

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Appili Therapeutics Inc. (the “**Corporation**”)
#21-1344 Summer Street
Halifax, Nova Scotia
B3H 0A8

2. Date of Material Change

November 12, 2021.

3. News Release

A news release dated November 12, 2021 (the “**News Release**”) was disseminated through the facilities of Business Wire and subsequently filed on SEDAR at www.sedar.com.

4. Summary of Material Change

The Company announced that the Phase 3 PRESECO (PREventing SEvere COVID-19) clinical trial evaluating oral antiviral Avigan®/Reeqonus™ (favipiravir) for the treatment of mild-to-moderate COVID-19 did not achieve statistical significance on the primary endpoint of time to sustained clinical recovery. Additional analyses of the trial data are ongoing. The clinical trial enrolled 1,231 patients with mild-to-moderate COVID-19 from 38 study sites across the United States, Mexico, and Brazil.

5. Full Description of Material Change

5.1 Full Description of Material Change

Please see the News Release attached as Schedule “A”.

5.2 Disclosure for Restructuring Transaction

Not applicable

6. Disclosure for Restructuring Transaction

Not applicable.

7. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

8. Omitted Information

Not applicable.

9. 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.

10. Date of Report

November 12, 2021

Schedule "A"

(see attached)

Appili Therapeutics Provides Update on Phase 3 PRESECO Clinical Trial Evaluating Avigan®/Reeqonus™

HALIFAX, Nova Scotia--(BUSINESS WIRE)--November 12, 2021--Appili Therapeutics Inc. (TSX: APLI; OTCQX: APLIF) (the “Company” or “Appili”), a biopharmaceutical company focused on drug development for infectious diseases, today announced that the Phase 3 PRESECO (PREventing SEvere COVID-19) clinical trial evaluating oral antiviral Avigan®/Reeqonus™(favipiravir) for the treatment of mild-to-moderate COVID-19 did not achieve statistical significance on the primary endpoint of time to sustained clinical recovery. Additional analyses of the trial data are ongoing. The clinical trial enrolled 1,231 patients with mild-to-moderate COVID-19 from 38 study sites across the United States, Mexico, and Brazil.

“While we are disappointed by the topline results of the PRESECO trial, we remain steadfast in our belief that safe and effective oral antivirals are urgently needed for patients who are still struggling to overcome COVID-19. We wish to thank all the patients who participated, and hope that information obtained from our trial can help guide research and development around more potential treatment options for COVID-19,” said Dr. Armand Balboni, Chief Executive Officer, Appili Therapeutics. “Appili remains committed to addressing the challenges posed by infectious diseases and we will continue developing our pipeline to improve patient lives around the world.”

About the PRESECO Clinical Trial

The Phase 3 PRESECO (PREventing SEvere COVID-19 Disease) study is a double-blind, placebo-controlled, randomized, multi-center, global superiority trial investigating the safety and efficacy of oral Avigan/Reeqonus in the early treatment for adults infected with COVID-19 and showing mild-to-moderate symptoms. Participants were enrolled at multiple clinical trial sites in the United States, Brazil and Mexico. Participants were outpatients with mild-to-moderate symptoms who have had a recent positive COVID-19 test (within 72 hours of enrollment). Participants self-administered the drug regimen in their homes, with clinical investigators monitoring patients remotely.

About Avigan/Reeqonus

Avigan/Reeqonus is a broad-spectrum antiviral in oral tablet form. It is a selective inhibitor of viral RNA-dependent RNA polymerase (RdRP) with potent antiviral activity against single-stranded RNA viruses, including coronaviruses. Developed by FUJIFILM Toyama Chemical Co., Ltd. (FFTC) and approved in Japan as a treatment and stockpile countermeasure for pandemic influenza. Unlike most other interventions that researchers are evaluating in COVID-19, Avigan/Reeqonus has already been thoroughly studied in human trials and has a well-known safety profile, with over 3,000 subjects receiving at least one dose of the drug. Avigan/Reeqonus’ oral tablet form is shelf-stable and has an established commercial manufacturing process, which may provide advantages over other COVID-19 interventions, which often require temperature-controlled storage and/or injection or intravenous administration.

About Appili Therapeutics

Appili Therapeutics is an infectious disease biopharmaceutical company that is purposefully built, portfolio-driven, and people-focused to fulfill its mission of solving life-threatening infections. By systematically identifying urgent infections with unmet needs, Appili's goal is to strategically develop a pipeline of novel therapies to prevent deaths and improve lives. As part of a global consortium, Appili is sponsoring late-stage clinical trials evaluating the antiviral Avigan/Reequonus for the worldwide treatment and prevention of COVID-19. The Company is also advancing a diverse range of anti-infectives, including a broad-spectrum antifungal, a vaccine candidate to eliminate a serious biological weapon threat, and two novel antibiotic programs. Led by a proven management team, Appili is at the epicenter of the global fight against infection. For more information, visit www.AppiliTherapeutics.com.

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. 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 involve significant known and unknown risks, uncertainties and assumptions, including those listed in the annual information form of the Company dated June 23, 2021 and the other filings made by the Company with the Canadian securities' regulatory authorities (which may be viewed under the Company's profile on SEDAR 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.

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