Where necessary, management has made judgements and estimates in preparing the consolidated financial statements and such statements have been prepared within acceptable limits of materiality. Management maintains a system of internal accounting controls to ensure, on a reasonable and cost-effective basis, that the financial information is timely reported and is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded.

A firm of independent Chartered Professional Accountants, Zeifmans LLP, appointed by the shareholders, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provided an independent professional opinion on the consolidated financial statements.

/s/ Doug Drysdale  
Chief Executive Officer  
June 25, 2024

**INDEPENDENT AUDITORS' REPORT**

To the Shareholders of Cybin Inc.

*Opinion*

We have audited the consolidated financial statements of Cybin Inc. and its subsidiaries (together, the “Company”), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

*Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards (“GAAS”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How are audit addressed the key audit matter
<p><b>Acquisition of Small Pharma Inc. (“SP”)</b></p> <p><i>Refer to note 2 - Material accounting policy information and note 4 – Acquisition</i></p> <p>On October 23, 2024, Cybin completed the acquisition (the “Acquisition”) of SP and its wholly-owned subsidiary Small Pharma Ltd.</p> <p>The acquisition has been accounted for as a business combination using the acquisition method of accounting. The SP purchase price allocation (“PPA”) results in the recognition of intellectual property of \$29.3 million and goodwill of \$22.7 million.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"> <li>• We analyzed the Acquisition agreements to obtain an understanding of the key terms and conditions and to identify the necessary accounting considerations;</li> <li>• We obtained an understanding of management’s internal control process as it relates to the determination of key inputs and assumptions;</li> <li>• We tested the mathematical accuracy of management’s PPA model related to the Acquisition;</li> </ul>

<p>We considered this a key audit matter due to the subjectivity and complexity in performing procedures to test the key assumptions used by management in determining the purchase price allocation, which involved significant judgment by management.</p>	<ul style="list-style-type: none"> <li>• With the assistance of a valuation specialist, we evaluated the appropriateness of the methods used and the discounted cash flow model;</li> <li>• We assessed the reasonableness of the discount rates applied;</li> <li>• We performed a sensitivity analysis of the PPA model by developing a range of independent estimates of key assumptions;</li> <li>• We evaluated the adequacy and completeness of the disclosure in the consolidated financial statements including the assumptions used in the PPA model.</li> </ul>
<p>Assessment of impairment of goodwill and intangible assets</p> <p>Refer to note 2 – Material accounting policy information, note 6 - Intangible assets and note 8 - Goodwill</p> <p>In accordance with IAS 36, Impairment of Assets, management is required to test goodwill and intangible assets not yet available for use for impairment annually, or when facts and circumstances suggest they may be impaired. Goodwill arising from business combinations is allocated to each of the Company’s cash-generating units (“CGU”) that is expected to benefit from the synergies of the combination. The recoverable amount of the CGU to which the goodwill and intangible assets have been allocated is tested for impairment at the same time every year. As at March 31, 2024 the Company had goodwill of \$47.5 million and intangible assets of \$35.5 million before the impairment test. The annual impairment test has been performed as of March 31, 2024, and no impairment was recognized.</p> <p>For the purpose of the impairment test, the recoverable amount of the Company’s CGU has been determined by management based on an assessment of its value in use following a discounted cash flow approach over a period of thirteen years. Management made certain assumptions in determining the cash flow projections based on its internally approved budgets and include management’s best estimates of expected market conditions. The future cash flows used in the model are inherently uncertain and could materially change over time as a result of changes to the key assumptions estimated by management including revenue growth, discount rate, terminal growth rate, costs, future tax, risk premiums applicable to the CGU’s operations and future capital expenditure.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"> <li>• We evaluated the appropriateness of the value-in-use method and discounted cash flow forecast models;</li> <li>• We reviewed the controls and methodology used to develop information for assessing the recoverable amount including the risk assessment process, and the nature and extent of oversight and governance over financial reporting;</li> <li>• We evaluated the assumptions applied to key inputs, such as forecasted revenues, gross margin, operating expenses, long-term growth rates and discount rates used by management in the discounted cash flow projection models and value-in-use determination;</li> <li>• We performed a retrospective review to compare management’s assumptions in the prior year’s expected future cash flows to the actual results to assess the Company’s budgeting process;</li> <li>• We tested the mathematical accuracy of management’s impairment model and supporting calculations;</li> <li>• With the assistance of a valuation specialist, we evaluated the reasonableness of the Company’s impairment model and the discount rates by comparing the Company’s weighted average cost of capital against publicly available market data; and</li> <li>• We assessed the appropriateness of the disclosure of the assumptions used in the impairment assessment in the notes to the consolidated financial statements.</li> </ul>

<p>We considered this a key audit matter due to the subjectivity and complexity in performing procedures to test the key assumptions used by management in determining the recoverable amount of the Company's CGU, which involved significant judgment from management.</p>	
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### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis ("MD&A") but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the MD&A identified above and, in doing so, consider whether the MD&A is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditors' report. If, based on the work we have performed on this MD&A, we conclude that there is a material misstatement of this MD&A, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

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

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

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

### *Auditors' Responsibilities for the Audits of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audits. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

*Zeifmans LLP*

Toronto, Ontario  
June 25, 2024

Chartered Professional Accountants  
Licensed Public Accountants

**CYBIN INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(All amounts expressed in thousands of Canadian dollars)**

As at	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Current</b>			
Cash		208,992	16,633
Accounts receivable		4,476	3,050
Prepaid expenses		2,891	1,733
Other current assets		2,177	1,769
<b>Total Current Assets</b>		<b>218,536</b>	<b>23,185</b>
<b>Non-current</b>			
Equipment	5	266	450
Intangible assets	6	35,465	5,470
Right-of-use asset	7	281	—
Goodwill	8	47,475	24,792
<b>Total Non-Current Assets</b>		<b>83,487</b>	<b>30,712</b>
<b>TOTAL ASSETS</b>		<b>302,023</b>	<b>53,897</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		9,805	5,663
Lease liabilities	7	291	—
<b>Total Liabilities</b>		<b>10,096</b>	<b>5,663</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	443,877	158,162
Contributed surplus		11,750	2,102
Options reserve	9	39,177	27,283
Warrants reserve	9	25,639	10,873
Accumulated other comprehensive loss		(2,285)	(2,035)
Deficit		(226,231)	(148,151)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>291,927</b>	<b>48,234</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>302,023</b>	<b>53,897</b>

*Corporate information (note 1); Contracts, commitments and contingencies (note 13) Subsequent events (note 17)*

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

These consolidated financial statements were approved for issue on June 25, 2024 by the board of directors and signed on its behalf by:

*/s/ Paul Glavine* Director

*/s/ Eric So* Director

**CYBIN INC.****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****(All amounts expressed in thousands of Canadian dollars, except share and per share amounts)**

		<b>For the year ended March 31,</b>	
	<i>Notes</i>	<b>2024</b>	<b>2023</b>
<b>EXPENSES</b>			
Research	<i>12</i>	<b>32,362</b>	25,491
General and administrative costs	<i>11</i>	<b>32,588</b>	21,341
Share-based compensation	<i>9</i>	<b>13,886</b>	4,686
<b>TOTAL EXPENSES</b>		<b>78,836</b>	51,518
<b>OTHER INCOME (EXPENSES)</b>			
Foreign currency translation gain (loss)		<b>137</b>	4,027
Interest income		<b>619</b>	603
Change in fair value of investments measured at fair value through profit or loss		—	(260)
Contingent consideration accretion		—	(13)
Change in fair value of contingent consideration		—	(329)
<b>TOTAL OTHER INCOME (EXPENSES)</b>		<b>756</b>	4,028
<b>NET LOSS FOR THE YEAR</b>		<b>(78,080)</b>	(47,490)
<b>OTHER COMPREHENSIVE LOSS</b>			
Foreign currency translation differences for foreign operations		<b>(250)</b>	(1,669)
<b>COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(78,330)</b>	(49,159)
<b>Basic loss per share for the year</b>		<b>(0.25)</b>	(0.26)
<b>Weighted average number of common shares outstanding - basic</b>		<b>315,300,042</b>	185,428,767

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

**CYBIN INC.**

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the years ended March 31, 2024 and 2023**

**(All amounts expressed in thousands of Canadian dollars, except share amounts)**

	Note	Share capital		Reserves			Accumulated other comprehensive loss	Total	
		Number of shares	Amount	Warrants	Options	Contributed surplus			Deficit
		#	\$	\$	\$	\$			\$
<b>Balance as at March 31, 2022</b>		<b>175,111,654</b>	<b>141,451</b>	<b>11,423</b>	<b>23,783</b>	<b>525</b>	<b>(100,661)</b>	<b>(366)</b>	<b>76,155</b>
At-the-market offering - net of share issuance costs		20,754,120	13,202	—	—	—	—	—	13,202
Shares issued on Adelia milestones	9	3,603,742	2,988	—	—	—	—	—	2,988
Warrants exercised	9	1,164,638	527	(165)	—	—	—	—	362
Options forfeited		—	—	—	(1,180)	1,180	—	—	—
Warrants expired		—	—	(397)	—	397	—	—	—
Finders' warrants	9	—	(6)	6	—	—	—	—	—
Share-based compensation	9	—	—	6	4,680	—	—	—	4,686
Unrealized loss on translation of foreign operations		—	—	—	—	—	—	(1,669)	(1,669)
Net loss for the year		—	—	—	—	—	(47,490)	—	(47,490)
<b>Balance as at March 31, 2023</b>		<b>200,634,154</b>	<b>158,162</b>	<b>10,873</b>	<b>27,283</b>	<b>2,102</b>	<b>(148,151)</b>	<b>(2,035)</b>	<b>48,234</b>
Share issuance net of share issuance costs	9	439,768,583	217,311	22,442	—	—	—	—	239,753
Share issuance on business acquisition	9	80,945,254	53,481	—	—	—	—	—	53,481
At-the-market offering - net of share issuance costs	9	34,140,507	14,700	—	—	—	—	—	14,700
Shares issued through LPC purchase agreement - net of share issuance costs	9	1,925,000	147	—	—	—	—	—	147
Issuance of common shares as commitment fee for equity financing	9	2,538,844	—	—	—	—	—	—	—
Options expired	9	—	—	—	(1,992)	1,992	—	—	—
Warrants exercised	9	101,000	76	(20)	—	—	—	—	56
Warrants expired	9	—	—	(7,656)	—	7,656	—	—	—
Share-based compensation	9	—	—	—	13,886	—	—	—	13,886
Unrealized loss on translation of foreign operations		—	—	—	—	—	—	(250)	(250)
Net loss for the year		—	—	—	—	—	(78,080)	—	(78,080)
<b>Balance as at March 31, 2024</b>		<b>760,053,342</b>	<b>443,877</b>	<b>25,639</b>	<b>39,177</b>	<b>11,750</b>	<b>(226,231)</b>	<b>(2,285)</b>	<b>291,927</b>

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

**CYBIN INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(All amounts expressed in thousands of Canadian dollars)**

		For the year ended March 31,	
	Notes	2024	2023
<b>OPERATING ACTIVITIES</b>			
<b>Net loss for the year</b>		<b>(78,080)</b>	(47,490)
<b>Adjustments for items not affecting cash:</b>			
Interest income		—	(18)
Depreciation and amortization	5, 6 & 7	424	251
Share-based compensation		13,886	4,686
Lease interest		8	—
Computer equipment write-down		18	—
Change in fair value of investments measured at fair value through profit or loss		—	260
Contingent consideration accretion		—	13
Change in fair value of contingent consideration		—	329
Unrealized foreign currency translation (gain)		(137)	(4,025)
		<b>(63,881)</b>	(45,994)
<b>Net changes in non-cash working capital items:</b>			
Accounts receivable		(1,089)	(948)
Prepaid expenses		(986)	(462)
Other current assets		(408)	(428)
Accounts payable and accrued liabilities		(2,544)	401
<b>Net cash flows used in operating activities</b>		<b>(68,908)</b>	(47,431)
<b>INVESTING ACTIVITIES</b>			
Cash acquired on acquisition	4	7,632	—
Purchase of intangible assets	6	(689)	(3,167)
Purchase of equipment	5	(21)	(142)
<b>Net cash flows used in investing activities</b>		<b>6,922</b>	(3,309)
<b>FINANCING ACTIVITIES</b>			
Proceeds on issuance of common shares, net	9	254,600	13,202
Lease payments	7	(149)	—
Warrant exercise	9	56	362
<b>Net cash flows from financing activities</b>		<b>254,507</b>	13,564
<b>Effects of exchange rate changes on cash</b>		<b>(162)</b>	168
<b>Net change in cash</b>		<b>192,359</b>	(37,008)
<b>Cash, beginning of year</b>		<b>16,633</b>	53,641
<b>Cash, end of year</b>		<b>208,992</b>	16,633

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

**CYBIN INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024 and 2023**

**(All amounts expressed in thousands of Canadian dollars, except share and per share amounts, and those amounts indicated as being in US dollars, Euros and Great Britain Pounds which are in thousands.)**

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**1. CORPORATE INFORMATION**

Cybin Inc. (“**Cybin**”), was incorporated under the Business Corporations Act (British Columbia) on October 13, 2016. These consolidated financial statements include the accounts of Cybin’s eight subsidiaries (together with Cybin, the “**Company**”): Cybin Corp., Natures Journey Inc. (“**Journey**”), Serenity Life Sciences Inc. (“**Serenity**”), Cybin US Holdings Inc. (“**Cybin US**”), Adelia Therapeutics Inc. (“**Adelia**”) Cybin IRL Limited (“**Cybin IRL**”), Cybin UK Ltd., and Small Pharma Inc. (“**Small Pharma**”). Cybin’s head office, principal address and registered address and records office is 100 King Street West, Suite 5600, Toronto, Ontario M5X 1C9.

The Company is a biopharmaceutical company focused on advancing psychedelic-based therapies, delivery mechanisms, novel compounds and protocols as potential treatments for various psychiatric and neurological conditions. The Company is developing technologies and delivery systems aimed at improving the pharmacokinetics of its psychedelic-based molecules while retaining the therapeutic benefit. These new molecules and delivery systems are expected to be studied through clinical trials to confirm safety and efficacy.

These consolidated financial statements as at, and for the year ended, March 31, 2024 were approved and authorized for issue by the board of directors on June 25, 2024.

**Stock exchange listings**

Cybin’s common shares (“**Common Shares**”) are listed for trading on the Cboe Canada Exchange Inc. (“**Cboe**”) and NYSE American LLC under the symbol “**CYBN**” and on the Frankfurt Stock Exchange under the symbol “**R7E1**”.

**2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION**

**Statement of compliance**

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board (“**IASB**”).

The policies applied to these consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These consolidated financial statements were issued and effective as at June 25, 2024, the date the Board of Directors approved these consolidated financial statements.

The Company’s board of directors has the power to amend the consolidated financial statement after issuance.

**Basis of measurement**

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments classified at fair value upon initial recognition.

**CYBIN INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024 and 2023**

**(All amounts expressed in thousands of Canadian dollars, except share and per share amounts, and those amounts indicated as being in US dollars, Euros and Great Britain Pounds which are in thousands.)**

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**Functional and presentation currency**

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These consolidated financial statements are presented in Canadian dollars, the Company's presentation currency. The subsidiaries' functional currencies are as follows:

<b>Entity</b>	<b>Currency</b>	<b>Ownership</b>
Cybin Corp.	Canadian dollars	100%
Journey	Canadian dollars	100%
Serenity	Canadian dollars	100%
Cybin US <sup>1</sup>	Canadian dollars	100%
Adelia	U.S. dollars	100%
Cybin IRL	U.S. dollars	100%
Cybin UK Ltd <sup>2</sup>	Great Britain pounds	100%
Small Pharma Inc. ("Small Pharma") <sup>2</sup>	Canadian dollars	100%

<sup>1</sup> For accounting purposes, Cybin US is a wholly-owned subsidiary of Cybin. Certain Former Adelia Shareholders (as defined below) hold Class B Shares (defined below) in Cybin US.

<sup>2</sup> Cybin UK Ltd and Small Pharma Inc. which were acquired on October 23, 2023. Cybin UK Ltd. was formerly Small Pharma Ltd. and was a wholly-owned subsidiary of Small Pharma Inc.

On April 1, 2024 Small Pharma Inc was amalgamated with Cybin Corp.

**Basis of consolidation**

The Company consolidates entities which it controls. Control exists when the Company has the power, directly and indirectly to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany balances, and any unrealized gains and losses or income and expenses arising from transactions with controlled entities are eliminated to the extent of the Company's interest in the entity.

**Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on deposit and highly liquid short-term interest-bearing variable rate investments with an original maturity of three months or less, or which are readily convertible into a known amount of cash with no significant changes. As at March 31, 2024 and March 31, 2023 there were no cash equivalents.

**CYBIN INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024 and 2023**

**(All amounts expressed in thousands of Canadian dollars, except share and per share amounts, and those amounts indicated as being in US dollars, Euros and Great Britain Pounds which are in thousands.)**

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**Inventories**

Inventories include raw materials and finished goods. Raw materials are stated at the lower of cost and replacement cost with cost determined on a first-in, first-out basis. The Company monitors the shelf life and expiry of finished goods to determine when inventory values are not recoverable and a write-down is necessary.

**Equipment**

Equipment consists of lab and computer equipment and are recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditures incurred to bring the asset to the location and condition necessary for them to be operating in the manner intended by management.

Depreciation is recognized based on the cost of the item less its estimated residual value, over its estimated useful life on a straight-line basis at the following rates:

- Lab equipment– 5 years
- Computer equipment– 3 years

An item of equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted prospectively if appropriate.

**Intangible Assets**

Intangible assets include expenditures related to obtaining patents, software related items and in-process research and development (“**IPR&D**”). The amortization of software related items begins when the software is in use and will be amortized on a straight-line basis over a period of 3 years. The amortization of patent costs commences when the associated products are available for commercial sale and is amortized on a straight-line basis over its respective legal lives or economic life, if shorter. Patents have an estimated useful life of 17 years. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate. Acquired IPR&D is capitalized based on technical feasibility and remains on the balance sheet, subject to impairment. Acquired IPR&D is initially measured at fair value and recognized as an indefinite-lived intangible asset until completion or abandonment of the related project. Amortization commences when the assets become available for use. Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in operations as incurred.

Development activities involve a plan or design for the production of new, or substantially improved, products or processes related to the Company's development of psychedelic-based therapeutics. Development expenditures are capitalized only if the relevant IFRS criteria are met. Capitalized development expenditures are amortized from the beginning of commercial production and sales and are amortized on a straight-line basis over the remaining

**CYBIN INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024 and 2023**

**(All amounts expressed in thousands of Canadian dollars, except share and per share amounts, and those amounts indicated as being in US dollars, Euros and Great Britain Pounds which are in thousands.)**

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useful life of the related patents. Development expenditures, in relation to the Company's psychedelic-based therapeutics, have not satisfied the above criteria and are recognized in operations as incurred.

**Goodwill**

Goodwill represents the excess of the consideration transferred for the acquisition of an entity over the fair value of the net identifiable assets. Goodwill is initially measured at cost, and subsequently recorded at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units ("CGUs") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those CGUs. The Company tests for impairment annually, or when indications of impairment exist. Impairment is determined for goodwill by assessing if the carrying value of CGUs, including goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal and the value in use. Impairment losses recognized in respect of the CGUs are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGUs. Any goodwill impairment is recorded in the consolidated statement of loss and comprehensive loss.

**Impairment of long-lived assets**

Long-lived assets, including equipment and intangible assets, are reviewed for impairment at each consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. 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 separate cash inflows that are largely independent of the cash inflows from other assets. An impairment loss is charged to operations.

**Financial instruments**

***Recognition and initial measurement***

The Company initially recognizes financial instruments on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus/minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or use.

***Classification***

***Financial asset***

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI"), or FVTPL.

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A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company currently measures accounts receivable at amortized cost.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis. The Company has not elected to present any assets as FVOCI.

Cash is measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost as FVOCI or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Business model assessment*

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

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- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company's stated objective for managing the financial asset is achieved and how cash flows are realized.

*Assessment whether contractual cash flows are solely payments of principal and interest*

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money— e.g. periodical rest of interest rates

*Reclassifications*

The Company would reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of the reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

*Financial liabilities*

The Company classifies its financial liabilities at amortized cost or FVTPL. The Company currently measures accounts payable, lease liabilities and accrued liabilities at amortized cost and contingent consideration payable at FVTPL.

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**Derecognition**

*Financial assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transition in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

*Financial liabilities*

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

**Modifications of financial assets and financial liabilities**

*Financial assets*

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

*Financial liabilities*

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

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### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price (i.e. the fair value of the consideration given or received). If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any observable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability at fair value has a bid price and an ask price, then the Company measures assets and long positions at bid price and liabilities and short positions at an ask price.

Portfolio of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustment e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

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The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

### **Impairment**

#### *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default of past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

#### *Recognition of allowance of expected credit losses ("ECL") in the consolidated statement of financial position*

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company's applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost of FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether

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the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes pas due.

*Definition of default:*

For internal credit risk management purposes, the Company considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

*Write-off*

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**Taxation**

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by

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taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred income tax is recorded using the asset and 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 following temporary differences do not result in deferred tax assets or liabilities: the initial recognized of assets or liabilities that affect neither accounting or taxable loss; or difference relating to investment in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

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 tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its correct tax assets and liabilities on a net basis.

**Share capital**

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Common Shares and the Company's Common Share purchase warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new Common Shares, or warrants are shown in equity as a deduction, net of tax, from the proceeds.

**Share-based compensation**

Under the Company's equity incentive plan, all stock options granted may have graded vesting periods and are exercisable up to a maximum of 10 years from the date of grant. Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk free rate and estimated forfeitures.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied or options granted in error and cancelled retroactively), the Company accounts for the cancellation or settlement as an acceleration of vesting, and recognizes immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period is based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary,

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if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On the vesting date, the Company revises the estimate to equal the number of equity instrument that ultimately vested. After the vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited or they expire at the end of the share option's life.

If a grant of the share based payment is modified during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) and the fair value of the new instruments is higher than the fair value of the original instrument, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments vests, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period of the original instrument.

**Warrants**

The Company follows the relative fair value method with respect to the measurement of Common Shares and warrants issued as units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in equity reserve. Unit proceeds are allocated to Common Shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When stock options or warrants are cancelled, they are treated as if they have vested on the date of collation and any cost not yet recognized in profit or loss is immediately expensed. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

**Loss per share**

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period. The diluted earnings (loss) per share reflects the potential dilution of Common Share equivalents, such as outstanding stock options and warrants, in the weighted average number of Common Shares outstanding during the period, if they are dilutive.

**Currency translation**

All figures presented in the consolidated financial statements are reflected in Canadian dollars unless otherwise noted.

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable as that date. Realized and unrealized exchange gains and losses are recognized through profit or loss.

The assets and liabilities of foreign operations are translated into Canadian dollars at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average

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exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income (loss) and accumulated separately in shareholders' equity.

Foreign currency translation gains or losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income (loss) in the translation reserve.

**Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

**New standards and interpretations not yet adopted**

**IAS 1, Presentation of Financial Statements ("IAS 1") - Classification of Liabilities as Current or Non-Current**

In January 2020, the IASB issued amendments to IAS 1. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Company has determined that adoption of these amendments has no significant effect on the Company's consolidated financial statements.

All other IFRS and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

**New standards and interpretations**

**Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policies disclosures that are more useful by replacing the requirement for entities to disclose "significant" accounting policies with a

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requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to IFRS Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company has determined that adoption of these amendments has no significant effect on the Company's consolidated financial statements.

**IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") - Definition of Accounting Estimates**

In February 2021, the IASB amendments to IAS 8. The amendment will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company has determined that adoption of these amendments has no significant effect on the Company's consolidated financial statements.

**IAS 12, Income Taxes ("IAS 12") - Deferred Tax related to Assets and Liabilities Arising from a Single Transaction**

In May 2021, the IASB issued amendments to IAS 12. The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and deductible temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company has determined that adoption of these amendments has no significant effect on the Company's consolidated financial statements.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements include warrants and fair value of share-based payments (note 9) and the fair value of financial instruments (note 15).

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*Ability to continue as a going concern*

In order to assess whether it is appropriate for the Company to continue as a going concern, management is required to apply judgment and make estimates with respect to future cash flow projections.

In arriving at this judgment, there were a number of assumptions and estimates involved in calculating these future cash flow projections. This includes making estimates regarding the timing and amounts of future expenditures and the ability and timing of raising additional financing.

*Business combinations*

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Acquisition costs are expensed to profit or loss.

Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net asset acquired, is recorded as goodwill.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

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*Share based payments*

The fair value of share-based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture of options or warrants granted.

*Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the forecast for the next ten years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The determination of the Company's CGUs is based on management's judgement. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Company. Future events could cause the assumptions used in the impairment review to change with a consequential adverse effect on the results of the Company.

*Income taxes*

The Company computed an income tax provision in accordance with the applicable income tax laws. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluation the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws and estimates of future taxable income. The income tax provision is based on estimates of full-year earnings by jurisdiction. The average annual effective income tax rates are re-estimated at the end of each reporting period. To the extent that estimates and forecasts differ from actual results, adjustments are recorded in subsequent periods.

#### **4. ACQUISITION**

On October 23, 2023, Cybin completed the acquisition of Small Pharma and its wholly-owned subsidiary Small Pharma Ltd. (the "**Acquisition**") and issued 0.2409 Common Shares for every one common share of Small Pharma outstanding, resulting in a total of 80,945,254 Common Shares being issued to Small Pharma shareholders. As a result of the Acquisition, Small Pharma became a wholly-owned subsidiary of Cybin. On December 16, 2023 the Company changed the name of Small Pharma Ltd to Cybin UK Ltd.

In connection with the Acquisition, all unvested options of Small Pharma were vested and holders were able to exercise their options prior to the close of the Acquisition. All stock options of Small Pharma remaining unexercised at October 23, 2023 were cancelled and compensation of \$0.001 per stock option was paid to the optionees.

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As at October 23, 2023 Small Pharma's patent portfolio consisted of 17 active patent families with 92 pending applications and 30 granted patents across its psychedelic and non-psychedelic portfolio.

The Company has determined that the Acquisition was a business combination under IFRS. In accordance with the measurement period permitted under IFRS 3 - Business Combinations, the fair value of the assets acquired and liabilities assumed have been estimated as follows for the purposes of these condensed interim consolidated financial statements. This fair valuation is provisional, and its finalization is to be completed within one year from the business combination date as allowed under IFRS 3 and adjusted retrospectively.

**Acquisition Summary**

Share Consideration	\$ 53,481
<b>Fair value of purchaser consideration</b>	<b>\$ 53,481</b>

**Provisional Allocation of Purchase Price**

Cash	\$ 7,632
Current assets	\$ 510
Net equipment	\$ 37
Intellectual property	\$ 29,339
Right of use asset	\$ 412
Lease liability	\$ (415)
Liabilities assumed	\$ (6,686)
Goodwill	\$ 22,652
<b>Total allocation of purchase price</b>	<b>\$ 53,481</b>

A professional valuator has been engaged by the Company to estimate the value of the assets of Small Pharma for the purpose of the final purchase price allocation. Accordingly, the above estimated values may be subject to change.

As at February 28, 2023, Small Pharma had Canadian loss carry forwards of \$9,393 and UK loss carry forwards (stated in Canadian dollars) of \$46,631. No value has been ascribed to loss carry forward in these consolidated financial statements. Tax values of assets acquired may differ from their accounting values.

The following revenue and net loss is attributable to the period from Acquisition date to March 31, 2024 and included in these consolidated financial statements.

Revenue	\$ —
Net loss	\$ (1,666)

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**5. EQUIPMENT**

Equipment consists as follows:

<b>Cost</b>	<b>Lab Equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at March 31, 2022</b>	<b>475</b>	<b>238</b>	<b>713</b>
Additions	142	—	142
Effect of foreign exchange	47	1	48
<b>Balance as at March 31, 2023</b>	<b>664</b>	<b>239</b>	<b>903</b>
Acquisition from Small Pharma	—	37	37
Additions	—	21	21
Computer equipment write-down	—	(33)	(33)
Effect of foreign exchange	—	1	1
<b>Balance as at March 31, 2024</b>	<b>664</b>	<b>266</b>	<b>930</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at March 31, 2022</b>	<b>138</b>	<b>84</b>	<b>222</b>
Depreciation charge	135	79	214
Effect of foreign exchange	17	—	17
<b>Balance as at March 31, 2023</b>	<b>290</b>	<b>163</b>	<b>453</b>
Depreciation charge	137	86	223
Computer equipment write-down	—	(15)	(15)
Effect of foreign exchange	3	—	3
<b>Balance as at March 31, 2024</b>	<b>430</b>	<b>234</b>	<b>664</b>
<b>Net book value as at March 31, 2023</b>	<b>374</b>	<b>76</b>	<b>450</b>
<b>Net book value as at March 31, 2024</b>	<b>234</b>	<b>32</b>	<b>266</b>

**CYBIN INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****March 31, 2024 and 2023****(All amounts expressed in thousands of Canadian dollars, except share and per share amounts, and those amounts indicated as being in US dollars, Euros and Great Britain Pounds which are in thousands.)****6. INTANGIBLE ASSETS**

	<b>IP Research &amp; \$</b>	<b>Patents \$</b>	<b>Licenses \$</b>	<b>Software \$</b>	<b>Total \$</b>
<b>Cost</b>					
<b>Balance as at March 31, 2022</b>	<b>1,566</b>	<b>443</b>	<b>—</b>	<b>74</b>	<b>2,083</b>
Additions	1,342	495	1,330	—	3,167
Effect of foreign exchange	168	40	49	—	257
<b>Balance as at March 31, 2023</b>	<b>3,076</b>	<b>978</b>	<b>1,379</b>	<b>74</b>	<b>5,507</b>
Acquisition of Small Pharma	29,339	—	—	—	29,339
Additions	—	689	—	—	689
Effect of foreign exchange	25	1	2	—	28
<b>Balance as at March 31, 2024</b>	<b>32,440</b>	<b>1,668</b>	<b>1,381</b>	<b>74</b>	<b>35,563</b>
<b>Accumulated Amortization</b>					
Amortization charge	—	—	19	18	37
<b>Balance as at March 31, 2023</b>	<b>—</b>	<b>—</b>	<b>19</b>	<b>18</b>	<b>37</b>
Amortization charge	—	—	37	24	61
<b>Balance as at March 31, 2024</b>	<b>—</b>	<b>—</b>	<b>56</b>	<b>42</b>	<b>98</b>
<b>Net book value as at March 31,</b>	<b>3,076</b>	<b>978</b>	<b>1,360</b>	<b>56</b>	<b>5,470</b>
<b>Net book value as at March 31,</b>	<b>32,440</b>	<b>1,668</b>	<b>1,325</b>	<b>32</b>	<b>35,465</b>

***IP Research & Development***

See note 4 for information on the Small Pharma Acquisition.

On July 11, 2022, the Company completed the acquisition of a Phase 1 N,N-dimethyltryptamine (“DMT”) study (the “DMT Acquisition”) from Entheon Biomedical Corp. to accelerate the clinical development path for CYB004, Cybin’s proprietary deuterated DMT molecule for the potential treatment of anxiety disorders. The Company paid \$1,000 for the DMT Acquisition, and assumed liabilities of \$342.

***Licenses***

During the year ended March 31, 2023, the Company entered into multiple licensing agreements that provide Cybin with additional access to IP from over 15 more patents or patent applications, including the acquisition of an exclusive license to a targeted class of tryptamine-based molecules from Mindset Pharma Inc. (“Mindset”), for which it paid a one-time license fee of \$680 (US\$500). The licensing agreements collectively provide the Company with access to a broad range of preclinical molecule combinations for its library of psychedelic derivative drug development candidates. In addition to the exclusive license with Mindset, the Company spent an additional \$650 on a licensing agreement.

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*Patents*

Costs associated with patent procurement.

**Impairment**

The Company performed its annual impairment test of intangible assets not yet in use at March 31, 2024. The recoverable amount was determined based on the relief from royalty method to arrive at the value-in-use (“VIU”). The Company considered an estimate of future revenues and a reasonable royalty rate to apply to financial projections based on the current budget and future commercialization plans. In assessing the VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects the assessment of royalty and business opportunities and risk as well as the market potential. The VIU calculations were performed using a pre-tax discount rate of 15.7% and an estimated useful life of 15 years. Based on the Company’s assessment, the recoverable amount is higher than the carrying value and therefore no impairment loss was recorded for the year ended March 31, 2024.

**7. LEASES**

<b>RIGHT-OF-USE -ASSET</b>	
<b>Cost</b>	
Balance as at March 31, 2023	\$ —
Additions	\$ 412
Effect of foreign exchange	\$ 12
<b>Balance as at March 31, 2024</b>	<b>\$ 424</b>
<b>Accumulated amortization</b>	
Balance as at March 31, 2023	\$ —
Amortization	\$ 140
Effect of foreign exchange	\$ 3
<b>Balance as at March 31, 2024</b>	<b>\$ 143</b>
<b>Net book value, March 31, 2024</b>	<b>\$ 281</b>

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<b>LEASE LIABILITY</b>	
<b>Balance as at March 31, 2023</b>	<b>\$ —</b>
Additions	415
Interest accretion	8
Effect of foreign exchange	17
Payments	(149)
<b>Balance as at March 31, 2024</b>	<b>291</b>
<b>Current lease liabilities</b>	<b>\$ 291</b>

**8. GOODWILL**

Goodwill is recognized at the acquisition date when total consideration exceeds the net identifiable assets acquired.

<b>Cost</b>	<b>\$</b>
Balance as at March 31, 2022	22,892
Effect of foreign exchange	1,900
Balance as at March 31, 2023	24,792
Acquisition from Small Pharma	22,652
Effect of foreign exchange	31
<b>Balance as at March 31, 2024</b>	<b>47,475</b>

**Impairment**

For purposes of the Company's goodwill impairment testing, the Company has grouped certain CGUs to test at the lowest level at which management monitors goodwill for internal management purposes, which is the Company wide level.

The Company performed its annual impairment test of goodwill at March 31, 2024. The recoverable amount was determined based on value-in-use ("VIU") and considered the cash flows of the group of CGUs based on the current budget and future commercialization plans. In assessing the VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects market assessments of the time value of money and the risks specific to the CGUs. The VIU calculations were performed using a pre-tax discount rate of 15.7%. The Company determined the terminal value as an estimate of the present value of the future cash flows in the terminal period, applying a terminal growth rate of 2%. Based on the Company's assessment, the recoverable

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amount is higher than the carrying value and therefore no impairment loss was recorded for the year ended March 31, 2024.

**9. SHARE CAPITAL**

**a) Authorized share capital**

The authorized share capital of Cybin consists of an unlimited number of Common Shares and an unlimited number of preferred shares without par value. The board of directors of Cybin would determine the designation, rights, privileges, and conditions attached to any preferred shares prior to issuance.

**b) Issued share capital**

*Common Shares*

As at March 31, 2024, the Company has 15,807,443 Common Shares held in escrow (2023: nil).

*During the year ended March 31, 2024, the Company completed the following share issuances:*

On August 23, 2023, the Company established a new at-the-market equity program (the “**2023 ATM Program**” and together with the 2022 ATM Program (see below), the “**ATM Programs**”) that allows the Company to issue and sell up to US\$35,000 of Common Shares from treasury to the public, from time to time. Distributions of Common Shares under the 2023 ATM Program are made pursuant to the terms and conditions of an at-the-market equity distribution agreement (the “**2023 Distribution Agreement**”) dated August 23, 2023, among the Company, Cantor Fitzgerald Canada Corporation and Cantor Fitzgerald & Co. The 2023 ATM Program is to be effective until the earlier of the issuance and sale of all of the Common Shares issuable pursuant to the 2023 ATM Program and September 17, 2025, unless earlier terminated in accordance with the terms of the 2023 Distribution Agreement.

During the year ended March 31, 2024, the Company sold 34,140,507 Common Shares under the ATM Programs at an average price of \$0.4549 (US\$0.3374) per Common Share, for aggregate gross proceeds of \$15,532 (US\$11,518). Share issuance costs related to the ATM Programs for the year were \$832.

On May 30, 2023, the Company entered into an agreement (the “**LPC Agreement**”) with Lincoln Park Capital Fund, LLC (“**LPC**”). Subject to the terms and conditions of the LPC Agreement, the Company has the right to sell, and LPC is obligated to purchase, up to US\$30,000 of Common Shares over a 36-month period at prices that are based on the market price at the time of each sale to LPC. Cybin, in its sole discretion, controls the timing and amount of all sales of Common Shares under the LPC Agreement. During the year ended March 31, 2024, the Company sold 1,925,000 Common Shares, at an average price of \$0.3236 (US\$0.2417) per Common Shares, for aggregate gross proceeds of \$623 (US\$465) pursuant to the LPC Agreement. Share issuance costs related to the LPC Agreement for the year ended March 31, 2024 were \$476 (US\$351).

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Cybin has the right to terminate the LPC Agreement at any time at no cost or penalty. LPC has agreed not to engage in any short selling or hedging activity of any kind in the Common Shares. As consideration for LPC's obligation to purchase Common Shares from the Company at its direction under the LPC Agreement, Cybin issued 2,538,844 Common Shares to LPC as a commitment fee on May 30, 2023. The LPC Agreement provides that Cybin may not issue or sell any Common Shares to LPC under the LPC Agreement which, when aggregated with all other Common Shares then beneficially owned by LPC and its affiliates (as calculated pursuant to Section 13(d) of the U.S. Securities Exchange Act of 1934, as amended, and Rule 13d-3 thereunder), would result in LPC beneficially owning more than 9.99% of the outstanding Common Shares. On July 31, 2023, Cybin announced that it had suspended all sales under the LPC Agreement. On August 23, 2023, the Company filed a prospectus supplement to the base shelf prospectus dated August 17, 2023 to re-qualify sales of up to US\$30,000 of the Company's Common Shares pursuant to the LPC Agreement.

On August 4, 2023, the Company completed a public offering (the "**August 2023 Offering**") of 24,264,706 units of the Company (the "**August 2023 Units**") at a price of US\$0.34 per August 2023 Unit for gross proceeds of \$11,018 (US\$8,250) pursuant to a supplement to the Company's short form base shelf prospectus dated July 5, 2021. Each August 2023 Unit is comprised of one Common Share and one Common Share purchase warrant (the "**August 2023 Warrants**"). Each August 2023 Warrant is exercisable to acquire one Common Share at a price of \$0.53 (US\$0.40) for a period of 60 months from issuance, subject to acceleration in certain circumstances. In connection with the Offering, Cybin paid the underwriters a cash commission of \$506 (US\$379) and incurred additional share issuance costs, being professional fees of \$622 (US\$465).

On November 14, 2023, the Company completed a public offering (the "**November 2023 Offering**") of 66,666,667 units of the Company (the "**November 2023 Units**") at a price of US\$0.45 per November 2023 Unit for gross proceeds of \$41,107 (US\$30,000) pursuant to a supplement to the Company's short form base shelf prospectus dated August 17, 2023. Each November 2023 Unit is comprised of one Common Share and one Common Share purchase warrant (the "**November 2023 Warrants**"). Each November 2023 Warrant is exercisable to acquire one Common Share at a price of \$0.70 (US\$0.51) between May 14, 2024 and May 14, 2029, subject to acceleration in certain circumstances. In connection with the November 2023 Offering, Cybin paid the underwriters a cash commission of \$2,096 (US\$1,530) and incurred additional share issuance costs being professional fees of \$339 (US\$247).

On March 19, 2024, the Company completed a private placement (the "**March 2024 Offering**") of 348,837,210 Common Shares at a price of US\$0.43 per Common Share for gross proceeds of \$202,995 (US\$150,000). 15,807,443 Common Shares issued in the March 2024 Offering are subject to resale restrictions until the July 20, 2024. In connection with the March 2024 Offering, Cybin paid the agent cash commission of \$11,726 (US\$8,665) and incurred additional share issuance costs being professional fees of \$78 (US\$58).

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*During the year ended March 31, 2023, the Company completed the following share issuances:*

On August 8, 2022, the Company established an at-the-market equity program (the “**2022 ATM Program**”) that allowed the Company to issue and sell up to US\$35,000 of Common Shares from treasury to the public, from time to time. Distributions of Common Shares under the 2022 ATM Program are made pursuant to the terms and conditions of an at-the-market equity distribution agreement dated August 8, 2022 among the Company, Cantor Fitzgerald Canada Corporation and Cantor Fitzgerald & Co. The 2022 ATM Program was effective until August 5, 2023. when it automatically terminated in accordance with the terms of the Distribution Agreement.

Up to March 31, 2023 the Company had sold 20,754,120 Common Shares under the 2022 ATM program at an average price of \$0.6819 (US\$0.5079) per Common Share, for aggregate gross proceeds of \$14,152 (US\$10,541). Share issuance costs for the year ended March 31, 2023 were \$950.

***Preferred Shares***

As at March 31, 2024, the Company has nil preferred shares outstanding (March 31, 2023- nil).

***Cybin US Class B Shares***

	<b>Number of Class B Shares</b>
Balance as at March 31, 2022	1,047,135.1
Issued on achievement of milestones	360,374.2
Converted into Common Shares	(876,967.2)
Balance as at March 31, 2023	530,542.1
Converted to Common Shares	(494,457.4)
Balance as at March 31, 2024	36,084.7

As at March 31, 2024, 36,084.7 Class B Shares were outstanding, and are exchangeable for a total of 360,847 Common Shares. These consolidated financial statements reflect issued Class B Shares on an as-converted basis.

During the year ended March 31, 2024 no additional Class B shares were issued. As of March 31, 2023 all Milestones were achieved and all eligible Class B shares were issued.

***During the year ended March 31, 2023, the Company issued Class B Shares as follows:***

On April 1, 2022, 22,428.3 Class B Shares were issued to Former Adelia Shareholders due to the achievement of the Milestone identified as Year 2 Q2 (iv), having an aggregate value of \$229 at a price per Class B Share of \$10.20. These Class B Shares are exchangeable for a total of 224,283 Common Shares, representing an effective issue price of \$1.02 per Common Share. In consideration for the Milestone achieved, on June 22, 2022, an additional 456.5 Class B Shares having an aggregate value of \$5 were issued to Former Adelia Shareholders.

On June 24, 2022, 266,933.1 Class B Shares were issued to Former Adelia Shareholders due to the achievement of certain Milestones identified as Y2, Q2 (i), (vi), Y2, Q3 (ii), Year 2 Q4 (i) and Year 3 Q1 (i), (ii), (iii), having

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an aggregate value of \$2,034 at a price per Class B Share of \$7.62. These Class B Shares are exchangeable for a total of 2,669,331 Common Shares, representing an effective issue price of \$0.76 per Common Share.

On June 27, 2022, 37,366.2 Class B Shares were issued to Former Adelia Shareholders due to the achievement of the Milestone identified as Y2, Q3 (i), having an aggregate value of \$280 at a price per Class B Share of \$7.50. These Class B Shares are exchangeable for a total of 373,662 Common Shares, representing an effective issue price of \$0.75 per Common Share.

On August 31, 2022, 33,190.1 Class B Shares were issued to Former Adelia Shareholders due to the achievement of the Milestone identified as Y2, Q4 (ii), having an aggregate value of \$468 at a price per Class B Share of \$14.10. These Class B Shares are exchangeable for a total of 331,901 Common Shares, representing an effective issue price of \$1.41 per Common Share.

With the fulfillment of all of the remaining milestones during the year ended March 31, 2023, it is not anticipated that any additional Class B Shares will be issued.

**c) Warrants**

The continuity of the outstanding warrants for the years ended March 31, 2024 and March 31, 2023, are as follows:

	Number of Warrants	Weighted average exercise price \$
<b><i>Common Share Purchase Warrants</i></b>		
As at March 31, 2022	25,548,836	1.22
Exercised	(1,164,638)	0.31
Expired	(1,153,713)	0.75
As at March 31, 2023	23,230,485	1.29
Issued	90,931,373	0.67
Exercised	(101,000)	0.53
Expired	(7,805,360)	3.47
<b>Outstanding as at March 31, 2024</b>	<b>106,255,498</b>	<b>0.60</b>
<b>Exercisable as at March 31, 2024</b>	<b>39,588,831</b>	<b>0.44</b>
<b><i>Unit Purchase Warrants<sup>(1)</sup></i></b>		
As at March 31, 2022	868,740	2.25
Exercised	—	—
As at March 31, 2023	868,740	2.25
Expired	(868,740)	2.25
<b>Outstanding as at March 31, 2024</b>	<b>—</b>	<b>—</b>
<b>Exercisable as at March 31, 2024</b>	<b>—</b>	<b>—</b>

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*(1) Each unit consisted of one Common Share and one half of one Common Share purchase warrant, with each Common Share purchase warrant being exercisable to acquire one Common Share at an exercise price of \$3.25 per Common Share.*

***During the year ended March 31, 2024, the Company had the following movement in warrants:***

During the year ended March 31, 2024, 101,000 Common Share purchase warrants (March 31, 2023 - 1,164,638) were exercised by various holders for aggregate proceeds to the Company of \$56 (March 31, 2023 - \$362).

During the year ended March 31, 2024, 7,805,360 warrants with a weighted average exercise price of \$3.47 expired.

***During the year ended March 31, 2024, the Company completed the following warrant issuances:***

On August 4, 2023, Cybin issued 24,264,706 “August 2023 Warrants” in connection with the August 2023 Offering. Each August 2023 Warrant is exercisable to acquire one Common Share at a price of US\$0.40 per Common Share until August 4, 2028, subject to acceleration in certain circumstances.

The Company estimated the aggregate fair value of the August 2023 Warrants using the Black-Scholes option pricing model to be \$4,600 (US\$3,442) with the following assumptions:

Risk-free interest rate	3.87%
Expected annual volatility rate based on comparable companies	95.0%
Expected life (in years)	5
Expected dividend yield	0.00%
Share price	US\$0.34
Exercise price	US\$0.40

On November 14, 2023, Cybin issued 66,666,667 “November 2023 Warrants” in connection with the November 2023 Offering. Each November 2023 Warrant is exercisable from May 14, 2024 to May 14, 2029 to acquire one Common Share at a price of US\$0.51, subject to acceleration in certain circumstances.

The Company estimated the aggregate fair value of the November 2023 Warrants using the Black-Scholes option pricing model to be \$17,842(US\$12,299) with the following assumptions:

Risk-free interest rate	3.76%
Expected annual volatility rate based on comparable companies	95.0%
Expected life (in years)	5.5
Expected dividend yield	0.00%
Share price	US\$0.46
Exercise price	US\$0.51

The following summarizes information about Common Shares purchase warrants outstanding at March 31, 2024:

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<b>Date of Expiry</b>	<b>Warrants outstanding</b>	<b>Warrants exercisable</b>	<b>Weighted average of exercisable price</b>	<b>Estimated grant date fair value</b>	<b>Weighted average remaining contractual life</b>
			<b>\$</b>	<b>\$000's</b>	<b>Years</b>
June 15, 2025	12,800,000	12,800,000	0.25	2,319	2.21
August 20, 2025	1,475,125	1,475,125	0.64	680	2.39
November 15, 2025	1,150,000	1,150,000	0.25	220	2.63
August 4, 2028 <sup>(1)</sup>	24,163,706	24,163,706	US\$0.40	4,578	4.34
May 14, 2029 <sup>(2)</sup>	66,666,667	—	US\$0.51	17,842	5.12
	<b>106,255,498</b>	<b>39,588,831</b>	<b>0.44</b>	<b>25,639</b>	<b>4.38</b>

<sup>1)</sup> On August 4, 2023, the August 2023 Warrants were issued at US\$0.40 which was equivalent to \$0.53.

<sup>2)</sup> On November 14, 2023, the November 2023 Warrants were issued at US\$0.51 which was equivalent to \$0.70.

As at March 31, 2024, the Company has no Common Share purchase warrants held in escrow (2023 - nil).

The Company recognized share-based payments compensation related to the issuance of Common Share purchase warrants for the year ended March 31, 2024 of \$0 (2023 - \$6).

**d) Stock options**

On November 5, 2020, Cybin adopted an equity incentive plan. Under the plan, the board of directors may grant share-based awards to acquire such number of Common Shares as is equal to up to 20% of the total number of issued and outstanding Common Shares at the time such awards are granted. Options granted under the plan vest over a period of time at the discretion of the board of directors. On August 16, 2021, the board of directors and the shareholders approved an amendment to the equity incentive plan to modify certain provisions for awards granted to residents of the United States, to increase the fixed number of Incentive Stock Options (as defined in the plan) and certain other housekeeping amendments.

The changes in options for the years ended March 31, 2024 and 2023 are as follows:

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	Number of Options	Weighted average exercise price
		\$
As at March 31, 2022	28,885,002	1.45
Granted	2,475,000	0.91
Forfeited/Expired	(1,790,202)	2.20
As at March 31, 2023	29,569,800	1.36
Granted	38,445,000	0.69
Forfeited/Expired	(1,813,800)	1.16
<b>Outstanding as at March 31, 2024</b>	<b>66,201,000</b>	<b>0.93</b>
<b>Exercisable as at March 31, 2024</b>	<b>56,449,750</b>	<b>0.98</b>

*During the year ended March 31, 2024, the Company completed the following option issuances:*

On June 29, 2023, the Company granted options to purchase up to 11,615,000 Common Shares, of which 3,991,000 were granted to employees, 3,763,000 were granted to officers of the Company, 3,076,000 were granted to consultants, and 785,000 were granted to directors of the Company. The granted options have an exercise price of \$0.44 per Common Share and expire on June 30, 2028. The granted options have different vesting schedules; 1,500,000 options vested immediately, 700,000 options vest over three months, 100,000 options vest over one year, and 9,315,000 options vest over two years. The aggregate estimated grant date fair value was determined to be \$4,080, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.78%
Expected annual volatility, based on comparable companies	95.00%
Expected life (in years)	5.00
Expected dividend yield	0.00%
Share price	\$ 0.47
Exercise price	\$ 0.44

On September 26, 2023, the Company granted options to purchase up to 1,210,000 Common Shares, of which 135,000 were granted to an employee and, 1,075,000 were granted to consultants. The granted options have an exercise price of \$0.79 per Common Share, and 975,000 options expire on September 26, 2026 and the remaining 235,000 options expire on September 26, 2028. The granted options have different vesting schedules. 375,000 options vest over three months, 200,000 options vest over six months, 400,000 options vest over one year, 100,000 options vest over fifteen months, and 135,000 options vest over 18 months.

The aggregate estimated grant date fair value was determined to be \$577, calculated using the Black-Scholes option pricing model with the following assumptions:

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Options expiring on September 26, 2026.

Risk-free interest rate		4.68%
Expected annual volatility, based on comparable companies		85.00%
Expected life (in years)		3.00
Expected dividend yield		0.00%
Share price	\$	0.79
Exercise price	\$	0.79

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Options expiring on September 26, 2028.

Risk-free interest rate		4.28%
Expected annual volatility, based on comparable companies		95.00%
Expected life (in years)		5.00
Expected dividend yield		0.00%
Share price	\$	0.79
Exercise price	\$	0.79

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On November 16, 2023, the Company granted options to purchase up to 25,600,000 Common Shares, of which 22,200,000 were granted to officers, 1,600,000 were granted to directors, 1,300,000 were granted to employees and 500,000 were granted to a consultant. The granted options have an exercise price of \$0.715 per Common Share, 500,000 options expire on November 16, 2026 and the remaining 25,100,000 options expire on November 16, 2028. The granted options have different vesting schedules. 18,850,000 options vest immediately and 6,750,000 options vest over two years.

The aggregate estimated grant date fair value was determined to be \$10,907, calculated using the Black-Scholes option pricing model with the following assumptions:

Options expiring on November 16, 2026.

Risk-free interest rate		4.28%
Expected annual volatility, based on comparable companies		85.00%
Expected life (in years)		3.00
Expected dividend yield		0.00%
Share price	\$	0.60
Exercise price	\$	0.72

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Options expiring on November 16, 2028.

Risk-free interest rate		4.28%
Expected annual volatility, based on comparable companies		95.00%
Expected life (in years)		5.00
Expected dividend yield		0.00%
Share price	\$	0.60
Exercise price	\$	0.72

On March 20, 2024, the Company granted options to purchase up to 20,000 Common Shares to an employee with an exercise price of \$0.56 per Common Share which expire on March 20, 2029 and vest over two years.

The aggregate estimated grant date fair value was determined to be \$8, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		3.52%
Expected annual volatility, based on comparable companies		95.00%
Expected life (in years)		5.00
Expected dividend yield		0.00%
Share price	\$	0.56
Exercise price	\$	0.56

During the year ended March 31, 2024, the Company amended the expiry dates of certain options with former employees and consultants of the Company.

***During the year ended March 31, 2023, the Company completed the following option issuances:***

On June 30, 2022, the Company granted options to purchase up to: 65,000 Common Shares to employees, with an exercise price of \$1.00 per Common Share and vesting over two years. The options expire on June 30, 2027. The aggregate estimated grant date fair value was determined to be \$32, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		3.10%
Expected annual volatility, based on comparable companies		95.00%
Expected life (in years)		5.00
Expected dividend yield		0.00%
Share price	\$	0.72
Exercise price	\$	1.00

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On June 30, 2022, the Company granted options to purchase up to 500,000 Common Shares to consultants, with an exercise price of \$0.90 per Common Share. The options vested immediately and expire on June 30, 2025. The estimated grant date fair value was determined to be \$183, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		3.14%
Expected annual volatility, based on comparable companies		85.00%
Expected life (in years)		3
Expected dividend yield		0.00%
Share price	\$	0.72
Exercise price	\$	0.90

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On August 15, 2022, the Company granted options to purchase up to 800,000 Common Shares to consultants, with an exercise price of \$1.00 per Common Share and vesting over two years. The options expire on August 15, 2025. The estimated grant date fair value was determined to be \$429, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		3.11%
Expected annual volatility, based on comparable companies		85.00%
Expected life (in years)		3
Expected dividend yield		0.00%
Share price	\$	0.97
Exercise price	\$	1.00

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On August 15, 2022, the Company granted options to purchase up to 20,000 Common Shares to an employee, with an exercise price of \$1.00 per Common Share and vesting over two years. The options expire on August 15, 2027. The estimated grant date fair value was determined to be \$14, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		2.88%
Expected annual volatility, based on comparable companies		95.00%
Expected life (in years)		5
Expected dividend yield		0.00%
Share price	\$	0.97
Exercise price	\$	1.00

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On September 30, 2022, the Company granted options to purchase up to 270,000 Common Shares to consultants, with an exercise price of \$0.75 per Common Share and vesting over two years. The options expire on September 30, 2025. The estimated grant date fair value was determined to be \$102, calculated using the Black-Scholes option pricing model with the following assumptions:

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Risk-free interest rate		3.72%
Expected annual volatility, based on comparable companies		85.00%
Expected life (in years)		3
Expected dividend yield		0.00%
Share price	\$	0.67
Exercise price	\$	0.75

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On September 30, 2022, the Company granted options to purchase up to 245,000 Common Shares to employees, with an exercise price of \$1.00 per Common Share and vesting over two years. The options expire on September 30, 2027. The estimated grant date fair value was determined to be \$98, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		3.32%
Expected annual volatility, based on comparable companies		95.00%
Expected life (in years)		5
Expected dividend yield		0.00%
Share price	\$	0.67
Exercise price	\$	1.00

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On November 16, 2022, the Company granted options to purchase up to 200,000 Common Shares to a consultant with an exercise price of \$0.91 per Common Share. The options vested immediately and expire on November 15, 2025. The estimated grant date fair value was determined to be \$53, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		3.78%
Expected annual volatility, based on comparable companies		85.00%
Expected life (in years)		3
Expected dividend yield		0.00%
Share price	\$	0.58
Exercise price	\$	0.91

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On November 16, 2022, the Company granted options to purchase up to 375,000 Common Shares to consultants with an exercise price of \$0.75 per Common Share. The options vested immediately and expire on November 15, 2025. The estimated grant date fair value was determined to be \$110, calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate		3.78%
Expected annual volatility, based on comparable companies		85.00%
Expected life (in years)		3
Expected dividend yield		0.00%
Share price	\$	0.58
Exercise price	\$	0.75

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The following summarizes information about stock options outstanding on March 31, 2024:

<b>Expiry date</b>	<b>Exercise Price</b>	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Weighted average remaining life</b>	<b>Recognized grant date fair value</b>
	<b>\$</b>			<b>Years</b>	<b>\$000's</b>
June 15, 2025	0.25	2,350,000	2,350,000	1.21	420
June 30, 2025	0.90	500,000	500,000	1.25	183
August 14, 2025	1.00	737,500	737,500	1.37	429
September 30, 2025	0.75	270,000	260,625	1.50	97
October 12, 2025	0.75	3,000,000	3,000,000	1.53	1,607
November 4, 2025	0.75	5,700,000	5,700,000	1.60	3,057
November 13, 2025	0.88	500,000	500,000	1.62	315
November 15, 2025	0.75	375,000	375,000	1.63	110
November 15, 2025	0.91	200,000	200,000	1.63	53
December 11, 2025	1.48	700,000	700,000	1.70	741
December 14, 2025	1.74	1,589,100	1,589,100	1.71	1,971
December 28, 2025	1.89	760,000	760,000	1.74	1,027
January 2, 2026	1.89	225,000	225,000	1.76	304
February 15, 2026	2.03	150,000	150,000	1.88	218
February 16, 2026	2.03	150,000	150,000	1.88	218
March 10, 2026	1.39	1,186,300	1,186,300	1.94	1,185
March 15, 2026	1.55	300,000	300,000	1.95	360
March 28, 2026	1.36	1,575,000	1,575,000	1.99	1,540
March 29, 2026	1.32	37,500	37,500	1.99	36
March 31, 2026	1.35	250,000	250,000	2.00	243
June 28, 2026	2.90	3,160,000	3,160,000	2.24	6,589
August 16, 2026	2.48	215,000	215,000	2.38	383
August 18, 2026	2.48	300,000	300,000	2.38	519
September 26, 2026	0.79	975,000	975,000	2.49	439
September 27, 2026	2.87	195,000	195,000	2.49	403
September 27, 2026	3.15	545,000	545,000	2.49	1,105
November 16, 2026	0.72	500,000	125,000	2.63	81
December 31, 2026	1.50	1,250,000	1,250,000	2.75	1,352
December 31, 2026	3.15	20,000	20,000	2.75	18
March 4, 2027	1.13	1,075,600	1,075,600	2.92	878
March 4, 2027	3.15	40,000	40,000	2.92	25
March 8, 2027	1.02	400,000	400,000	2.93	295
June 30, 2027	1.00	65,000	65,000	3.25	32

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	<b>Exercise Price</b>	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Weighted average remaining life</b>	<b>Recognized estimated grant date fair value</b>
August 14, 2027	1.00	20,000	20,000	3.37	14
September 30, 2027	1.00	220,000	190,625	3.50	95
June 30, 2028	0.44	11,310,000	6,805,000	4.25	3,297
September 26, 2028	0.79	235,000	105,000	4.49	98
November 16, 2028	0.72	25,100,000	20,412,500	4.63	9,438
March 20, 2029	0.56	20,000	5,000	4.97	2
		<b>66,201,000</b>	<b>56,449,750</b>	<b>2.40</b>	<b>39,177</b>

As at March 31, 2024, the Company has no options held in escrow (2023 - nil).

The Company recognized share-based payments expense related to the issuance of stock options for the year ended March 31, 2024 of \$13,886 (2023 - \$4,680).

The outstanding options and warrants disclosed above were anti-dilutive for the year ended March 31, 2024 and did not impact the calculation of the loss per share.

**10. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive officers and directors of the Company.

The remuneration of key management personnel for the years ended March 31, 2024 and 2023 are as follows:

	<b>Year ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Payroll, consulting and benefits <sup>(1)</sup>	<b>6,406</b>	5,966
Share-based compensation		
Options	8,643	2,346
Warrants	—	3
<b>Total</b>	<b>15,049</b>	8,315

(1) For the year ended March 31, 2024, includes \$5,145 presented in the consolidated statement of loss and comprehensive loss as a part of "General and administrative costs" and \$1,261 presented in the consolidated statement of loss and comprehensive loss as a part of "Research".

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**11. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Year ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Payroll, consulting and benefits	8,248	6,272
Capital market	11,519	6,323
Office and administration	2,945	3,731
Professional and consulting fees	4,918	2,142
Investor relations	1,896	984
Marketing media	1,895	881
Business development	896	654
Listing fees	271	354
<b>Total</b>	<b>32,588</b>	<b>21,341</b>

**12. RESEARCH EXPENSES**

	<b>Year ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Advancement of development programs	22,799	14,360
Payroll and benefits	8,319	8,830
Professional and consulting fees	210	1,159
Lab and administration	1,034	1,142
<b>Total</b>	<b>32,362</b>	<b>25,491</b>

**13. CONTRACTS, COMMITMENTS AND CONTINGENCIES**

As at March 31, 2024, the Company had entered into agreements for various studies which may require the Company to spend up to an additional \$6,625. The Company expects to pay this amount within the 12 months ending March 31, 2025, however the timing and certainty of the payments are contingent on availability of materials and successful completion of certain milestones. The Company has the right to cancel the studies at its discretion, in which case a cancellation fee may apply, however the Company is not liable to pay the full amount of the studies.

In addition to the above, during the year ended March 31, 2022, the Company entered into an exclusive license agreement with Mindset to acquire access to a number of classes of tryptamine-based molecules to support Company's early-stage research programs and a fully-paid, perpetual non-exclusive license to a separate class of tryptamine-based molecules. Upon the successful completion of certain milestones contemplated in the exclusive license, the Company may have to pay additional consideration of up to \$12,844 (US\$9,500). At the sole discretion of Cybin, the milestones may be paid in cash or in Common Shares, or a combination thereof, subject to the approval of the Cboe. Due to the nature of the arrangement, the timing and probability of future potential payments cannot be determined at this time, and no accrual has been recorded. Further, there is no assurance that

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the aforementioned milestones will be met at all. The agreement also contemplates a sales royalty of approximately 2% for all commercialized licensed products within the scope of the agreement.

The Company is party to certain employee and management contracts that contain severance obligations. These contracts contain clauses requiring additional payments to be made upon the occurrence of involuntary termination. As the likelihood of these events taking place is not determinable, no contingent liabilities have been recorded in the consolidated financial statements.

In the normal course of business, the Company may be subject to legal proceedings and claims. As at March 31, 2024, there was no ongoing litigation and therefore no contingent liabilities have been recorded.

#### **14. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk. The Company's intentions are to (i) provide financial capacity and flexibility in order to preserve its ability to meet its strategic objectives and financial obligations; (ii) maintain a capital structure which allows the Company to respond to changes in economic and marketplace conditions and affords the Company the ability to participate in new investments; (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders equal with the level of risk; and (iv) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by raising capital through the issuance of securities.

The Company's capital management objectives, policies and processes generally remained unchanged during the year ended March 31, 2024.

The Company requires capital to fund existing and future operations and meet regulatory capital requirements. The Company's policy is to maintain adequate levels of capital at all times.

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The Company's capital structure includes the following:

<b>As at</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Shareholders' equity comprised of:		
Share capital	443,877	158,162
Contributed surplus	11,750	2,102
Options reserve	39,177	27,283
Warrants reserve	25,639	10,873
Accumulated other comprehensive loss	(2,285)	(2,035)
Deficit	(226,231)	(148,151)
<b>Total</b>	<b>291,927</b>	<b>48,234</b>

**15. FINANCIAL INSTRUMENTS**

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

The Company has classified its financial instruments as follows:

<b>As at</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets, measured at fair value:</b>		
Cash	208,992	16,633
<b>Financial assets, measured at amortized cost:</b>		
Accounts receivable	254	42
<b>Financial liabilities, measured at amortized cost:</b>		
Accounts payable and accrued liabilities	9,805	5,663
Lease liabilities	291	—

The carrying value of the Company's financial instruments approximate their fair value.

**Fair value Hierarchy of Financial Instruments**

The Company has categorized its financial instruments that are carried at fair value, based on the priority of the inputs to the valuation techniques used to measure fair value, into a three-level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 generally included cash.

Level 2: Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs, or inputs that are derived principally from or corroborated with observable market data through correlation or other means. Currently, the Company has no financial instruments that would be classified as Level 2.

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Level 3: Fair value is based on valuation techniques that require one or more significant inputs that are not based on observable market inputs. These unobservable inputs reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability. Investments and any contingent liabilities are classified as Level 3.

There were no transfers between levels of the fair value hierarchy for the year ended March 31, 2024.

The following table presents the changes in level 3 financial assets for the for two years ended March 31, 2024 :

	\$
Balance as at March 31, 2022	242
Interest income	18
Change in fair value of investments measured at fair value through profit or loss	(260)
Balance as at March 31, 2023	—
Interest income	—
Change in fair value of investments measured at fair value through profit or loss	—
Balance as at March 31, 2024	—

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair Value as at		Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	March 31, 2024	March 31, 2023			
	\$	\$			
Rx Hybrid Instrument	—	—	Fair value interest rate of loan and conversion feature	10%	Increase/decrease in the fair value rate by 1% would not have a material effect on the fair value of the investment

**Financial risk management**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at March 31, 2024, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

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As at March 31, 2024, the Company had cash of \$208,992 (March 31, 2023 - \$16,633) in order to meet current liabilities. Accounts payable and accrued liabilities include trade payables and other obligations of \$10,096 (March 31, 2023 - \$5,663), all amounts are due within the next 12 months.

**Market risk**

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. As at March 31, 2024, the Company has determined its exposure to interest rate risk is minimal.

Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in both CAD and USD while the functional currency of CAD is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

At March 31, 2024, the Company had the following balances in monetary assets and monetary liabilities which are subject to fluctuation against CAD:

<b>Denominated in:</b>	<b>US\$000's</b>	<b>GBP 000's</b>	<b>EUR 000's</b>
Cash	148,713	509	425
Accounts payable and accrued liabilities	(343)	(299)	(201)
Lease liability	—	(217)	—
	<b>148,370</b>	<b>(7)</b>	<b>225</b>
Foreign currency rate	1.3550	1.7114	1.4632
<b>Equivalent in Canadian dollars</b>	<b>\$ 201,041</b>	<b>\$ (12)</b>	<b>\$ 329</b>
<b>Impact of 10% change in foreign currency rate</b>	<b>\$ 20,104</b>	<b>\$ (1)</b>	<b>\$ 33</b>

Based on the above net exposures as at March 31, 2024, and assuming that all other variables remain constant, a 10% change of the USD, GBP and EUR, against the CAD would impact net loss by approximately by \$20,138.

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**16. INCOME TAX**

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of approximately 26.5% are as follows:

	<b>Year ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net loss before income taxes	\$ (78,080)	\$ (47,490)
Expected recovery at statutory rate	\$ 20,691	\$ 12,585
Non-capital loss acquired on acquisition of subsidiary	\$ 11,658	\$ —
Share-based compensation	\$ (3,680)	\$ (1,242)
Share issuance costs	\$ 4,420	\$ 321
Difference between Canadian and foreign tax rates	\$ (5,440)	\$ (4,032)
Effect of exchange on unbooked deferred tax assets	\$ (112)	\$ 438
Non-deductible expenses	\$ (132)	\$ (338)
Change in unrecognized deferred tax assets	\$ (27,405)	\$ (7,732)
<b>Income tax recovery</b>	<b>\$ —</b>	<b>\$ —</b>

The significant components of the Company's temporary differences, unused tax credits and unused tax losses, that have not been included on the consolidated statements of financial position, are as follows:

<b>As at</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Non-capital loss carryforwards	\$ 43,083	\$ 19,371
Deferred compensation	\$ 1,474	\$ 1,474
R&D expenditures	\$ 1,681	\$ 1,053
Share issuance costs	\$ 4,361	\$ 1,303
Depreciation/CCA differences	\$ 7	\$ (6)
Other	\$ —	\$ 6
	<b>\$ 50,606</b>	<b>\$ 23,201</b>
Valuation allowance	\$ (50,606)	\$ (23,201)
	<b>\$ —</b>	<b>\$ —</b>

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**The non-capital losses in Canada expire as follows:**

Year of expiry	
2040	\$ 740
2041	\$ 19,193
2042	\$ 12,234
2043	\$ 10,704
2044	\$ 24,397
	\$ 67,268

This loss carryforward in the United States consists of:

Pre-acquisition loss generated in the period ended December 4, 2020	\$ 992
Post-acquisition loss generated in the period ending March 31, 2021	\$ 1,323
Loss generated in the year ending March 31, 2022	\$ 5,849
Loss generated in the year ending March 31, 2023	\$ 5,311
Loss generated in the year ending March 31, 2024	\$ 2,792
	\$ 16,267

Although the US federal losses carryforward indefinitely, they are subject to restrictions on their deductibility. The deductibility of the pre-acquisition loss and the post-acquisition loss is restricted to 80% of taxable income in the year of deduction. The pre-acquisition loss is further restricted to an annual limitation under Section 382. As at March 31, 2024, the annual limitation was \$144.

Massachusetts allows for a 20-year carryforward period for restricted and unrestricted losses without limitation.

The non-capital losses in Ireland expire as follows:

Year of expiry	
2042	\$ 22,965
2043	\$ 23,017
2044	\$ 33,857
	\$ 79,839

## **17. SUBSEQUENT EVENTS**

On April 1, 2024, pursuant to the provisions of the Business Corporations Act (Ontario), Small Pharma completed a horizontal amalgamation with Cybin Corp., with Cybin Corp. being the resulting entity. As a result of this amalgamation, Cybin UK Ltd. is now a wholly-owned subsidiary of Cybin Corp.

On April 5, 2024, the Company granted options to purchase up to 11,715,000 Common Shares, of which 7,250,000 were granted to officers and 4,465,000 were granted to employees. The granted options have an

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exercise price of \$0.56 per Common Share. All the options expire on April 5, 2029. 1,464,375 options vest immediately and 10,250,625 options vest over two years.

On May 5, 2024, the Company cancelled options (price ranged from \$0.715 to \$3.15) to purchase up to 45,586,900 Common Shares.