



APPILI THERAPEUTICS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

August 18, 2023

**NOTICE OF ANNUAL GENERAL MEETING OF THE HOLDERS OF
CLASS A COMMON SHARES OF APPILI THERAPEUTICS INC.**

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of class A common shares (the “**Common Shares**”) of Appili Therapeutics Inc. (the “**Corporation**”) will be held virtually via a live teleconference hosted through the facilities of Chorus Call (as more particularly described in the accompanying information circular dated August 18, 2023 (the “**Information Circular**”)) on Wednesday, September 27, 2023, at 11:00 a.m. (Eastern Time) for the following purposes:

- (a) receiving the financial statements of the Corporation for its fiscal year ended March 31, 2023 and the report of the auditor thereon (the “**2023 Financial Statements**”);
- (b) electing the directors for the ensuing year;
- (c) appointing PricewaterhouseCoopers LLP as the auditor of the Corporation and authorizing the board of directors of the Corporation (the “**Board**”) to fix its remuneration and terms of engagement; and
- (d) transacting such other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Information Circular and form of proxy (the “**Instrument of Proxy**”) provide additional information relating to each of the matters to be addressed at the Meeting.

For the Meeting, the Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 - *Continuous Disclosure Obligations* and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (collectively, the “**Notice-and-Access Provisions**”) to reduce its mailing costs and volume of paper with respect to the materials distributed for the purpose of the Meeting. The Notice-and-Access Provisions are a set of rules that permit the Corporation to post the Meeting materials, 2023 Financial Statements and accompanying management’s discussion and analysis (“**MD&A**”) online rather than making a traditional physical delivery of such materials. Shareholders will still receive a form of proxy or voting instruction form, as the case may be, and a financial statement request form. The Corporation will not use procedures known as “stratification” in relation to the use of the Notice-and-Access Provisions.

Shareholders are directed to read the Information Circular carefully and in full to evaluate the matters for consideration at the Meeting. Further disclosure on the matters set out above may be found in the Information Circular in the section entitled “Particulars of Matters to be Acted Upon”. The Information Circular, 2023 Financial Statements, MD&A and other relevant materials are available at www.envisionreports.com/Appili2023, for a minimum of one (1) year, and under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval at www.sedarplus.ca.

How to Obtain Paper Copies of the Proxy Materials

Shareholders may request to receive paper copies of the current meeting materials by mail at no cost. Requests for paper copies may be made using your Control Number as it appears on your enclosed voting instruction form or Instrument of Proxy. To ensure you receive the materials in advance of the voting deadline and meeting date, all requests must be received no later than September 13, 2023. If you do

request the current materials, please note that another Voting Instruction Form/Proxy will not be sent; please retain your current one for voting purposes.

For Holders with a 15-digit Control Number:

Request materials by calling Toll Free, within North America 1-866-962-0498 or direct, from Outside of North America (514) 982-8716 and entering your control number as indicated on your voting instruction form or Instrument of Proxy.

To obtain paper copies of the materials after the meeting date, please contact 902-442-4655 ext 2.

For Holders with a 16-digit Control Number:

Request materials by calling Toll Free, within North America 1-877-907-7643 or direct, from Outside of North America (303) 562-9305 (English) and (303) 562-9306 (French) and entering your control number as indicated on your voting instruction form.

To obtain paper copies of the materials after the meeting date, please contact 902-442-4655 ext 2.

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is August 18, 2023 (the "**Record Date**"). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

IMPORTANT

If you are a registered Shareholder, and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof in person, please complete, date, sign and return the accompanying Instrument of Proxy to Computershare, by: (a) mail or hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1; (b) using a touch-tone phone to transmit voting choices to 1-866-732-VOTE (8683); or (c) logging onto the internet website of Computershare at www.investorvote.com. All instructions are listed on the enclosed Instrument of Proxy. Your proxy or voting instructions must be received in each case no later than 48 hours, excluding Saturdays, Sundays and statutory holidays, prior to the Meeting time.

If you are a non-registered beneficial Shareholder, a voting instruction form (also known as a VIF), instead of an Instrument of Proxy, may be enclosed. You must follow the instructions provided by your intermediary in order to vote your Common Shares.

DATED at Halifax, Nova Scotia this 18th day of August, 2023.

BY ORDER OF THE BOARD

(signed) Armand Balboni

Armand Balboni, Chair



APPILI THERAPEUTICS INC.

MANAGEMENT INFORMATION CIRCULAR

August 18, 2023

THIS MANAGEMENT INFORMATION CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY AND ON BEHALF OF MANAGEMENT OF APPILI THERAPEUTICS INC. ("APPILI" OR THE "CORPORATION") FOR USE AT THE ANNUAL GENERAL MEETING (THE "MEETING") OF THE HOLDERS (THE "SHAREHOLDERS") OF CLASS A COMMON SHARES OF THE CORPORATION (THE "COMMON SHARES") TO BE HELD VIRTUALLY VIA A LIVE TELECONFERENCE HOSTED THROUGH THE FACILITIES OF CHORUS CALL ON WEDNESDAY SEPTEMBER 27, 2023, AT 11:00 A.M. EASTERN TIME OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) THEREOF FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING (THE "NOTICE OF MEETING"). Unless otherwise stated, the information contained in this Information Circular is given as at August 18, 2023.

GENERAL PROXY INFORMATION

Solicitation of Proxies

Solicitation of proxies for the Meeting will be primarily by mail, the cost of which will be borne by the Corporation. Proxies may also be solicited personally by employees of the Corporation at nominal cost to the Corporation.

As permitted by Canadian securities regulators, the Corporation will use the notice-and-access procedures for the delivery of the meeting materials to Shareholders. These procedures allow issuers to post meeting materials online rather than mailing paper copies to Shareholders. Instead of receiving this Information Circular, Shareholders will receive a notice (the "**Notice-and-Access Letter**") with instructions on how to access the Information Circular and the other proxy-related materials online. The Notice-and-Access Letter and form of proxy (the "**Proxy**") or voting instruction form have been sent to both registered shareholders ("**Registered Shareholders**") and non-registered Shareholders. This Information Circular and other relevant materials are available at www.envisionreports.com/Appili2023 and on SEDAR+ at www.sedarplus.ca.

In some instances, the Corporation has distributed copies of the Notice-and-Access-Letter to clearing agencies, securities dealers, banks and trust companies, or their nominees (collectively "**Intermediaries**", and each an "**Intermediary**") for onward distribution to Shareholders whose Common Shares are held by or in the custody of those Intermediaries ("**Non-registered Shareholders**"). The Intermediaries are required to forward the Notice-and-Access-Letter to Non-registered Shareholders.

Solicitation of proxies from Non-registered Shareholders will be carried out by Intermediaries, or by the Corporation if the names and addresses of Non-registered Shareholders are provided by the Intermediaries.

Voting at the Meeting

The Meeting will be hosted virtually by way of a teleconference. Shareholders will not be able to attend the Meeting in person.

In order to be permitted to ask questions and participate in telephone voting, each Registered Shareholder or duly appointed proxyholder must pre-register via the following link prior to proxy cut-off time at 11:00 a.m. (Toronto Time) on **September 25, 2023**:

<https://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10022138&linkSecurityString=19b3638bdc>

Registered Shareholders and duly appointed proxyholders who have properly pre-registered to participate in the Meeting will have the opportunity to speak during the Meeting, and provided they have not already submitted their votes, participate in telephone voting. All other shareholders and stakeholders can attend the Meeting via teleconference without pre-registering but will not be permitted to ask questions during the Meeting.

After pre-registration has been completed, pre-registered Registered Shareholders and duly appointed proxyholders will see on screen a unique PIN they have been assigned and dial-in phone numbers they will use to join the conference call. These details will also be sent to the pre-registered Registered Shareholders and duly appointed proxy holders by email in the form of a calendar booking. It is recommended to connect at least ten minutes prior to the scheduled start time of the Meeting.

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders.

All other shareholders and stakeholders wishing to attend the Meeting can log onto the webcast:
<https://services.choruscall.ca/links/appili2023agm.html>

If they prefer to attend by teleconference, they may do so on a listen-only basis by dialing the following toll free, or international toll number approximately five minutes prior to the commencement of the Meeting and asking the operator to join the Annual General Meeting of the shareholders of Appili Therapeutics Inc.

Toll-free (Canada/U.S.): 1-800-319-4610, or
Toll (International): +1-604-638-5340.

Appointment of Proxyholders

The persons named in the enclosed Proxy (the “**Management Designees**”) are directors and/or officers of the Corporation. **SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM, HER OR IT AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the Proxy and by inserting the name of the person or company to be appointed in the space provided in the Proxy or by completing another proper form of proxy.

Shareholders who wish to appoint a third party proxyholder (other than the Management Designees) to represent them at the Meeting **must submit their Proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering a proxyholder is an additional step once the Proxy or voting instruction form have been submitted. Failure to register the proxyholder will result in the proxyholder not being able to participate in the Meeting.** To register a proxyholder, Shareholders **MUST** visit www.computershare.com/Appili no later than **11:00 a.m. (Toronto time) on September 25, 2023** or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the Meeting.

A Proxy can be submitted by a Registered Shareholder to Computershare either (a) in person, or by mail or courier, to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, (b) using a touch-tone phone to transmit voting choices to 1-866-732-VOTE (8683) or via the internet at www.investorvote.com. The Proxy must be deposited with Computershare by no later than **11:00 a.m. (Toronto time) on September 25, 2023** or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. Late proxies may be accepted or rejected by the Chairperson of the Meeting (the “**Chair**”), in his or her discretion. However, the Chair is under no obligation to accept or reject any particular late proxy. The Chair may waive this time limit for receipt of proxies without notice.

If a Registered Shareholder who has submitted a Proxy attends the Meeting (as described herein) and has accepted the terms and conditions when entering the Meeting, any votes cast by such Registered Shareholder at the Meeting will be counted and the submitted Proxy will be disregarded.

Advice to Non-registered Shareholders

Non-registered Shareholders should note that Proxies can only be deposited by Shareholders who are Registered Shareholders.

Non-registered Shareholders who have received the Notice-and-Access Letter from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-registered Shareholders will either:

- be provided with a form of proxy executed by the Intermediary but otherwise uncompleted. The Non-registered Shareholder may complete the proxy and return it directly to Computershare; or
- be provided with a request for voting instructions. The Intermediary is required to send the Corporation an executed form of proxy completed in accordance with any voting instructions received by the Intermediary.

If you are a Non-registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained from your Intermediary in accordance with applicable securities regulatory requirements. By choosing to send the Notice-and-Access Letter and voting instruction form to you directly, the Corporation (and not your Intermediary) has assumed responsibility for: (i) delivering the Meeting materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation will not pay for an Intermediary to deliver the Notice-and-Access Letter and voting instruction forms to objecting beneficial owners (“**OBOs**”). OBOs have objected to their Intermediary disclosing ownership information about themselves to the Corporation. Accordingly, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

If Non-registered Shareholders have any questions respecting the voting of Common Shares held through an Intermediary, such Shareholders are encouraged to contact that Intermediary for assistance.

Revocation of Proxy

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the proxy is to be used:

- (a) by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) by delivering written notice of such revocation to the Chair prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof;
- (c) by attending the Meeting (as described herein) and voting the Common Shares; or
- (d) in any other manner permitted by law.

Non-registered Shareholders who wish to change their vote must contact their Intermediary to discuss their options well in advance of the Meeting.

If as a Registered Shareholder you are using your control number to log into the Meeting and you accept the terms and conditions, you will be provided the opportunity to vote by telephone at the Meeting. If you have already voted by proxy and you vote again by telephone during the live portion of the Meeting, your live vote during the Meeting will revoke your previously submitted proxy. If you have already voted by proxy and do not wish to revoke your previously submitted proxy, do not vote again during the live vote portion of the Meeting.

Voting of Proxies and Discretion Thereof

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed Proxy **WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR THE ELECTION OF THE DIRECTORS SET OUT IN THIS INFORMATION CIRCULAR AND FOR THE RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE AUDITORS OF THE CORPORATION AND FOR THE AUTHORIZATION OF THE BOARD TO FIX THE AUDITORS' REMUNERATION AND TERMS OF ENGAGEMENT.** The Common Shares represented by the Proxy will be voted for, voted against or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The enclosed Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters which may properly come before the Meeting. At the date of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote such proxy according to their best judgment.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last completed financial year end of the Corporation, no proposed nominee for election as a director of the Corporation nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors (and the related fixing of the number of directors).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Only Shareholders of record as of the Record Date (as defined herein) are entitled to receive notice of, attend and vote at the Meeting. As at the Record Date, the Corporation had 121,266,120 Common Shares issued and outstanding. Each Common Share carries the right to one (1) vote.

The record date for the purpose of determining the Shareholders entitled to receive notice of the Meeting has been fixed by the board of directors of the Corporation (the "**Board**") to be August 18, 2023 (the "**Record Date**"). Only Shareholders of record at the close of business on the Record Date who either attend the

Meeting personally or complete, sign and deliver an Instrument of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

Except as set out below, to the knowledge of the directors and executive officers of the Corporation, no persons or corporations beneficially own, or control or direct, directly or indirectly, 10% or more of the issued and outstanding Common Shares as of the Record Date:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
Bloom Burton & Co. Inc. (" Bloom Burton ")	14,358,611 ⁽¹⁾	11.84%

Note:

(1) Bloom Burton holds, in the aggregate, 14,358,611 Common Shares as follows: (a) 454,120 Common Shares directly; (b) 13,896,000 Common Shares indirectly through Bloom Burton Development Corporation, its wholly-owned subsidiary; and (c) 8,491 Common shares indirectly through Bloom Burton Securities Inc. ("**BBSI**"). Brian Bloom, a director of the Corporation, together with Jolyon Burton, beneficially own, indirectly, and exercise control and direction over Bloom Burton.

MATTERS TO BE ACTED UPON AT THE MEETING

1) Presentation of the Financial Statements

The financial statements of the Corporation for its fiscal year ended March 31, 2023 and the auditor's report thereon, will be presented to the Shareholders at the Meeting, but no vote with respect thereto is required or proposed to be taken.

2) Election of Directors

Background

The Corporation has previously fixed the number of directors at six (6) directors and has nominated six (6) persons for election as directors at the Meeting. Each nominee for election as a director is currently a director of the Corporation. The present term of office of each current director of the Corporation will expire at the Meeting and each director elected at the Meeting will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Corporation's governing legislation.

Advance Notice Provisions

The by-laws of the Corporation include advance notice provisions for the election of directors of Appili at specified meetings of the Shareholders (the "**Advance Notice Provisions**"). The Advance Notice Provisions require advance notice by any Shareholder who intends to nominate any person for election as a director of the Corporation. Among other things, the Advance Notice Provisions set a deadline by which such Shareholders must notify the Chief Executive Officer ("**CEO**") of the Corporation in writing of an intention to nominate a director prior to any meeting of Shareholders at which directors are to be elected and set forth the information that the Shareholder must include in the notice for it to be valid.

In the case of an annual meeting of Shareholders, notice to the CEO of the Corporation must be made not less than thirty (30) days prior to the date of the annual meeting; provided, however, that if the annual meeting is to be held on a date that is less than fifty (50) days after the date on which the initial public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of Shareholders that is not also an annual meeting but is called for the purpose of electing directors of the Corporation (whether or not called for other purposes), notice to the

CEO of the Corporation must be made not later than the close of business on the 15th day following the day on which the initial public announcement of the special meeting of Shareholders was made.

Notwithstanding the above, in the case of an annual or special meeting of Shareholders where “notice-and-access” is used for the delivery of proxy-related materials and the initial public announcement is not less than fifty (50) days before the date of the meeting, notice to the CEO of the Corporation must be made not less than forty (40) days prior to the date of the meeting.

Director Nominees

Shareholders can vote for or against the election of each director on an individual basis. The election of directors at the Meeting is governed by the new majority voting requirements under the *Canada Business Corporations Act* (“**CBCA**”) which took effect on August 31, 2022. Pursuant to these requirements, in an uncontested election of directors, a nominee must receive a majority of the votes cast for his or her election in order to be elected as a director. Subject to the CBCA, if a nominee does not receive a majority of the votes cast for his or her election, he or she will not be elected to the Board and the Board position will remain open except in limited circumstances. However, if the nominee is an incumbent director, he or she may continue in office for 90 days following the vote or until the day a successor is appointed or elected, whichever is earlier.

Shareholders will be allowed to vote "for" or "against" a nominee, versus "for" or "withhold" as was the case previously.

Since the Corporation's majority voting policy was generally to the same effect as the new majority voting requirements under the CBCA, the Board has resolved to revoke this policy, meaning that the Corporation's former majority voting policy will not be applicable to the election of directors at the Meeting.

The following table sets out the names and places of residence of all persons proposed to be nominated for election as directors of the Corporation, the positions they hold with the Corporation, their principal occupations, the year such persons began to serve as directors of the Corporation and the number of Common Shares over which they beneficially own, control or direct, directly or indirectly.

Unless authority to vote is directed to vote against a particular nominee, the persons named in the accompanying Instrument of Proxy intend to vote IN FAVOUR of the election of each of the six (6) nominees whose names are set forth hereafter. Management does not contemplate that any of the nominees named below will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the form of proxy reserve the right to vote for another nominee in their discretion.

Name of Proposed Nominee, State/Province and Country of Residence	Position(s) Held with the Corporation	Principal Occupation(s)	Date First Elected a Director of the Corporation	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Armand Balboni (Virginia, USA)	Chair of the Board and Director	LT. Colonel, faculty member and Director of the Life Sciences Research Center at United States Air Force Academy	February 2019	Nil

Name of Proposed Nominee, State/Province and Country of Residence	Position(s) Held with the Corporation	Principal Occupation(s)	Date First Elected a Director of the Corporation	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Don Cilla (Maryland, USA)	CEO, President and Director	President and CEO of the Corporation	November 2022	75,000
Brian Bloom (Ontario, Canada)	Director	CEO and Chair of Bloom Burton & Co	May 2015	14,358,611 ⁽⁴⁾
Theresa Matkovits ⁽²⁾⁽³⁾ (New Jersey, USA)	Lead Independent Director	CDO of Matinas BioPharma Holdings, Inc. COO of ContraVir	October 2018	Nil
Juergen Froehlich ⁽²⁾⁽³⁾ (Massachusetts, USA)	Director	CMO of Arcturus Therapeutics Holdings Inc.	January 2020	Nil
Rochelle Stenzler ⁽²⁾⁽³⁾ (Ontario, Canada)	Director	Principal, Rochelle Stenzler Consulting	February 2021	Nil

Notes:

- (1) The information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Corporation, has been obtained from the System for Electronic Disclosure by Insiders.
- (2) Member of the Nominating, Corporate Governance and Compensation Committee of the Board (the “**NCGC Committee**”).
- (3) Member of the Audit Committee of the Board (the “**Audit Committee**”).
- (4) Mr. Bloom is the Chair and CEO of Bloom Burton. Mr. Bloom beneficially owns, or control or directs, indirectly through Bloom Burton, 14,358,611 Common Shares. See “*Voting Securities and Principal Holders of Voting Securities*”.

Biographies

Armand Balboni, Chair

Dr. Armand Balboni’s career includes medical research and drug development experience in civilian, academic, and military organizations, most recently as a partner at Bloom Burton & Co. where he was the firm’s senior advisor for regulatory and medical affairs. He has 20 years of active duty and reserve service in the U.S. Army where he spent most of his career in the Chem Bio Defense and emerging infectious disease community. As an Army Officer, he worked as a scientist, clinical and regulatory expert, and in DoD S&T development broadly. Dr. Balboni spent time as an officer at USAMRIID, the U.S. Food and Drug Administration, and USAMMDA as deputy director of clinical and regulatory affairs for the U.S. Army. LTC Balboni currently acts as a medical staff officer with the Allies and Foreign Partners Division within the Joint Chiefs of Staff, Joint Staff J7, in Virginia. Armand completed his doctoral work in the MD/PhD program at the Icahn School of Medicine at Mount Sinai and earned his law degree at Brooklyn Law School. His faculty appointments have included Westfield State University, the United States Military Academy at West Point, and currently at the United States Air Force Academy.

Don Cilla, Chief Executive Officer, President and Director

Dr. Cilla has over 35 years of experience in the pharmaceutical industry, with extensive clinical and regulatory expertise that includes direct involvement with developing products, including Lipitor™ and Difcid™. His career includes positions in key leadership, scientific, and program management roles in research and development in pharmaceutical, biotech, and generic drug companies, including Takeda (Shire

Pharmaceuticals) and AstraZeneca (MedImmune). In prior roles, Dr. Cilla led and / or participated in the global development of more than 40 products, with six products having made it through regulatory approval to be commercialized. He also has held multiple consulting roles, outsourcing his drug development expertise to help build and lead teams for companies in need of functional area expertise. Dr. Cilla earned his Doctor of Pharmacy from the University of Michigan and an MBA from the University of Phoenix.

Brian Bloom, Director

Brian Bloom co-founded Canada's leading healthcare investment firm, Bloom Burton & Co. in 2008, and serves as the Bloom Burton & Co Chairman and CEO. Brian also serves on the Board of Triumvira Immunologics and Satellos Bioscience. Brian was formerly the Chairman of the Board of Grey Wolf Animal Health, a member of the Life Sciences Advisory Board at the National Research Council of Canada, the Dean Advisory Board at McMaster University and on the Board of Directors of BIOTECanada and the Baycrest Foundation. Prior to Bloom Burton & Co, Brian spent six years at Dundee Securities in the healthcare and biotechnology institutional sales and equity research groups. Brian started his career at New York-based investment banking firms SCO Financial Group and Molecular Securities. Brian received an Honors Bachelor of Science in Biochemistry from McMaster University and subsequently studied at the Mount Sinai Graduate School for Biological Sciences of New York University, with a focus in molecular endocrinology and biophysics. Brian is the proud recipient of the McMaster University 2017 Distinguished Alumni Award in Science and the co-recipient of the 2023 Life Sciences Ontario Community Service Award.

Theresa Matkovits, Lead Independent Director

Dr. Theresa Matkovits has more than 25 years of experience as a leader in global drug development and commercialization, with extensive expertise in infectious disease. She currently serves as the CDO at Matinas Biopharma where she serves as an Executive Leadership Team member, joining the company in October 2018. Dr. Matkovits is responsible for leading the global development efforts of the company's development pipeline products, including their Infectious Disease products. Prior to this role, she was the COO at ContraVir (NASDAQ: CTRV) now Hepion, where she led global development of the company's clinical-stage antiviral portfolio. She also served as ContraVir's Executive Vice President, Head of Drug Development, where she was responsible for leading all global drug development functional areas for the company's infectious disease programs. Dr. Matkovits' career also includes leading the clinical development and approval efforts for Natpara® at NPS Pharmaceuticals; serving as a Vice President and Innovation Leader at The Medicines Company (NASDAQ: MDCO), where she managed global development and commercialization efforts for the Company's infectious disease franchise; and several leadership positions at Novartis in its U.S. Medical and Drug Regulatory Affairs and Global Development Divisions. Dr. Matkovits is a member of the Board of Directors for GoodCap Pharmaceuticals, BioSurplus, and previous director of Aradigm Corporation (NASDAQ: ARDM) ("Aradigm"). Dr. Matkovits earned her PhD in Biochemistry and Molecular Biology from the University of Medicine and Dentistry of New Jersey – New Jersey Medical School.

Juergen Froehlich, Director

Dr. Juergen Froehlich's career spans multiple decades and covers a broad range of drug development successes. It includes strategic planning and execution of all phases of drug development and regulatory interactions across therapeutic areas such as cystic fibrosis, bronchiectasis, and hepatitis C. He has worked with biologics, peptides, small molecules and RNA therapeutics at companies including Boehringer Ingelheim, Genentech, Quintiles, Bristol-Myers-Squibb, Ipsen, Vertex, Aradigm and Envivotix, GENEvant and Spexis AG. Dr. Froehlich was instrumental in obtaining successful marketing authorizations worldwide, including the U.S., Canada, and the E.U. As CMO and Head of Regulatory Affairs of Aradigm Corporation, he conducted a Ph 3 trial program with a liposomal formulation of ciprofloxacin for inhalation in patients with non-cystic fibrosis bronchiectasis (NCFBE) and chronic Pseudomonas aeruginosa (PA) lung infections. He was an invited panel member at a U.S. Food and Drug Administration (FDA) workshop in 2018 for inhaled antibiotics in cystic fibrosis and NCFBE. As CMO of Arcturus Therapeutics Holdings, Juergen currently oversees mRNA therapeutics targeting root causes for cystic fibrosis as well as inborn errors of metabolism and is involved in strategic planning for other therapeutic uses.

Rochelle Stenzler, Director

Rochelle Stenzler has more than 25 years of experience as a board director and senior operating executive in healthcare and other industries. A pharmacist by education and training, Ms. Stenzler has served as Board Chair of Spartan Bioscience Inc. ("**Spartan**") until September 2021. She currently serves as Board Chair of GoodCap Pharmaceuticals Inc. Previously, and as Board Chair of GoodCap Pharmaceuticals since February 2021. Prior to these roles, she served as Board Chair of Cynapsus Therapeutics, until it was acquired for C\$841M by Sunovion Pharmaceuticals in 2016. She has previously also served as a Board Director & Vice Chair of Humber River Hospital in Toronto, until June 2020. In addition, her senior operating experience included being; President & CEO of TouchLogic Corporation; President, International Operations of TLC Laser Eye Centers; President, Revlon Canada; and President and General Manager of Pharma Plus Drugmarts Ltd. Ms. Stenzler also has extensive corporate governance and finance experience, which includes serving as a member of the Spartan Bioscience Finance, Audit and Risk Committee and Corporate Governance and Compensation Committee, as well as a member of the Spartan Corporate Governance & Compensation Committee; Chair of GoodCap Pharmaceuticals Nominating, Governance and Compensation Committees; Vice-Chair and Chair of the Nominating, Governance, and Human Resources Committee and member of the Finance and Audit Committee of Humber River Hospital Chair of the Corporate Governance Nominating and Compensation Committee and member of the Finance Audit and Risk Committee of GoodCap Pharmaceuticals; and as an Advisory Board member to Social Capital Partners. Ms. Stenzler is a graduate of the University of Toronto with a BSc.Pharm. and a Gold Medal in Compounding and Dispensing, and the Rotman School of Management, Institute of Corporate Directors, with an ICD.D.

Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No proposed director is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company (including Appili), that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days:

- that was issued while the proposed director was acting in the capacity as director, CEO or CFO, or
- that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Except as disclosed herein, no proposed director of Appili:

- is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including Appili) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Dr. Froehlich was the CMO and Dr. Matkovits was a director of Aradigm until February 2019. In February 2019, Aradigm filed for protection under Chapter 11 of the U.S. Bankruptcy Code in Alameda County Court District to facilitate the sale of its assets.

Mrs. Stenzler was the Chair of the Board of Spartan until September 2021. In April 2021, Spartan filed a Notice of Intention to File a Proposal (the “**NOI Filing**”) under the *Bankruptcy and Insolvency Act* (the “**BIA**”) with the Office of the Superintendent in Bankruptcy. The NOI Filing was made with the intention of allowing Spartan to pursue all avenues of sale and/or refinancing of its business and property, in whole or in part. In late June 2021, the proceeding was converted from the BIA to the *Companies Creditors Arrangement Act* (“**CCAA**”).

After the NOI Filing and during the course of the CCAA proceedings, Spartan embarked on a court supervised Sales and Investment Solicitation Process (the “**SISP**”). The SISP resulted in a sale of Spartan’s assets pursuant to an asset purchase agreement with 2856031 Ontario Inc. (currently Genomadix Inc.) (the “**Transaction**”) which was court approved in September 2021.

In September 2021, the court also granted an order which provided enhanced powers to Spartan’s monitor, including the power to bankrupt Spartan. The Transaction closed in September 2021, at which time all the directors resigned as directors of Spartan and the monitor’s enhanced powers became effective. Once the Transaction was complete, the Monitor assigned Spartan into bankruptcy in early December 2021.

No proposed director of Appili has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3) Appointment of Auditor

At the Meeting, the Shareholders will be asked to approve a resolution to appoint PricewaterhouseCoopers LLP, chartered professional accountants of Halifax, Nova Scotia, as auditor of the Corporation until the close of the next annual meeting of the Shareholders and to authorize the Board to fix their remuneration and terms of engagement. PricewaterhouseCoopers LLP was first appointed auditor of the Corporation on September 7, 2017.

In the absence of a contrary specification made in the Instrument of Proxy, the persons named in the accompanying Instrument of Proxy intend to vote IN FAVOUR of appointing PricewaterhouseCoopers LLP, chartered professional accountants of Halifax, Nova Scotia, as auditor of the Corporation and to authorize the Board to fix their remuneration and terms of engagement.

DIRECTOR COMPENSATION

Pursuant to the Corporation’s compensation plan, independent directors received cash payments and Options as per the schedule below. The NCGC Committee set the compensation for independent directors in respect of the fiscal year ended March 31, 2023, as further set out below:

Position	Compensation
Chair of the Board	CAD \$33,000/year
Lead Director	CAD \$33,000/year
All Directors	CAD \$52,000/year
Chair of Audit Committee	CAD \$17,000/year ⁽¹⁾
Chair of NCGC Committee	CAD \$17,000/year ⁽¹⁾⁽²⁾
All other Members of the Audit Committee	CAD \$7,000/year ⁽¹⁾

Position	Compensation
All other Members of the NCGC Committee	CAD \$7,000/year ⁽¹⁾⁽³⁾

Notes:

- (1) In addition to compensation received as a director of the Corporation.
(2) Increased from \$12,000 to \$17,000 on November 13, 2023 following the NCGC Committee taking on a governance function.
(3) Increased from \$5,000 to \$7,000 on November 13, 2023 following the NCGC Committee taking on a governance function.

Except as disclosed herein, directors who are officers, employees, or consultants of the Corporation did not receive any compensation under the terms of the Corporation's compensation plan for acting as directors during the fiscal year ended March 31, 2023.

Annually, the NCGC Committee reviews the compensation paid to Appili's directors to ensure that the Corporation's approach to Board compensation is competitive and reflects best practices considering current governance trends.

Director Compensation Table

The following table sets forth information concerning the total compensation in respect of the directors of the Corporation (other than for Don Cilla, a director who is also a Named Executive Officer for whom information is shown on the comparable table for the NEOs set out in the "Summary Compensation Table") during the financial year ended March 31, 2023. Armand Balboni's ceased being the CEO of the Corporation on November 13, 2023. Dr. Balboni's compensation as CEO for the year ended March 31, 2023 is shown on the comparable table for the NEOs set out in the "Summary Compensation Table". Dr. Balboni's compensation as a director for the financial year ended March 31, 2023 is set out on the table below.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Armand Balboni ⁽¹⁾	-	-	-	-	-	-	-
Brian Bloom	\$19,500	-	-	-	-	-	\$19,500
Theresa Matkovits	\$84,625	-	-	-	-	-	\$84,625
Juergen Froehlich	\$60,125	-	-	-	-	-	\$60,125
Rochelle Stenzler	\$65,125	-	-	-	-	-	\$65,125
Ian Mortimer ⁽²⁾	\$66,875	-	-	-	-	-	\$66,875

Notes

- (1) Armand Balboni does not receive any compensation for his services as the Chair of the Board or as a Director of the Corporation. He received compensation as CEO for the 2023 financial year. He ceased to be CEO of the Corporation on November 13, 2022. Dr. Balboni became Chair on November 13, 2022.
(2) Ian Mortimer ceased to be a director of the Corporation on November 13, 2022.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all outstanding Option-based and share-based awards held by each director (other than for Don Cilla, a director who is also a Named Executive Officer for whom information is shown on the comparable table for Named Executive Officers set out below) as at March 31, 2023.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Options	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Armand Balboni	350,000	0.13	08-Dec-31	-	-	-	-
Brian Bloom	-	-	-	-	-	-	-
Theresa Matkovits	245,000	0.13	08-Dec-31	-	-	-	-
Juergen Froehlich	245,000	0.13	08-Dec-31	-	-	-	-
Rochelle Stenzler	245,000	0.13	08-Dec-31	-	-	-	-
Ian Mortimer ⁽²⁾	245,000	0.13	08-Dec-31	-	-	-	-

Notes

- (1) On December 16, 2022: (a) 1,769,480 Options held by Dr. Balboni were cancelled; (b) 593,700 Options held by Dr. Matkovits were cancelled; (c) 420,000 Options held by Dr. Froehlich were cancelled; and (d) 280,000 Options held by Ms. Stenzler were cancelled.
- (2) Ian Mortimer ceased to be a director of the Corporation on November 13, 2022.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each director (other than for Don Cilla, a director who is also a Named Executive Officer for whom the information is shown on the comparable table for Named Executive Officers set out below) for the financial year ended March 31, 2023.

Name	Option-Based Awards – Value Vested during the Year (\$)	Share-Based Awards – Value Vested during the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned during the Year (\$)
Armand Balboni	Nil	-	-
Brian Bloom	Nil	-	-
Theresa Matkovits	Nil	-	-
Juergen Froehlich	Nil	-	-
Rochelle Stenzler	Nil	-	-
Ian Mortimer ⁽¹⁾	Nil	-	-

Note

(1) Ian Mortimer ceased to be a director of the Corporation on November 13, 2022.

COMPENSATION DISCUSSION AND ANALYSIS

For the purposes of this Information Circular, a named executive officer (“**NEO**” or “**Named Executive Officer**”) of the Corporation means each of the following individuals:

- (a) the CEO of the Corporation;
- (b) the CFO of the Corporation;
- (c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

Don Cilla (President and CEO), Armand Balboni (former CEO), Kenneth Howling (acting CFO) and Yoav Golan (former Chief Medical Officer (“**CMO**”)) are each a NEO of the Corporation for purposes of this disclosure.

The corporation had no other NEO’s on account of no other individual having received compensation in excess of \$150,000.

Compensation Objectives

Appili’s compensation philosophy for NEOs is focused on the belief that capable and qualified employees are critical to the Corporation’s success. Therefore, the Corporation’s compensation plan is designed to attract the very best individuals in each area of expertise and to use salaries and long-term incentive compensation in the form of Options or other suitable long-term incentives to attract and retain such employees. In making its determinations regarding the various elements of executive stock option grants, Appili seeks to meet the following objectives:

- (a) to attract, retain and motivate talented executives who create and sustain Appili's continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;
- (b) to align the interests of Appili's NEOs with the interests of Shareholders; and
- (c) to incent extraordinary performance from Appili's key employees.

The NCGC Committee reviews the NEOs compensation plans in comparison to multiple benchmarks, as described below.

Elements of Compensation

The Corporation's executive compensation philosophy is supported by the following four elements of Appili's executive compensation program for the NEOs:

- (a) Fixed components: (i) base salary; and (ii) employee benefits program; and
- (b) Variable components: (i) annual incentive program; and (ii) equity incentive compensation.

Each component of the executive compensation program is discussed below.

Base Salary

The base salary is designed to provide income certainty. The base salary review of any NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. The base salary and total compensation package are reviewed by the NCGC Committee, who considers the overall remuneration strategy and, where information is available, verifies the appropriateness of existing remuneration levels using an extensive process of evaluating peer groups on the TSX and the TSX Venture Exchange ("**TSXV**"), as well as other external sources for comparison. The annual base salaries for NEOs of the Corporation are:

<u>NEO</u>	<u>Base Salary</u>
Don Cilla, President and CEO	US\$340,000 ⁽¹⁾
Armand Balboni, former CEO	US\$276,000 ⁽²⁾
Kenneth Howling, Acting CFO	US\$288,000 ⁽³⁾
Yoav Golan, former CMO	US\$340,200 ⁽⁴⁾

Notes:

- (1) Dr. Cilla was appointed President and CEO on November 13, 2022. Immediately prior, Dr. Cilla was the Chief Development Officer ("**CDO**") of the Corporation.
- (2) Armand Balboni ceased his role as CEO on November 13, 2022.
- (3) Kenneth Howling is not an employee of the business. His compensation is based on payments during the period according to his consulting agreement.
- (4) Dr. Golan's ceased being CMO of the Corporation on March 10, 2023.

Employee Benefits Program

The Corporation's employee benefits program includes health, dental, vision, life and disability components and is designed to provide a level of protection to all employees, including executive officers, and their families in the event of death, illness, or disability.

Annual Incentive Program

The Board believes that its ability to exercise discretion and judgment is critical to ensuring that annual bonuses reflect the assessment of risk in the decisions and actions taken by our executive team and consider unexpected circumstances or events that have occurred during the year. The annual incentive program for the NEOs is mainly based on their performance as a team against the Corporation's annual objectives, which are approved by the Board at the beginning of each financial year, as well as individual performance. Bonuses are awarded and approved by the Board, at its full discretion, based on recommendation of the NCGC Committee. While the target for annual incentive compensation for NEOs has been established as a percentage of their respective base salary as shown in the table below, the Board retains full discretion in assessing such achievement and may approve an award in excess of such target, or alternatively may approve no award at all. In addition, the Board may also factor in individual achievement, if warranted. The bonuses available to the NEOs are as follows:

<u>NEO</u>	<u>Bonus Payable</u>
Don Cilla, President and CEO ⁽¹⁾	40%
Armand Balboni, former CEO ⁽²⁾	40%
Kenneth Howling, acting CFO	Nil
Yoav Golan, former CMO ⁽³⁾	30%

Notes:

- (1) Dr. Cilla was appointed President and CEO of the Corporation on November 13, 2022. Immediately prior, Dr. Cilla was the Chief Development Officer of the Corporation.
- (2) Dr. Balboni ceased being CEO of the Corporation on November 13, 2022.
- (3) Dr. Golan's ceased being CMO of the Corporation on March 10, 2023.

The annual objectives were based on the Corporation meeting specific goals relating to the development of the Corporation's products, the business development efforts in both in-licensing opportunities and out-licensing opportunities of its current products and successfully transitioning to a public company to facilitate access to capital to fund the Corporation's operations and increase participation of institutional investors.

Equity Incentive Compensation

Option grants assist in attracting, retaining and motivating executives of the highest level of quality and effectiveness. The Corporation is focused on rewarding the types of performance that increase long-term shareholder value. Option grants they are part of the long-term incentive and retention program and serve to motivate and encourage executives and employees to deliver performance that increases the value of the Corporation through growth of the share price over the long-term. All Option grants are approved by the Board by the way of recommendation through the NCGC Committee. The process for issuing Option grants is in-line with the annual incentive program described above. Previous grants of Options are taken into account when considering new grants.

The Corporation may also use Awards (as defined herein) under its equity incentive plan (the "**Incentive Plan**") to assist in attracting, retaining and motivating executives.

Compensation Risks of Management

In making its compensation-related decisions, the Board carefully considers the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Corporation's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by Appili are:

- that the Corporation may be forced to raise additional funding (causing dilution to Shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- that the Corporation may have insufficient funding to achieve its objectives.

After careful consideration of these risks, the Board has adopted the compensation policy described above.

NCGC Committee

The NCGC Committee has the responsibility of reviewing the overall compensation package for the NEOs on behalf of the Board. Annually, the NCGC Committee evaluates the Corporation's overall performance against its business plan, considers each individual's performance and overall compensation, including incentives paid to senior executives of comparable companies. The NCGC Committee also confers with the CEO, when reviewing compensation for other NEOs. In addition, the NCGC Committee is responsible for recommending the Option grants, including grant proposals for approval by the Board.

The NCGC Committee takes into consideration the following factors when making compensation decisions, among other things:

- the financial resources available or expected to be available to the Corporation;
- comparative compensations levels for companies of Appili's size in the biopharmaceutical industry;
- the capabilities of individual contributors to the Corporation's success;
- the reasonable compensation expectations of the individual contributor; and
- the relative equity with other Appili contributors.

The NCGC Committee periodically reviews publicly available data and relevant compensation packages to determine comparable compensation levels for companies of Appili's size in the biopharmaceutical industry. Most components of compensation were reviewed, including base salary, annual incentive compensation and equity incentive compensation.

No compensation consultant or advisor has, at any time since the Corporation's most recently completed financial year, been retained to assist the Board or the NCGC Committee in determining compensation for any of Appili's directors or executive officers.

The members of the NCGC Committee are currently Theresa Matkovits (Chair), Rochelle Stenzler, and Juergen Froehlich. All members of the NCGC Committee are independent. The skills and experience that enable the NCGC Committee to make decisions on the suitability on the Corporation's compensation policies and practices include the following:

- (a) Theresa Matkovits – Dr. Matkovits is currently the Chief Development Officer of Matinas Biopharma Holdings, Inc., an emerging clinical-stage biopharmaceutical company and shares responsibility for ensuring compensation levels are competitive and in line with the company's business strategy.
- (b) Rochelle Stenzler – Ms. Stenzler is the current board chair of GoodCap Pharmaceuticals, a drug development company focused on developing mental health treatments. She has extensive corporate governance experience with multiple companies including roles on nominating, compensation, and human resources committees.
- (c) Juergen Froehlich – Dr. Froehlich has senior executive experience with multiple companies which included responsibility for evaluating compensation arrangements and overall corporate governance.

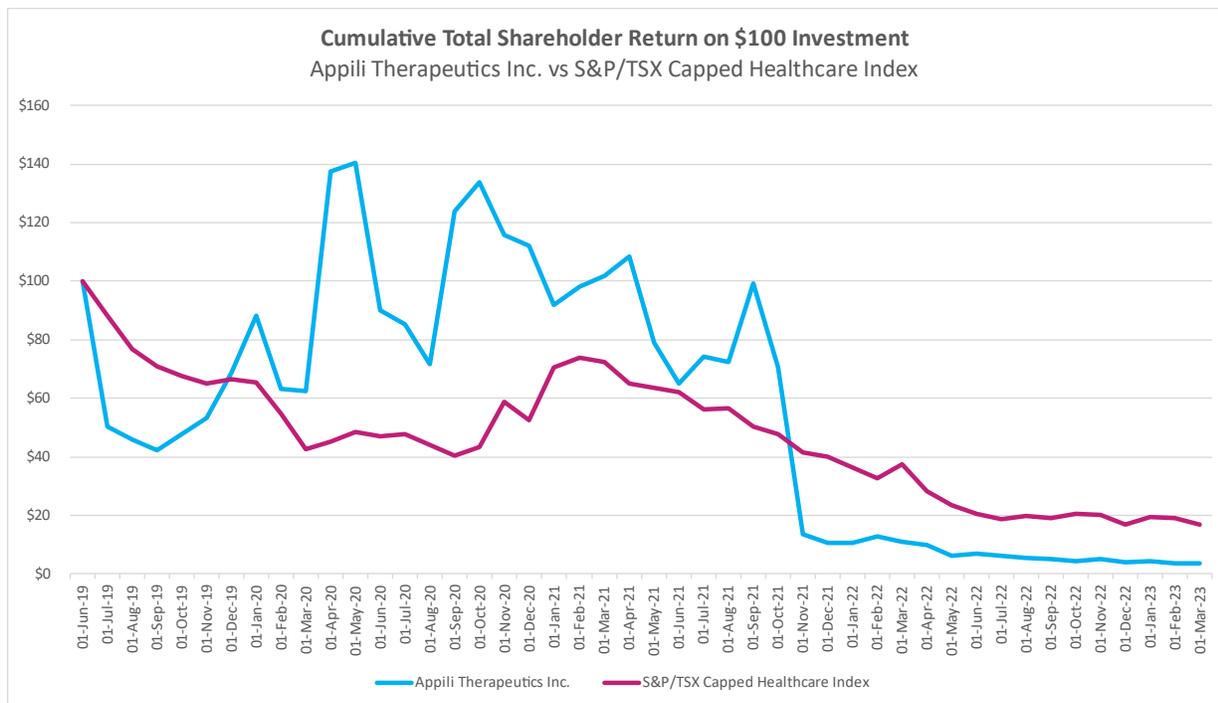
Hedging by Named Executive Officers or Directors

The Corporation has no policy with respect to NEOs or directors purchasing financial instruments, including, for certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are

designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Performance Graph

The following graph compares the total cumulative shareholder return for \$100 invested in the Common Shares since the Corporation was listed and initiated trading on the TSXV with the cumulative total return of the Toronto Stock Exchange's S&P/TSX Capped Health Care Index (including the reinvestment of dividends). The Corporation became a reporting issuer as of June 17, 2019 and its Common Shares commenced trading on the TSXV on June 24, 2019. The Corporation commenced trading on the TSX on September 16, 2020.



Executive officers' compensation is not based primarily on the performance of the Common Shares and, as such, the NEO's compensation is not directly correlated to the performance of the Common Shares. Although one of the main focuses of the Corporation is to create shareholder value, the share price for the Common Shares, as well as other TSX and TSXV biotechnology companies, is very volatile and does not always reflect the performance of the Corporation. As it is Appili's goal to attract and retain experienced executives who are focussed on the long-term success of the Corporation and creating shareholder value, the compensation of the NEOs is based on the overall performance by the Corporation and individual contributions rather than tied specifically to the short-term performance of the Common Shares in the market.

Summary Compensation Table

The following table sets forth information concerning the total compensation for the three (3) most recently completed financial years of the Corporation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to the Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$) ⁽³⁾	Total Compensation (\$)
					Annual Incentive Plans (\$) ⁽²⁾	Long-Term Incentive Plans (\$)			
Don Cilla President and CEO ⁽⁴⁾	2023	433,315	-	40,000	134,956	-	-	-	608,271
	2022	477,466	-	269,633	-	-	-	-	772,669
	2021	169,973	-	218,754	-	-	-	-	388,727
Armand Balboni ⁽⁵⁾ Former CEO	2023	228,235	-	-	-	-	-	513,055	741,290
	2022	489,105	-	611,083	-	-	-	-	1,100,189
	2021	364,992	-	196,830	-	-	-	-	561,752
Kenneth Howling ⁽⁶⁾ Acting CFO	2023	381,053	-	-	-	-	-	141,571	522,624
	2022	129,952	-	63,000	-	-	-	-	178,075
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Yoav Golan ⁽⁷⁾ Former CMO	2023	440,964	-	-	-	-	-	-	440,964
	2022	480,564	-	251,633	-	-	-	-	706,628
	2021	324,355	-	196,830	-	-	-	-	521,185

Notes:

- (1) The fair value of the Options is obtained by multiplying the number of Options granted by their value established according to the Black Scholes model. This value is the same as the fair book value established in accordance with International Financial Reporting Standards and accounting for the following assumptions:

\$0.13 exercise price grant

Risk free rate:	3.15%
Dividend yield:	0%
Volatility:	110%
Expected lifetime:	10 years
Fair value per Option:	\$0.04

- (2) Represents the cash bonus earned during the year.
- (3) None of the NEOs are entitled to perquisites or other personal benefits which, in aggregate, are worth \$50,000 or more, or are worth 10% or more of an NEO's total salary.
- (4) Dr. Cilla was paid in USD which has been converted into CAD for the purposes of this table using the average exchange rate of 1.32 in 2023, 1.27 in 2022, and 1.27 in 2021. Dr. Cilla was appointed President and CEO on November 13, 2022. Immediately prior, Dr. Cilla was the CDO of the Corporation.
- (5) Dr. Balboni was paid in USD which has been converted into CAD for the purposes of this table using the average exchange rate of 1.32 in 2023, 1.27 in 2022, and 1.31 in 2021. Dr. Balboni ceased to be CEO of the Corporation on November 13, 2022 and was awarded \$513,055 (US\$386,933) in severance benefits.
- (6) Kenneth Howling's compensation includes fees paid for services rendered beyond of the scope of his consulting agreement.
- (7) Dr. Golan was paid in USD which has been converted into CAD for the purposes of this table using the average exchange rate of 1.32 in 2023, 1.27 in 2022, and 1.32 in 2021. Dr. Golan ceased being CMO of the Corporation on March 10, 2023.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all outstanding Option-based and share-based awards held by each Named Executive Officer as at March 31, 2023.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)	Market or Payout Value of Vested Share-Based Awards not paid out or Distributed (\$)
Don Cilla ⁽²⁾ President and CEO	350,000 1,000,000	0.13 0.04	08-Dec-31 13-Nov-32	-	-	-	-
Armand Balboni Former CEO ⁽³⁾	350,000	0.13	08-Dec-31	-	-	-	-
Kenneth Howling Acting CFO	150,000	0.13	08-Dec-31	-	-	-	-
Yoav Golan ⁽⁴⁾ Former CMO	Nil	-	-	-	-	-	-

Notes:

- (1) On December 16, 2022: (a) 400,000 Options held by Dr. Cilla were cancelled; (b) 1,769,480 Options held by Dr. Balboni were cancelled; (c) 200,000 Options held by Mr. Howling were cancelled; and (c) 400,000 Options held by Dr. Golan were cancelled.
- (2) Dr. Cilla was appointed President and CEO on November 13, 2022. Immediately prior, Dr. Cilla was the CDO of the Corporation.
- (3) Dr. Balboni ceased to be CEO of the Corporation on November 13, 2022.
- (4) Dr. Golan ceased being CMO of the Corporation on March 10, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the financial year ended March 31, 2023.

Name	Option-Based Awards – Value Vested During the Year (#)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Don Cilla President and CEO ⁽¹⁾	201,460	-	-
Armand Balboni Former CEO ⁽²⁾	320,884	-	-
Kenneth Howling Acting CFO	31,709	-	-

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Yoav Golan Former CMO ⁽³⁾	115,344	-	-

Notes:

- (1) Dr. Cilla was appointed President and CEO on November 13, 2022. Immediately prior, Dr. Cilla was the CDO of the Corporation.
(2) Dr. Balboni ceased to be CEO of the Corporation on November 13, 2022.
(3) Dr. Golan ceased being CMO of the Corporation on March 10, 2023.

Pension Plan Benefits

As of March 31, 2023, there did not exist a pension plan for the Named Executive Officers that provided for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

Other than as described herein, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities.

Don Cilla

Dr. Don Cilla has a written employment agreement effective November 13, 2022 pursuant to which he is currently entitled to receive an annual salary of US\$340,000 as compensation for his services as CEO and President of the Corporation. Dr. Cilla is also eligible to participate in any short-term incentive compensation plan. The agreement continues for an indefinite period until terminated by the case of resignation, retirement or termination of employment with or without cause. If the termination was without cause or within six months of a change of control, Dr. Cilla would be entitled to 6 months' severance plus an additional month of severance for each completed year of service. Dr. Cilla's employment agreement also provides for, among other things, non-compete and non-solicitation covenants in favour of the Corporation during the term of his employment and with respect to non-solicitation for a period of six (6) months thereafter. If Dr. Cilla had been terminated without cause or due to a change of control as of March 31, 2023, the total amount owing to Dr. Cilla would have been US\$170,000 and US\$179,555 respectively.

Armand Balboni

Dr. Armand Balboni had a written employment agreement effective December 2, 2019 pursuant to which he is was entitled to receive an annual salary of US\$276,000 as compensation for his services as CEO of the Corporation. Dr. Balboni ceased his role as CEO of the Corporation on November 13, 2022 and received US\$386,933 in severance benefits.

Yoav Golan

Dr. Yoav Golan had a written employment agreement effective January 1, 2021 pursuant to which he was entitled to receive an annual salary of US\$340,200 as compensation for his services as CMO of the Corporation. Dr. Golan ceased being an officer of the Corporation on March 10, 2023. No termination payments were owed.

MANAGEMENT CONTRACTS

Management functions of the Corporation are not to any substantial degree performed other than by the directors or executive officers of Appili.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation carries directors' and officers' liability insurance for its directors and officers. Currently, this insurance covers the liabilities of the Corporation's directors and officers up to a maximum claim of \$15,000,000 for each loss. The Corporation believes this level of coverage is appropriate for a biopharmaceutical company at Appili's stage of development.

SUMMARY OF STOCK OPTION PLAN

The Stock Option Plan was adopted to assist the Corporation in attracting, retaining and motivating persons of training, experience and leadership as key service providers to the Corporation and its subsidiaries, including their directors, officers and employees, and to advance the interests of the Corporation. Options may be granted to a director, officer, employee or service provider of the Corporation or any related entity (being a person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation).

The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Stock Option Plan and under all other share based compensation arrangements (including the Incentive Plan) will not exceed 10% of the issued and outstanding Common Shares at the time of grant. If any Option granted under the Stock Option Plan is: (a) exercised; or (b) cancelled, expires or terminates for any reason without having been exercised in full, the issued and unpurchased Common Shares, respectively, subject thereto shall again be available for the purposes of the Stock Option Plan.

Under the Amended Stock Option Plan the maximum number of Options which may be (a) issued to Insiders (as defined in the Amended Stock Option Plan) within any one (1) year period; and (b) issuable to Insiders at any time, under the Amended Stock Option Plan, or when combined with all other share based compensation arrangements, cannot exceed ten percent (10%) of the issued and outstanding Common Shares at the time of grant. Other than as set out above, the Amended Stock Option Plan does not provide for a maximum number of Common Shares which may be issued to an individual.

Subject to the terms and conditions of the Stock Option Plan, the number of Common Shares subject to each Option, the option price of each Option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the NCGC Committee and recommended to the Board.

The exercise price for any Option issued under the Stock Option Plan may not be less than the Market Price of the Common Shares on the date of which the grant of the Option is approved by the Board. For these purposes, "Market Price" at any date in respect of the Common Shares means the closing sale price of the Common Shares on the TSX on the trading date immediately preceding such date; provided that: (a) in the event that such Common Shares did not trade on such trading day, the Market Price shall be the average of the bid and ask prices in respect of such Common Shares at the close of trading on such trading day; (b) if no quotation is made for the applicable day, the Market Price on such day shall be determined in the manner set forth in the preceding clause for the next preceding trading day; and (c) notwithstanding the foregoing, if there is no reported closing price or high bid/low asked price that satisfies the preceding clauses, the Market Price on any day shall be determined by such methods and procedures as shall be established from time to time by the NCGC Committee or the Board, as applicable, and in accordance with the policies of the exchange on which the Common Shares are then principally trading.

Options issued under the Stock Option Plan may be exercised during a period determined under the Stock Option Plan, which may not exceed ten years. Unless otherwise determined by the Board, Options will vest

as follows: 33.33% on the first anniversary of the grant, 33.33% on the second anniversary of the grant and 33.34% on the third anniversary of the grant. Any or all Common Shares that have vested may be purchased during the term of the Option.

An Option is personal to the optionholder and non-assignable (whether by operation of law or otherwise); provided, however, that Options may be transferred or assigned to certain permitted assignees which include a spouse, a trustee acting on behalf of the optionholder or spouse, a holding entity or an RRSP, RRIF or TFSA of the optionholder or spouse. If the optionholder resigns, is terminated for cause or fails to be re-elected as a director, the Options terminate immediately. If the optionholder dies or ceases to be eligible under the Stock Option Plan for any other reason, Options that are entitled to be exercised may generally be exercised (subject to certain extensions at the discretion of the Board or a committee thereof) until the earlier of (i) one year or three months, respectively, of the applicable date, or (ii) the expiry date of the Option.

The Stock Option Plan also provides for the cashless exercise of Options which allows for the optionholder to receive, without cash payment (other than taxes), a number of Common Shares based on the following formula:

$$x = \frac{[a(b - c)]}{b}$$

where

- x = the number of whole Common Shares to be issued
- a = the number of Common Shares under Option
- b = the Market Price of the Common Shares on the date of the cashless exercise
- c = the exercise price of the Option

In the event that the expiry of an Option occurs during a blackout period imposed by management or the Board in accordance with the Policies (as defined herein), the expiry date of such Option shall be deemed to be amended to that date which is ten business days following the end of such blackout period.

In the event of a Change of Control (as defined in the Stock Option Plan) with respect to the Corporation or a Corporate Group entity (which, under the Stock Option Plan, means the Corporation and any subsidiary or related or affiliated business entities of the Corporation and includes any successor corporations or entities thereto), notwithstanding anything in the Stock Option Plan to the contrary, if the employment of an optionee is terminated by the Corporation or a Corporate Group entity without cause or if the optionee resigns in circumstances constituting constructive dismissal by the Corporation or the Corporate Group entity, respectively, in each case, within six months (or such other period as determined by the Board in its sole discretion) following a Change of Control with respect to the Corporation or the Corporate Group entity, respectively (such date being the “**Termination Date**”), all or any of the optionee’s Options will vest immediately prior to the Termination Date (or such later period as determined by the Board in its sole discretion), subject to any performance conditions which shall be dealt with at the discretion of the Board. All vested Options may be exercised until 90 days (or such other period as may be determined by the Board in its sole discretion) following the Termination Date (but until the normal expiry date of the Option rights of such optionee, if earlier). Upon the expiration of such period, all unexercised Option rights of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such optionee under the Stock Option Plan.

In the event that the Corporation or the Shareholders receive and accept an offer to acquire all of the Common Shares or substantially all of the assets of the Corporation (a “**Sale Transaction**”), the Corporation may, in its sole discretion, deal with the Options issued under the Stock Option Plan in the manner it deems fair and reasonable in light of the circumstances of the Sale Transaction provided all optionholders to whom Options have been granted under the Stock Option Plan and remain outstanding are treated similarly. In this regard, in the event of a proposed Sale Transaction, the Corporation may, in its sole discretion, by written notice (the “**Notice**”) to any optionholder, accelerate the vesting of some or all

the Options such that such Options become immediately fully vested. In such circumstances, the Corporation may by written notice compel such optionholder to exercise his or her Options within 30 days of the date of such written notice to exercise, failing which the optionholders right to purchase Common Shares underlying such Options lapses. In addition, and without limiting the generality of the foregoing, in connection with a Sale Transaction, the Corporation may (a) deem any or all Options (vested or unvested) to have been exercised and the Common Shares to have been tendered to the Sale Transaction; (b) apply a portion of the optionholder's proceeds from the closing of the Sale Transaction to the exercise price payable by such optionholder for the exercise of his or her Options; (c) exchange Options, or any portion of them, for options to purchase shares in the capital of the acquiror or any corporation which results from an amalgamation, merger or similar transaction involving the Corporation made in connection with the Sale Transaction; or (d) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances. If the proposed Sale Transaction is not completed within 180 days after the date of the Notice, any affected optionholder, within a period of 10 days following the 180-day period, may elect to cancel an exercise pursuant to the Notice. In respect of any optionholder who makes this election, the Corporation will return to such optionholder all rights under such optionholder's Options as if no exercise had been effected, subject to the appropriate adjustment of accounts to the position that would have existed had there been no exercise of Options.

In the event that any formal bid (as defined in the *Securities Act* (Ontario)) for the Common Shares made (an "Offer"), all Common Shares subject to outstanding Options not then exercisable shall thereupon become immediately exercisable. Further, optionholders shall be entitled to include in the written notice of election to exercise all or any part of the Option that such optionholder is electing to exercise the Option with the intention of tendering the Common Shares acquired upon such exercise into the Offer. If such election is made, in the event that the Offer is not completed and the relevant Common Shares are not taken up and paid for by the offeror under such Offer (or a competing Offer), such optionholder shall, upon return of certificates representing such Common Shares, be deemed not to have exercised the Option with respect to such Common Shares and the Corporation shall return to such optionholder the subscription proceeds therefor and/or take such other actions to enable the parties to re-establish as closely as possible their situations and respective economic positions as they existed prior to the making of the Offer and had no Options become exercisable as a result thereof, while making allowance for taxation, regulatory and other irreversible events and consequences which may have intervened since the making of the Offer.

The Stock Option Plan contains certain customary adjustment provisions, including in connection with a subdivision, redivision, consolidation, reclassification, reorganization or other change of, or involving, the Common Shares.

Subject to applicable regulatory requirements, including the rules of the exchange on which the Common Shares are then principally trading, and except as provided below, the Board may, in its sole and absolute discretion and without Shareholder approval, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Options granted pursuant to the Stock Option Plan.

Without limiting the generality of the foregoing, the Board may make the following amendments to the Stock Option Plan without obtaining Shareholder approval: (a) amendments to the terms and conditions of the Stock Option Plan necessary to ensure that the Stock Option Plan complies with the applicable regulatory requirements, including the rules of the exchange on which the Common Shares are then principally trading; (b) amendments to the provisions of the Stock Option Plan respecting administration of the Stock Option Plan and eligibility for participation under the Stock Option Plan; (c) amendments to the provisions of the Stock Option Plan respecting the terms and conditions on which Options may be granted pursuant to the Stock Option Plan, including the provisions relating to the term of the Option and the vesting schedule; and (d) amendments to the Stock Option Plan that are of a "housekeeping" nature.

However, the Board may not, without the approval of the Shareholders, make amendments with respect to the following: (a) an increase to the Stock Option Plan maximum or the number of securities issuable under the Stock Option Plan; (b) a reduction in the option price of an Option benefitting an insider; (c) an extension to the term of Options (other than as a result of a blackout period extension) benefitting an insider; (d) any amendment which would permit Options granted under the Stock Option Plan to be transferable or

assignable other than to a permitted assignee and for normal estate settlement purposes; (e) changes to the insider participation limits; and (f) amendments to the Stock Option Plan amendment provisions.

SUMMARY OF INCENTIVE PLAN

Stock appreciation rights (“**SARs**”), deferred stock unit (“**DSUs**”), restricted stock unit awards (“**RSUs**”) and other share-based awards (each an “**Award**”) are issued pursuant to the Incentive Plan. Options are issued pursuant to the Stock Option Plan. The below description of the Incentive Plan is a summary only.

Purpose of the Incentive Plan

The purpose of the Incentive Plan is to advance the interests of the Corporation and its affiliates by attracting, retaining and motivating highly competent persons as directors, officers, employees and consultants of the Corporation and its affiliates (collectively, “**Eligible Persons**”) through security-based compensation, to acquire an increased proprietary interest in the Corporation.

Administration of the Incentive Plan

The Incentive Plan is administered by the Board which has the power, subject to the specific provisions of the Incentive Plan, to, among other things: (a) establish policies, rules and regulations for carrying out the purposes, provisions and administration of the Incentive Plan; (b) interpret, construe and determine all questions arising out of the Incentive Plan and any Award; (c) determine those persons considered Eligible Persons (being directors, officers, employees, management company employees or consultants of the Corporation or its affiliates); (d) grant and determine the number of Awards; (e) determine the exercise criteria, Option Price (as defined in the Incentive Plan) of a SAR (provided it not be less than the last closing price of the Common Shares on the TSX on the last trading date immediately preceding the relevant date (“**Market Price**”)), time when Awards will be exercisable or redeemable and whether the Common Shares that are subject to an Award will be subject to any restrictions upon the exercise or redemption thereof; (f) prescribe the form of the instruments or award agreements relating to the Awards; (g) correct any defect or omission, or reconcile any inconsistency in the Incentive Plan and any award agreement; (h) authorize withholding arrangements; and (i) take all other actions necessary or advisable for administering the Incentive Plan. The Board may, from time to time, delegate the administration of all or any part of the Incentive Plan to a committee of the Board and shall determine the scope of and may revoke or amend such delegation.

Eligible Persons

The Incentive Plan authorizes the Board (or a committee of the Board if so authorized by the Board) to grant Awards to Eligible Persons. Eligible Persons who have received Awards are referred to herein as “**Participants**”. An Award is personal to the Participant and is non-assignable and non-transferable, except with the prior written consent of the Corporation and any required consent of the exchange on which the Common Shares are then listed and any other applicable regulatory authority.

Description of Awards

Pursuant to the Incentive Plan, the Corporation is authorized to issue Awards to Eligible Persons, which may be settled in Common Shares issued from treasury, or in cash. The Incentive Plan also gives the Board discretion to make other equity incentive awards, subject to the approval of the TSX.

(a) SARs

A SAR is a right to receive a cash payment equal to the difference between the Option Price and the Market Price of a Common Share on the date of exercise (the “**SAR Amount**”). SARs shall be granted on such terms as shall be determined by the Board and set out in the Award agreement. SARs may be settled in

cash or (at the election of the Corporation) Common Shares with an aggregate Market Price equal to the SAR Amount.

(b) RSUs

An RSU is a right to receive a Common Share issued from treasury or, if the award agreement so provides, the Participant may elect to have some or all of such person's RSUs settled by a cash payment equal to the Market Price of a Common Share redeemable after the passage of time, the achievement of performance targets or both. Where a Participant is an employee, the Participant can only elect to receive cash if the settlement is to occur prior to the third anniversary date of the grant of the RSU, thereafter settlement can only be by way of Common Shares. RSUs shall be granted on terms determined by the Board based on its assessment, for each Participant, of the current and potential contribution of such person to the success of the Corporation. The Board shall determine the effective date of the grant and the number of RSUs granted. The Board shall also determine the applicable term, the vesting terms and the exercise criteria of each RSU.

(c) DSUs

A DSU is a right, generally redeemable only after the Participant has ceased to hold all positions with the Corporation or has otherwise ceased to be an Eligible Person, to a cash payment equal to the Market Price of a Common Share on the date the Participant ceases to be an Eligible Person or, if applicable, to one fully paid and non-assessable Common Share issued from treasury. Except in exceptional circumstances, Participants have no right or ability to exercise, receive or otherwise demand payment of the value of DSUs granted to them prior to ceasing to hold all positions with the Corporation or to otherwise cease to be an Eligible Person.

(d) All Awards and Other Awards

Awards may be granted alone, in addition to, or in tandem with any other Award or any award granted under another plan of the Corporation or an affiliate. Awards granted in addition to or in tandem with other Awards may be granted either at the same time or at different times. The date of grant, the number of Common Shares, the vesting period and any other terms and conditions of Awards granted pursuant to the Incentive Plan are to be determined by the Board, subject to the express provisions of the Incentive Plan.

The Board may also grant other share-based awards to Eligible Persons pursuant to the Incentive Plan. All such awards shall be granted on terms determined by the Board and shall be subject to the approval of the TSX, if required.

Restrictions on Awards

The Incentive Plan contains the following restrictions on the allotment of Common Shares and the Corporation's obligation to issue Common Shares pursuant to the Incentive Plan:

- (a) the maximum aggregate number of Common Shares available for issuance under the Incentive Plan shall not exceed 5% of the issued and outstanding Common Shares;
- (b) the aggregate number of Common Shares issuable under the Incentive Plan, together with all other security based compensation arrangements of the Corporation (including the Stock Option Plan), cannot exceed 10% of the issued and outstanding Common Shares; and
- (c) the aggregate number of Common Shares: (i) issued to Insiders (as defined in the Incentive Plan) within any one year period, together with any other security-based compensation arrangement, cannot exceed 10% of the issued and outstanding Common Shares; and (ii) issuable at any time together with any other security-based compensation arrangement, cannot exceed 10% of the issued and outstanding Common Shares.

Notwithstanding the foregoing, the Corporation will not be deemed to be acting in contravention of the limits set out immediately above as a result of any decrease in the number of issued and outstanding Common Shares following the grant of an Award as a result of any issuer bid or redemption carried out in accordance with applicable law.

Termination

Subject to the provisions of the Incentive Plan, any express resolution passed by the Board and the terms of any award agreement, all Awards, and all rights to acquire Common Shares pursuant thereto, granted to a Participant shall expire and terminate immediately upon such person's termination date. If, however, before the expiry of an Award, a Participant ceases to be an Eligible Person for any reason, other than termination by the Corporation for cause, such Award may be exercised or redeemed, as applicable: (a) subject to any determination by the Board, by the holder thereof at any time within three (3) months following their termination date; or (b) if the person is deceased, at any time within twelve months following his or her death, subject to the provisions of the Incentive Plan, the terms set out in the applicable award agreement and any determination made by the Board to accelerate the vesting of or to extend the expiry of an Award. In any event, the exercise or redemption of an Award must occur prior to any applicable expiry date and in any event, not more than 12 months from the date of termination. In addition, an Award is only exercisable or redeemable to the extent that the Participant was otherwise entitled to exercise or redeem the Award unless otherwise determined by the Board. If a Participant is terminated for cause, all unexercised or unredeemed Awards (vested or unvested) shall be terminated immediately.

Adjustments

If a formal bid for the Common Shares is made (an "**Offer**"), all Common Shares subject to outstanding Awards not then exercisable or redeemable shall become exercisable or redeemable and a Participant shall be entitled to exercise or redeem all or any part of the Award and tender the Common Shares acquired into the Offer. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, acquisition, divestiture, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to Shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Board will, subject to TSX approval, make such proportionate adjustments, if any, to outstanding Awards as the Board in its discretion may deem appropriate to reflect such change.

Change of Control

As set out in the Incentive Plan, in the event of a change of control ("**CoC**") of the Corporation or of an affiliate of which a Participant is an employee, with respect to all RSU grants, SARs and DSUs that are outstanding for such Participant on the date of the CoC (the "**CoC Date**"), (i) all vesting criteria or exercise criteria, if any, applicable to such RSUs, SARs and DSUs shall be deemed to have been satisfied as of the CoC Date; and (ii) except as may be otherwise provided under the terms of any other employee benefit plan approved by the Board, each Participant who has received any such RSU grants or SARs shall be entitled to receive, in full settlement of such RSU grants or SARs, a cash payment equal (A) in the case of a RSU, the Special Value (as defined herein); and (B) in the case of a SAR, the difference between the Special Value and the Option Price in respect of such SAR, in each case, payable on the date which is ten business days following the CoC Date. In the event of a CoC, the right of a Participant to receive a payment in respect of a DSU will not be triggered prior to such Participant's termination date. As used herein, the term "**Special Value**" means (i) if any Common Shares are sold as part of the transaction constituting the CoC, the weighted average of the prices paid for such shares by the acquirer, provided that if any portion of the consideration is paid in property other than cash, then the Board shall determine the fair market value of such property for purposes of determining the Special Value; and (ii) if no Common Shares are sold, the Market Price of a Common Share on the day immediately preceding the date of the CoC.

Acceleration of Awards

Notwithstanding any other provision of the Incentive Plan, the Board may at any time give notice to Participants advising that their respective Awards (other than a DSU) are all immediately exercisable or

redeemable and may be exercised or redeemed only within 30 days of such notice or such other period as determined by the Board and will otherwise terminate at the expiration of such period.

Amendment Procedure

The Incentive Plan contains a formal amendment procedure. The Board may amend certain terms of the Incentive Plan or Awards without requiring the approval of the Shareholders. The following non-exhaustive list of amendments do not require Shareholder approval: (a) altering, extending or accelerating Award vesting terms and conditions; (b) determining adjustments pursuant to the provisions of the Incentive Plan; (c) amending the definitions contained in the Incentive Plan; (d) amending or modifying the mechanics of exercising or redeeming Awards; (e) amending provisions relating to the administration of the Incentive Plan; (f) making “housekeeping” amendments, such as those necessary to cure errors or ambiguities contained in the Incentive Plan; (g) effecting amendments necessary to comply with the provisions of applicable laws; and (h) suspending or terminating the Incentive Plan.

The Incentive Plan specifically provides that certain amendments require Shareholder approval, including: (a) increasing the number of Common Shares issuable under the Incentive Plan, except in the event of an adjustment contemplated in the Incentive Plan; (b) reducing the Option Price (as defined in the Incentive Plan) of any Award held by an Insider; (c) amending the Incentive Plan if such amendment could result in the aggregate number of Common Shares issued to Insiders within any one year period or issuable to Insiders at any time under the Incentive Plan, together with any other security-based compensation arrangement, exceeding 10% of the outstanding Common Shares; (d) making any amendment which would permit Awards granted under the Incentive Plan to be transferrable or assignment other than for normal estate settlement purposes (and other than is contemplated in the Incentive Plan); (e) extending the term of an Award benefitting an Insider; and (f) amending the formal amendment procedures of the Incentive Plan.

Other Terms

Except as provided or with the consent of the Corporation and any applicable regulatory authority, all Awards under the Incentive Plan will be non-assignable.

Where an Award would expire during a black-out period or within ten business days following the end of a black-out period, the term of such Award shall be automatically extended to the date which is ten business days following the end of such black-out period, except where not permitted by the TSX.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity securities that have been issued and are available for issuance under the Stock Option Plan as of March 31, 2023:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))
Plan category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	3,168,750 (2.61%) ⁽¹⁾	\$0.10	8,351,531 (6.89%) ⁽¹⁾

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	3,168,750 (. %2.61) ⁽¹⁾	\$0.10	8,351,531 (6.89%) ⁽¹⁾

Note:

(1) Calculated based on 121,266,120 Common Shares issued and outstanding as at March 31, 2023.

Please see “*Summary of Stock Option Plan*” for a description of the material features of the Stock Option Plan.

Annual Burn Rate Under Stock Option Plan and Incentive Plan

To date, no Awards have been granted under the Incentive Plan. The following table sets forth the annual burn rate, calculated in accordance with the TSX Company Manual, in respect of the Stock Option Plan for each of the three most recently completed years:

Description ⁽¹⁾	March 31, 2023	March 31, 2022	March 31, 2021
Stock Option Plan	0.88%	8.49%	2.45%

Note:

(1) The annual burn rate is calculated as follows and expressed as a percentage: (a) number of options granted under the specified plan during the applicable fiscal year; divided by (b) the weighted average number of securities outstanding for the applicable fiscal year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is no indebtedness outstanding of any executive officers, directors, employees or former executive officers, directors or employees of the Corporation or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, entered into in connection with a purchase of securities or otherwise.

In addition, no individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation and no associate of any such person:

- (a) is or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation; or
- (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation,

whether in relation to a securities purchase program or other program.

STATEMENT OF CORPORATE GOVERNANCE

General

Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose certain information relating to its corporate governance practices. This information is set forth below.

Mandate of the Board

The Board has adopted a written mandate (the “**Board Mandate**”) that acknowledges its responsibility for the stewardship of the business and affairs of the Corporation. A copy of the Board Mandate is attached to this Information Circular as Schedule A.

Composition of the Board

The Board is currently composed of six directors, four of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with Appili. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Among others, an individual who has been an employee or executive officer of the Corporation within the last three years is considered to have a material relationship with the Corporation.

Of the directors, Theresa Matkovits, Brian Bloom, Juergen Froehlich and Rochelle Stenzler are considered independent. Armand Balboni (Chair) is not an independent by virtue of being the CEO of the Corporation within the last three years. Don Cilla is not independent by virtue of his role as CEO.

The Board has approved a position description for the Chair. The Chair’s duties and responsibilities are to:

- (a) preside at meetings of the Board, if so appointed by the Board, and the shareholders of the Corporation;
- (b) provide leadership to the Board and assist the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Corporation;
- (c) establish procedures to ensure that the Board can conduct its work effectively and efficiently;
- (d) ensure the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements;
- (e) ensure the Board is alert to its obligations and responsibilities and fully discharges its duties;
- (f) schedule meetings of the full Board and work with the chairs of Board committees (“**Committee Chairs**”) to coordinate the schedule of meetings for such Board committees;
- (g) communicate periodically with Committee Chairs, with the assistance of the lead independent director of the Corporation (the “**Lead Independent Director**”), if one is so appointed, regarding the activities of their respective Committees;
- (h) organize and present agendas for (i) regular or special Board meetings; and (ii) annual and special shareholders’ meetings; in collaboration with the Lead Independent Director and/or the CEO, as the case may be;

- (i) identify guidelines for the conduct of the directors and encourage each director to make a significant contribution;
- (j) act as liaison between the Board and management to ensure that the relationships between the Board and management are conducted in a professional and constructive manner;
- (k) work with the NCGC Committee in constituting the Board in accordance with the mandate of the NCGC Committee and ensuring a proper Board and committee structure, including the assignment of committee members and chairs;
- (l) other than with respect to any potential conflict of interest, act as a consultant to the NCGC Committee with respect to senior executive compensation matters;
- (m) file or arrange for the filing of insider reports with securities regulators with respect to transactions in securities of the Corporation; and
- (n) carry out other duties as requested by the Board as a whole, depending on need and circumstance.

Given that Armand Balboni is not considered independent of the Corporation, the Board has provided for the role of a Lead Independent Director. The Lead Independent Director Role is currently held by Theresa Matkovits. The Lead Independent Director is responsible for assisting the Chair in leading the Board to carry out its mandate. The Lead Independent Director shall assist the Chair in fulfilling his or her duties, facilitate the functioning of the Board independently of the Corporation's management and maintain and enhance the quality of the Corporation's corporate governance practices. The Lead Independent Director's duties and responsibilities are to:

- (a) assist the Chair in fulfilling his or her responsibilities;
- (b) provide independent leadership to the Board, including to assist the Board in understanding its obligations as a Board and, in particular, the requirement for the Board to operate independently of management;
- (c) in the absence of the Chair, where the Chair has excused himself or herself due to any potential conflict or when the Board determines the Lead Independent Director should do so, chair meetings of the Board;
- (d) maintain a liaison between the Chair, chairs of committees of the Board ("Committee Chairs") and the independent directors, particularly on sensitive issues and be available to independent directors who have concerns that cannot be addressed through the executive Chair;
- (e) chair in camera portions of Board meetings, held in the absence of management and non-independent directors, and meetings of the independent directors;
- (f) at meetings chaired by the Lead Independent Director, perform all appropriate duties requested by the directors and ensure follow-up action requested and approved is pursued as necessary;
- (g) cooperate with the Chair and management in setting the frequency of Board meetings, and, when he or she deems it necessary, convene meetings of the independent directors, or the full Board with the concurrence of at least one other director;
- (h) provide input to the Chair and the chief executive officer of the Corporation, as applicable, regarding the preparation of Board meeting agendas, and, in the absence of the Chair, prepare agendas of Board meetings and meetings of the independent directors;

- (i) collaborate with the Chair in communicating periodically with Committee Chairs regarding the activities of their respective committees; and
- (j) perform other functions as may be reasonably requested by the Board or the executive Chair.

The Board believes that management is effectively supervised by the four independent directors, as the independent directors are actively and regularly involved in reviewing the operations of the Corporation and have regular and full access to management not represented on the Board.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Rather, a portion of each meeting is set aside for meetings of the independent directors, if requested. During the course of a Board meeting, if a matter is more effectively dealt with without the presence of members of management, the independent directors will request that members of management leave the meeting, and the independent directors then meet in camera. The independent directors communicate with each other on an informal basis throughout the year.

Position Descriptions

The Board has not adopted written position descriptions for the Committee Chairs, on the basis that role of the Chair of each committee, is well understood by all of the directors. The Board also has not adopted a written position description for the President and CEO, Don Cilla, on the basis that his role and responsibilities are set out in his employment agreement and are well understood by Dr. Cilla and the other directors.

Directorships

None of the directors currently serve on the boards of directors of other reporting issuers (or the equivalent).

Director Attendance

The attendance record of each director for all Board and Board committee meetings held between April 1, 2022 to the date hereof is as follows:

Name of Director	Board Meetings (Attended/Held)	Audit Committee Meetings (Attended/Held)	Nominating, Governance and Compensation Committee (Attended/Held)
Armand Balboni	15/15	-	-
Don Cilla ⁽¹⁾	8/8	-	-
Brian Bloom	15/15	-	-
Theresa Matkovits	15/15	5/5	6/6
Juergen Froehlich	15/15	2/2	6/6
Rochelle Stenzler	15/15	5/5	3/3
Ian Mortimer ⁽²⁾	7/7	3/3	3/3

Notes:

(1) Don Cilla was appointed to the Board on November 13, 2022.

(2) Ian Mortimer ceased to be a director of the Corporation on November 13, 2022.

Orientation and Continuing Education

Appili provides new directors with copies of relevant financial, technical and other information regarding its programs. Board members are also encouraged to communicate with management and the auditor and, to keep themselves current with industry trends and developments. Board members have full access to the Corporation's records.

Board committee meetings are sometimes combined with presentations by the Corporation's management and employees to give the directors of the Corporation additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members. The NCGC Committee is responsible for approving director education programs and overseeing the training and orientation of directors. However, each current member of the Board is an experienced director who is aware of his or her responsibility to maintain the skill and knowledge necessary to meet his or her obligations as a director.

Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to directors, officers and employees. All directors, officers and employees are provided with a copy of the Code and are required to sign an acknowledgement that they have read and agree to comply with the terms of the Code. The Board satisfies itself regarding compliance with the Code through its review of the activities of the Corporation, discussions by the Audit Committee with the external auditor of the Corporation without management present, and enquiries within management.

Conflicts, if any, will be subject to the procedures and remedies available under the *Canada Business Corporations Act* (the "**CBCA**"). The CBCA generally provides that in the event that a director has an interest in a material contract or proposed contract or transaction, the director shall disclose his or her interest in such contract or transaction and shall refrain from voting on any matter in respect of such contract or transaction unless otherwise provided by the CBCA.

The Corporation has adopted a Disclosure Policy and a Trading Policy (collectively, the "**Policies**"). The directors of the Corporation encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to employees, directors and officers to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical conduct.

Copies of the Code and the Policies are available on the Corporation's website at <https://appilitherapeutics.com/corporate-governance/>.

Nomination of Directors and Compensation

The NCGC Committee assumes the responsibility for identifying and recommending potential nominees for directorship. When determining whether identified candidates are suitable for the Board, the NCGC Committee: (i) the competencies and skills considered necessary for the Board as a whole; (ii) the competencies and skills that the existing directors possess, and the competencies and skills nominees will bring to the Board; and (iii) whether nominees can devote sufficient time and resources to his or her duties as a member of the Board. Potential candidates for membership on the Board will not be denied consideration by reason of race, sex, religion or affiliation with some special constituency group, nor will any candidate be selected solely for such reason.

Compensation matters are currently determined by the NCGC Committee. The NCGC Committee is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. The NCGC Committee ensures that Appili has a plan for continuity of its officers and an executive compensation plan that is motivational and competitive.

For more information on the NCGC Committee, see “*Compensation Discussion and Analysis – NCGC Committee*”.

Audit Committee

The Board has established an Audit Committee that is currently comprised of Rochelle Stenzler (Chair), Theresa Matkovits and Juergen Froehlich, all of whom are “independent” and “financially literate” as defined in National Instrument 52-110 – *Audit Committees*. For further information regarding the Audit Committee, see the section entitled “*Audit Committee*” in the Corporation’s annual information form dated June 22, 2023 for its fiscal year ended March 31, 2023 (the “**AIF**”) as well as Appendix A to the AIF (collectively, the “**AIF Audit Committee Disclosure**”). The AIF Audit Committee Disclosure is incorporated by reference into, and forms an integral part of, this Information Circular. The AIF is accessible through SEDAR+ at www.sedarplus.ca and is also available on the Corporation’s website at www.appilitherapeutics.com. The Corporation will, upon request at #21-1344 Summer Street, Halifax, Nova Scotia B3H 0A8, Attention: CFO, provide a copy of the AIF free of charge to any securityholder of the Corporation.

Assessments

Based upon the Corporation’s size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing the effectiveness and contribution of the Board as a whole, its committees or individual directors to be unnecessary at this time. In light of the fact that the Board and its committees meet on several occasions each year, each director has regular opportunity to assess the Board as a whole, its committees and other directors in relation to the Board’s and such director’s assessment of the competencies and skills that the Board and its committees should possess. The Board plans to continue to evaluate its own effectiveness and the effectiveness of its committees and individual directors in such manner.

Director Term Limits and Other Mechanisms of Board Renewal

Directors are to be elected at each annual meeting of Shareholders to hold office for a term expiring at the next annual meeting of Shareholders or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Corporation’s governing legislation. Nominees will be nominated by the NCGC Committee, in each case for election by Shareholders as directors in accordance with the provisions of the Corporation’s constating documents and applicable corporate and securities laws. All nominees who are nominated by the NCGC Committee will be included in the proxy-related materials to be sent to Shareholders prior to each annual meeting of Shareholders. The Corporation has not adopted term limits for the directors or other mechanisms of Board renewal. The NCGC Committee and the Board recognize the benefit that new perspectives, ideas and business strategies can offer and support periodic Board renewal. The NCGC Committee and the Board also recognize that a director’s experience and knowledge of the Corporation’s business is a valuable resource. Accordingly, the Board believes that the Corporation and the Shareholders are best served by the regular assessment of the effectiveness of the Board rather than by fixed age, tenure and other limits.

Board and Management Diversity

The Board is committed to maintaining high standards of corporate governance in all aspects of the Corporation’s business and affairs and recognizes the benefits of fostering greater diversity in the boardroom. A fundamental belief of the Board is that a diversity of perspectives maximizes the effectiveness of the Board and decision-making in the best interests of the Corporation. This belief in diversity was confirmed by specifically including diversity in the mandate of the NCGC Committee. The provision states that the NCGC Committee will establish and recommend to the Board qualification criteria (with regard to diversity, gender, age, expertise and experience (industry, professional and public service)) for the selection of new candidates to serve on the Board. Accordingly, consideration of the number of women on the Board, along with consideration of whether other diverse attributes are sufficiently represented, is an important component in the search for and selection of candidates. However, the Corporation has not adopted a formal written policy related to the identification and nomination of women directors. The Corporation does,

however, appreciate the value of a diverse Board and believes that diversity helps it reach its efficiency and skill objectives for the greater benefit of Shareholders. No specific quota for gender representation on the Board has been adopted so as to allow the NCGC Committee to perform an overall assessment of the qualities and skills of a potential candidate instead of concentrating on gender, which also helps avoid creating situations where one might think that a person was not retained based solely on that criterion.

Consideration of opportunities for representation of members of Designated Groups (as defined in the *Employment Equity Act*) other than women is also an important consideration in the longer term planning of the Corporation's diversity strategy. The NCGC Committee will evaluate and assess candidates for Board nominations with regard to achieving a representative understanding of issues unique to Designated Groups. Specific targets for participation by members of Designated Groups other than woman are not currently set, and the Corporation does not currently have a formal written policy related to the identification and nomination of directors from Designated Groups.

When the Board selects candidates for executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Corporation's management to perform efficiently and act in the best interest of the Corporation and the Shareholders. The Corporation is aware of the benefits of diversity both on the Board and at the executive level, and therefore female representation is one factor taken into consideration during the search process to fill leadership roles within the Corporation. However, the Corporation has not adopted a formal target regarding women in executive officer positions as the Corporation considers candidates based on their qualifications, personal qualities, business background and experience, and feels that establishing targets may not necessarily result in the identification or selection of the best candidates.

Written policies and specific targets or quotas for gender or other diversity representation have not been adopted for the Board or executive officer positions due to the small size of these groups and the need to consider a balance of criteria in each individual appointment. Notwithstanding the foregoing, the Corporation believes that considering the broadest group of individuals is required to provide the leadership needed to achieve its objectives; however, the Corporation believe that setting specific targets for diversity can sometimes lead to unintended consequences, such as tokenism or a focus on meeting quotas rather than truly valuing and embracing diversity. Instead, the Corporation strives to create a culture of inclusivity where everyone feels valued and supported, regardless of their background or identity. Notwithstanding the foregoing, the Corporation will consider current representation and seek to include persons from underrepresented groups in the short list of candidates being considered for Board and executive officer positions.

The Corporation aspires towards Board composition in which each gender comprises at least one-third of the independent directors. There are currently two women on the Board (33%). Two of the six (33%) nominees to the Board are women. No executive officer of the Corporation is a woman or a member of a Designated Group. The Corporation currently has no Board members who are Indigenous peoples, visible minorities or persons with disabilities. In total, two of six Board members (33%) are members of Designated Groups.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person or proposed director of the Corporation or any associate or affiliate of any such persons in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

For the purposes of this Information Circular, an "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10%

of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation in the event it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Bloom Burton Securities Inc. (“**BBSI**”) is a wholly-owned subsidiary of Bloom Burton. Brian Bloom is a director and officer, and Armand Balboni is a director, of BBSI. In addition, Brian Bloom is the CEO and Chair, and Armand Balboni is a partner, senior advisor and director, of Bloom Burton. BBSI acted as lead agent on the public offering of units of the Corporation completed on May 26, 2022 (the “**May 2022 Offering**”). BBSI received an aggregate cash fee for its services in connection with the May 2022 Offering of \$89,212 and was issued an aggregate of 1,189,579 broker warrants; and

Appili entered into an Engagement Agreement with BBSI on July 19, 2023. BBSI will provide consulting services to Appili and propose strategic alternatives.

MANAGEMENT CONTRACTS

During the most recently completed fiscal year, the management functions of the Corporation were substantially performed by the directors and executive officers of the Corporation.

SHAREHOLDER PROPOSALS

Pursuant to Section 137 of the CBCA, any notice of a shareholder proposal intended to be raised at the next annual meeting of Shareholders must be submitted to the Corporation at its registered office between 90 to 150 days before the anniversary of the last annual Shareholder meeting to be considered for inclusion in the management information circular for the next annual meeting of the Shareholders. Shareholder proposals need be recognized only if made in accordance with the foregoing procedure, the provisions of the CBCA and the Corporation’s bylaws.

In accordance with the CBCA, shareholder proposals must be received between April 30, 2024 and June 29, 2024 to be considered for inclusion in the management information circular for the Corporation’s 2024 annual meeting of Shareholders.

OTHER BUSINESS

Although the accompanying Notice of Meeting and Information Circular provides for the transaction of such other business as may properly come before the Meeting, the Board has no knowledge of any matters to be presented at the Meeting other than those referred to herein. However, the enclosed Instrument of Proxy gives discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the SEDAR+ website at www.sedarplus.ca.

Financial information relating to the Corporation is provided in its financial statements for the fiscal year ended March 31, 2023 and related management’s discussion and analysis. Securityholders may obtain a copy of such documents by contacting Kenneth Howling, Acting CFO, at khowling@appilitherapeutics.com.

BOARD APPROVAL

The contents and sending of the Notice of Meeting and Information Circular have been approved by the Board and this Information Circular has been sent to each director of the Corporation, each Shareholder entitled to notice of the Meeting and the auditor of the Corporation.

DATED at Halifax, Nova Scotia on August 18, 2023.

BY ORDER OF THE BOARD

(signed) Armand Balboni

Armand Balboni, Chair

SCHEDULE A
BOARD MANDATE



APPILI THERAPEUTICS INC. MANDATE
OF THE BOARD OF DIRECTORS

Introduction

The term "Corporation" herein shall refer to Appili Therapeutics Inc. and the term "Board" shall refer to the board of directors of the Corporation. The Board is elected by the shareholders and is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to ensure that the foregoing enhance and preserve the underlying value of the Corporation.

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

Chairman and Composition and Quorum

- The Board will be comprised of a minimum of one member and a maximum of ten members. Unless otherwise permitted under applicable securities laws and the policies of any applicable stock exchange on which the Class A common shares of the Company may trade from time to time, a majority of the Board members shall be, in the determination of the Board, "independent" for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Each Board member shall satisfy the independence and experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.
- The chairman of the Board will be elected by vote of a majority of the full Board membership, on the recommendation of the Nominating and Compensation Committee. The chairman of the Board with the assistance of the lead director (who shall be an independent director), if any, will chair Board meetings and shall be responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting (in consultation with the Chief Executive Officer (the "**CEO**")), for communicating periodically with committee chairs regarding the activities of their respective committees, for assessing the effectiveness of the Board as a whole, as well as individual Board members, and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

Meetings

- Meetings will be scheduled to facilitate the Board carrying out its responsibilities. Additional meetings will be held as deemed necessary by the Chairman of the Board. The time at which and place where the meetings of the Board shall be held and the calling of the meetings and procedure in all things at such meetings shall be determined by the Board in accordance with the Corporation's articles, by-laws and applicable laws. The independent directors of the Board shall hold regularly scheduled meetings at which non-independent directors and management are not in attendance. Any director of the Corporation may request the Chairman of the Board to call a meeting of the Board.
- Meetings of the Board shall be validly constituted if a majority of the members of the Board are present in person or by tele- or video- conference. A resolution in writing signed by all the members of the Board entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board duly called and held.

Board Charter and Performance

- The Board shall have a written charter that sets out its mandate and responsibilities and the Board shall review and assess the adequacy of such charter and the effectiveness of the Board at least annually or otherwise, as it deems appropriate, and make any necessary changes. Unless and until replaced or amended, this mandate constitutes that charter. The Board will ensure that this mandate or a summary that has been approved by the Board is disclosed in accordance with all applicable securities laws or regulatory requirements in the Corporation's annual management information circular or such other annual filing as may be permitted or required by applicable securities regulatory authorities.

Duties of Directors

- The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its committees. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives, principal duties include the following:

Selecting and Monitoring Senior Management

- Approving the appointment of the CEO and such other officers or management personnel as, in the Board's view, may be required to effectively manage the Corporation's affairs.
- Satisfying itself as to the integrity of the CEO and other executive officers in an effort to create a culture of integrity in the Corporation.

- Evaluating, on at least an annual basis, the performance of the CEO and, if necessary, other executive officers.
- Determining appropriate compensation for the CEO and other executive officers.
- Overseeing that succession planning programs are in place, including programs to appoint, train, develop and monitor management.

Strategic Planning

- Reviewing and approving, on an annual basis, the Corporation's strategic plan, which should take into account the goals and objectives for the growth and development of the Corporation set by the Board as well as the opportunities and risks of the Corporation's business.
- Providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
- Reviewing and considering the Corporation's principal business risks and overseeing the systems that have been put in place to manage such risks.
- Overseeing the Corporation's internal control and management information systems.

Monitoring Performance and Approving Certain Transactions

- Adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Corporation.
- Taking action when the Corporation's performance falls short of its goals or when other special circumstances warrant.
- Reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures

Monitoring of Financial Reporting

- Approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements.

Developing Policies and Procedures

- Developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines for the Corporation and approving and monitoring compliance with all significant policies and procedures related to corporate governance.
- Approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting and monitoring a written code of business conduct and ethics which is applicable to directors, officers and employees of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
- Enforcing the confidential treatment of the Corporation's proprietary information and Board deliberations.

Approving Communications and Reporting

- Approving and revising from time to time as circumstances warrant disclosure control systems and procedures to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.
- Overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely, regular and non-selective basis.
- Overseeing that the financial results are reported fairly and in accordance with international financial reporting standards and related legal disclosure requirements.
- Taking steps to enhance the timely, non-selective disclosure of any other developments that have a significant and material impact on the Corporation; reporting annually to shareholders on its stewardship for the preceding year.
- Overseeing the Corporation's implementation of systems which accommodate feedback from stakeholders.

Developing Position Descriptions

- Developing position descriptions for the Chair of the Board, the lead director, if applicable, the chair of each Board committee and, together with the CEO, the CEO.
- Developing and approving the corporate goals and objectives that the CEO is responsible for the meeting.

- Developing a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

Providing Orientation and Continuing Education

- Ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business.
- Providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

Nominating and Appointing Directors

- In connection with the nomination or appointment of individuals as directors:
 - Considering what competencies and skills the Board, as a whole, should possess;
 - Assessing what competencies and skills each existing director possesses; and
 - Considering the appropriate size of the Board, with a view to facilitating effective decision making.

Completing Board Evaluations

- Ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. An assessment will consider, in the case of the Board or a Board committee, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

Committees of the Board

- The Board may delegate to Board committees matters it is responsible for, including, without limitation, the approval of compensation of the Board and management, director nomination and selection, the approval of the interim financial statements and related management's discussion and analysis, the conduct of performance evaluations and oversight of internal

controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities (unless otherwise expressly provided or permitted by law).

Authority to engage outside advisors

- The Board has the authority to engage outside advisors as it determines necessary to carry out its duties, including, but not limited to identifying and reviewing candidates to serve as directors or officers.
- The Corporation shall provide appropriate funding, as determined by the Board, for payment (a) of compensation to any advisors engaged by the Board, and (b) of ordinary administrative expenses of the Board that are necessary or appropriate in carrying out its duties.

Approved by the Board June 12, 2019

