FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Appili Therapeutics Inc. (the "Company")
#21-1344 Summer Street
Halifax, NS B3H 0A8

2. Date of Material Change

October 30, 2020

3. News Release

News release attached as Schedule "A" was disseminated on October 30, 2020 through Business Wire.

4. Summary of Material Change

On October 30, 2020, the Company announced that it had signed a collaboration, development and supply agreement with Dr. Reddy's Laboratories Ltd. ("Dr. Reddy's") and Global Response Aid ("GRA"). This agreement follows on and is harmonized with the previously announced global licensing transaction (excluding Japan, Russia, and China) between DRL, GRA and FUJIFILM Toyama Chemical Co., Ltd. ("FFTC"), the originator of Avigan® tablets. The agreements work together to coordinate and accelerate the worldwide development, commercialization, and distribution of Avigan® tablets (favipiravir) for the potential treatment and prevention of COVID-19.

In joining the global consortium to advance Avigan®, Appili will assume key responsibilities for the design and implementation of the consortium's global clinical programs and related work, including, but not limited to, the design and implementation of multiple pivotal Phase 3 trials to enable regulatory submission, review, and, if supported by data, approvals for the use of Avigan® tablets in the treatment or prevention of COVID-19 in the US, Canada and internationally. The clinical development strategy will focus on evaluating Avigan® tablets for early treatment and post-exposure prophylaxis in the community setting.

Dr. Reddy's and GRA will continue to be responsible for the research and development, manufacturing, commercialization, and distribution of Avigan®. FFTC is the innovator that originally developed Avigan® for use in pandemic influenza and is supplying its knowledge base, including clinical data and intellectual property, in support of the consortium's operations. In collaboration with its partners, Appili will design and oversee Phase 3 clinical trials to support regulatory submissions worldwide. Appili will be responsible for the US and Canadian clinical trials conducted on behalf of the consortium and will receive a profit share on all US and Canadian sales for a specified term. Appili is also eligible to receive royalties on sales in Europe and Latin America for a specified term.

5. Full Description of Material Change

See news release attached as Schedule "A".

6. Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

Kimberly Stephens, the Corporate Secretary of the Company, is knowledgeable about this material change report and may be contacted at (902) 442-4655 Ext. 2 or at kstephens@appilitherapeutics.com.

9. Date of Report

November 9, 2020

SCHEDULE “A”

(see attached)

Appili Therapeutics Joins Dr. Reddy's, Global Response Aid, and FUJIFILM in Advancing Avigan® Tablets for the Potential Treatment of COVID-19

Consortium brings together world-class and globally coordinated clinical development, commercialization, cGMP manufacturing, and logistics expertise to accelerate the deployment and availability of Avigan® tablets for the potential treatment and prevention of COVID-19

HALIFAX, Nova Scotia--(BUSINESS WIRE)--October 30, 2020--Appili Therapeutics Inc. (TSX: APLI; OTCQX: APLIF) (the "Company" or "Appili"), a biopharmaceutical company focused on anti-infective drug development, today announced that it has signed a collaboration, development and supply agreement with Dr. Reddy's Laboratories Ltd. (BSE:500124, NSE:DRREDDY, NYSE:RDY, "Dr. Reddy's") and Global Response Aid ("GRA"). This agreement follows on and is harmonized with the previously announced global licensing transaction (excluding Japan, Russia, and China) between DRL, GRA and FUJIFILM Toyama Chemical Co., Ltd. ("FFTC"), the originator of Avigan® tablets. The agreements work together to coordinate and accelerate the worldwide development, commercialization, and distribution of Avigan® tablets (favipiravir) for the potential treatment and prevention of COVID-19.

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"To address the ongoing threat of COVID-19 we must not only identify effective agents through rigorous clinical evaluation, we must also ensure they are widely available, which is a particular challenge in COVID-19, where billions of people from every corner of the globe are at risk from this threat," said Dr. Armand Balboni, Chief Executive Officer at Appili Therapeutics. "This consortium is designed to do just that, with world-class expertise not only in drug development but also in manufacturing and commercialization to support access. We are thrilled to join this group of industry leaders in their global effort, contributing our drug development expertise and extensive experience with Avigan® to accelerate its development on a globally coordinated basis. We look forward to the timely outcomes of our ongoing and soon-to-be initiated late-stage

clinical trials to evaluate Avigan® as the first orally available anti-viral treatment option for COVID-19."

Appili has previously announced a Phase 2 trial evaluating the use of favipiravir to control outbreaks of COVID-19 in long-term care facilities and a Phase 3 trial in the United States evaluating the use of Avigan® for the early treatment of patients with mild-to-moderate COVID-19 symptoms. Working with the consortium, Appili expects to expand its favipiravir clinical programs internationally.

About Avigan® (favipiravir)

Avigan® (favipiravir) is a broad-spectrum antiviral in oral tablet form developed by FUJIFILM Toyama Chemical Co., Ltd. (FFTC) and approved in Japan as a treatment and stockpile countermeasure for pandemic influenza under the name Avigan®. Following promising clinical studies, Russia and India recently approved favipiravir-based antiviral medications for the emergency treatment of COVID-19.[i] [ii] FFTC recently announced positive Phase 3 data in the use of AVIGAN in hospitalized COVID-19 patients. In a previously announced agreement, Dr. Reddy's and GRA received a license from FFTC for the manufacturing, development, and commercial rights to favipiravir outside of Japan, China, and Russia.

Additional clinical trials for favipiravir in COVID-19 are ongoing in the United States, China, India, and the United Kingdom. Unlike most other interventions that researchers are evaluating in the COVID-19 indication, favipiravir has already been thoroughly studied in human trials outside of North America and has a known safety profile, with over 3,000 subjects receiving at least one dose of the drug. Favipiravir's oral tablet form may also provide advantages in the community setting over other COVID-19 interventions, which often require injection or intravenous administration.

About Appili Therapeutics

Appili Therapeutics Inc. was founded to advance the global fight against infectious disease by matching clearly defined patient needs with drug development programs that provide solutions to existing challenges patients, doctors, and society face in this critical disease space. Appili has built a pipeline of assets designed to address a broad range of significant unmet medical needs in the infectious disease landscape. This diverse pipeline aims to address some of the most urgent threats in global public health, including ATI-2307, a novel, broad spectrum, clinical-stage antifungal candidate in development for severe and difficult-to-treat invasive fungal infections; ATI-1701, a vaccine candidate for tularemia, a very serious biological weapons threat; ATI-1503, a drug discovery program aimed at generating a novel class of antibiotics with broad-spectrum activity against Gram-negative superbugs; and ATI-1501, which employs Appili's proprietary, taste-masked, oral-suspension technology with metronidazole for the growing number of patients with difficulty swallowing. In addition, the Company is also testing FUJIFILM Toyama Chemical Inc.'s drug Avigan® for the potential treatment and prevention of COVID-19. Headquartered in Halifax, Nova Scotia, with offices in Toronto, Ontario, Appili is pursuing worldwide opportunities in collaboration with scientific and industry commercial

partners, governments and government agencies. For more information, visit www.AppiliTherapeutics.com.

About Dr. Reddy's

Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services & Active Ingredients, Global Generics and Proprietary Products – Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Dr. Reddy's major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr. Reddy's operates in markets across the globe. Its major markets include the USA, India, Russia & CIS countries, and Europe.

About Global Response Aid

Global Response Aid, based in Dubai, provides solutions to public health challenges. GRA was established by global logistics leader Agility to procure and develop certified diagnostic, testing and protective products and services used in the detection, treatment and prevention of COVID-19 and other public health threats. GRA works with trusted manufacturers to source safe, effective products for governments, health authorities and public institutions; frontline medical facilities; NGOs; and companies looking to safeguard workers and workplaces. GRA-sourced products include ventilators, thermal detection equipment, thermometers, masks, goggles, protective suits, nitrile gloves, cleaning and sanitation supplies, and point-of-care test kits. GRA's mobile phone app helps stop the spread of viruses through the use of community-driven contact tracing and alerts. GRA also deploys Mobile Diagnostic Testing Vehicles and trained teams that perform COVID-19 testing at schools and workplaces.

About FUJIFILM Toyama Chemical Co.

FFTC, Tokyo, Japan is one of the major operating companies of FUJIFILM Holdings Corporation. The company brings cutting edge solutions to a broad range of global industries by leveraging its depth of knowledge and fundamental technologies developed in its relentless pursuit of innovation. Its proprietary core technologies contribute to the various fields including healthcare, graphic systems, highly functional materials, optical devices, digital imaging and document products. These products and services are based on its extensive portfolio of chemical, mechanical, optical, electronic and imaging technologies. For the year ended March 31, 2020, the company had global revenues of $21 billion, at an exchange rate of 109 yen to the dollar. Fujifilm is committed to responsible environmental stewardship and good corporate citizenship.

Forward looking statements

This news release contains "forward-looking statements," which reflect the current expectations of the Company's management for future growth, results of operations, performance and business prospects and opportunities, including statements with respect to: the design, scope and parameters of the proposed Avigan® (favipiravir) *clinical trials and the likelihood that such*

clinical trials will be initiated or consummated on the terms and timeline provided herein or at all; the potential use of Avigan® (favipiravir) *for the treatment of COVID-19 (including as an early treatment of COVID-19 to control disease progression and limit virus spread); and the development, manufacturing and commercialization plans of the parties with respect to* Avigan® (favipiravir). *Wherever possible, words such as "may," "would," "could, " "should," "will," "anticipate," "believe," "plan," "expect," "intend," "estimate," "potential for" and similar expressions have been used to identify these forward-looking statements. Forward looking statements contained in this press release are provided in reliance on certain assumptions, including with respect to: securing all requisite required approvals and funding for the applicable clinical trials; finalizing mutually acceptable clinical trial agreement and related agreements with the applicable clinical research organizations relating to the applicable clinical trials; site and patient enrolment; other expectations and assumptions concerning the proposed clinical trials (including with respect to potential outcomes and benefits); and the ability of the parties to successfully develop, manufacture and commercialize favipiravir for the treatment of COVID-19 following successful completion of the requisite clinical trials and receipt of all requisite regulatory and other approvals. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, the Company cannot give assurance that these expectations will prove to have been correct.*

Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions, including, without limitation, economic, competitive, political and social uncertainties; known and unknown risks and liabilities relating to the ongoing COVID-19 pandemic; risks relating to the inability of Appili to initiate or complete all requisite clinical trials (including risks relating to the outcome thereof) and to secure all required funding and approvals relating thereto; risks relating to the development, manufacturing and commercialization of Avigan® (favipiravir) *in Canada, the U.S and other jurisdictions; unforeseen events, developments, or factors causing any of the aforesaid expectations and assumptions not to be correct; and the other risk factors listed in the annual information form of the Company dated June 24, 2020 and the other filings made by the Company with the Canadian securities' regulatory authorities (which may be viewed at www.sedar.com). Should one or more of these risks or uncertainties materialize or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this news release. These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. The Company disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law.*

The Company is not making any express or implied claims that it has the ability to eliminate, cure or contain the COVID-19 (or SARS-2 Coronavirus) at this time.

[i] RDIF and ChemRar announce first interim results of clinical trials of Favipiravir drug's effectiveness in coronavirus therapy

[ii] Glenmark Becomes the First Pharmaceutical Company in India to Receive Regulatory Approval for Oral Antiviral Favipiravir, for the Treatment of Mild to Moderate COVID-19

Contacts

Media Contacts
Canadian Media
Chantal Allan
Sam Brown Inc.
T: 613-319-4384 (CAN)
T: 805-242-3080 (U.S.)
E: chantalallan@sambrown.com

US/Trade Media
Andrea Cohen
Sam Brown Inc.
T: 917-209-7163
E: andreacohen@sambrown.com

Investor Relations Contact
Kimberly Stephens, CFO
Appili Therapeutics Inc.
TSX: APLI
E: Info@AppiliTherapeutics.com